

Director's Report

To
The Members of,
ARC DISTRIBUTORS (I) PRIVATE LIMITED

Your Director's have great pleasure in presenting Director's Report of your Company together with the Audited Financial Statement for the Year ended 31st March, 2023.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company during financial year 2022-2023 is summarized as under:

Particulars	For the financial year ended 31 st March, 2023 Amount in Rs.	For the financial year ended 31 st March, 2022 Amount in Rs.
Revenue From Operation	33,04,49,309	25,24,95,771
Other Income	1,87,89,056	2,12,56,494
Total Income	34,92,38,365	27,37,52,265
Less: Expenditure	32,45,98,413	25,73,59,030
Profit/(Loss) before Tax	2,46,39,952	1,63,93,235
Less: Current tax	(58,35,903)	(28,84,222)
Less: Deferred Tax	11,421	36,516
Less: Prior year Tax	-	-
Profit/(Loss) after Tax	1,88,15,470	1,35,45,529

2. STATE OF COMPANY AFFAIRS

During the year under review the total income of the Company is Rs. 34,92,38,365 against Rs. 27,37,52,265 in the previous year which shows the increase in revenue during the period. The Company has earned a profit after tax of Rs. 1,88,15,470 compared to Rs. 1,35,45,529 in the previous year which shows the increased.



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3. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

The Company has not proposed to transferred the current year profit to general reserve account in terms of section 134(3) (j) of the Companies Act, 2013.

4. DIVIDEND

Your Director's do not recommend any dividend for the year ended 31st March, 2023.

5. MATERIAL CHANGES AND COMMITMENTS, IF ANY, CRITERIA SPECIFY

There were no material changes or commitments affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

6. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATES COMPANY

During the year under review, the Company did not have any Subsidiary, Joint venture and Associate Company.

7. CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of the business of the Company during the period under review.

8. WEB ADDRESS OF ANNUAL RETURN

Pursuant to Section 134(3) as amended vide Companies Amendment Act 2017 and Section 92(3) of the Companies Act, 2013, the Extract of Annual Return as on March 31, 2023 in form MGT-9 is enclosed as 'Annexure - I'

The members of the company shall hereby note that the company shall file Annual Return i.e. E form MGT -7 of the Company with Ministry of Corporate Affairs within 60 days of this AGM.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There is no change in the Composition of the Board of Directors of the Company during the period.

The present composition of the Board is as follows:



Sr. No.	Name of director	Designation
1	Mr. Devang Champaklal Goradia	Director
2	Mr. Parth Arjun Vyas	Director
3	Mr. Vaibhav Vishnu Pawar	Director

10. MEETINGS OF THE BOARD OF DIRECTOR

The Board of Directors of your Company met 6 (Six) times during the Financial Year ended 31st March, 2023. The details of which are given below:

Sr. No.	Date of Meeting	Board Strength	No of Directors Present
1	15/04/2022	3	3
2	06/07/2022	3	3
3	20/09/2022	3	3
4	12/12/2022	3	3
5	01/03/2023	3	3
6	28/03/2023	3	3

Name of Director	Designation	No. of Meeting held	No. of Meetings attended
Mr. Devang Champaklal Goradia	Director	6	6
Mr. Parth Arjun Vyas	Director	6	6
Mr. Vaibhav Vishnu Pawar	Director	6	6

11. Deposits

The Company has not accepted any deposits from the public during the year Under Review.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134 (5) of the Companies Act, 2013 the Board of Directors confirms that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there were no material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and



prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 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; and
- e) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company.

14. LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 185 and 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 are given in the Financial Statements.

Company has granted an interest free unsecured loan repayable on demand to two of its directors aggregating to Rs.38.34 lacs during the year., the details of the which are disclosed in financial statements.

15. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

During the year there were contracts or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013. The related party transaction made during the year has given in the Form AOC-2 is annexed as 'Annexure - II' to the Director's Report.

The details of Related Party Transactions as per AS-18 are given in the notes to the Financial Statement.



16. AUDITOR'S REPORT INCLUDING DETAILS OF FRAUD REPORTED BY AUDITOR U/S 143 (12):

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/S. R H D B & CO LLP, Chartered Accountant, (FRN: 132490W/W-100125), Mumbai hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the calendar year 2024 on such remuneration as may be fixed by the Board of Directors.

The requirement for the annual ratification of the auditor's appointment at the AGM has been omitted pursuant to the Companies (Amendment) Act 2017 made effective from May 07, 2018.

Your Company has obtained a written consent from the Auditors for continuation of such re-appointment and also a certificate from them to the effect that their re-appointment, would be in accordance with the conditions prescribed under the provisions of the Companies Act, 2013 and the Rules made thereunder.

Observations of Statutory Auditors on Accounts for the year ended 31st March, 2023:

The observations made by the Statutory Auditors in their report for the financial year 31st March, 2023 read with the explanatory notes therein are self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Explanations or Comments by the Board on the Auditor's Report:

As there are no qualifications and adverse remarks in the Auditors Report which require any clarifications/explanations. The Notes on financial statements are self-explanatory, and needs no further explanations.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act 2013 and Code of ethics issued by the Institute of Chartered Accountants of India.

17. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Secretarial Audit is not applicable to the company as it is not covered under the provisions of section 204 of the Companies Act, 2013.

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY



The Company is not required to form policy on Vigil Mechanism of the Board under section 177 of the Companies Act, 2013.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Provisions of Section 135 of the Companies Act, 2013 ("the Act") read with Companies (Corporate Social Responsibility Policy) Rules, 2014, was not applicable to the Company. There was no requirement to constitute the Corporate Social Responsibility Policy Committee.

20. NOMINATION AND REMUNERATION COMMITTEE

The Company is not required to form Nomination and Remuneration Committee under section 178 of the Companies Act, 2013.

21. AUDIT COMMITTEE

The Company is not required to form Audit Committee of the Board under section 177 of the Companies Act, 2013.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

a) Conservation of energy and technology absorption:

The Activities of the Company do not involve any conservation of energy and technology absorption.

b) Foreign Exchange Earnings and Outgo:

a. The company has not earned income in foreign currency during the year.

b. The company has incurred expenditure in foreign currency which is as follows:

EXPENDITURE	IN USD	IN EURO	IN JPY	IN CHF	IN NEW TURKIS LIRA	IN DIRHAM	IN THB	CONVERTED IN RS.
PURCHASE	3,44,765.03	22,84,856.92	15,59,920	99,532.48	-	-	-	23,20,43,470.88



OTHER EXPENSES	314.79	6,442.46	10,126	-	8,090.3	3,394.84	15,691.92	12,02,981.64
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INCOME	IN USD	IN EURO	IN CHF	CONVERTED IN RS
COMMISSION INCOME	-	-	-	-

23. SHARE CAPITAL

As on 31st March, 2023 the Authorised Share capital of the Company was Rs. 5,00,000/- and Issued, Subscribed and paid up capital of the Company was Rs. 1,00,000/-.

24. PARTICULARS OF EMPLOYEES

Provisions of Section 197 of the Companies Act, 2013 read with Rule 5 of the companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Private Companies.

25. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

During the year Company has not received any complaint of sexual harassment.

26. INTERNAL FINANCIAL CONTROL

The Company has put in place adequate systems of internal controls commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies.



27. Risk Management

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

28. GENERAL DISCLOSURES:

- a) There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.
- b) There were no frauds reported by the Auditors u/s 143(12) of the Companies Act, 2013.

29. Acknowledgement:

The Board of Directors wishes to express its gratitude and record its sincere appreciation of the dedicated efforts of all the employees of the Company. Directors take this opportunity to express their gratitude for the valuable assistance and cooperation extended by Financial Institutions and Banks, Vendors, Customers, Advisors and other business partners. Directors are thankful to the esteemed shareholders for their support and confidence reposed in the Company.

For and on behalf of the Board
ARC DISTRIBUTORS (I) PRIVATE LIMITED


DEVANG GORADIA
Director
DIN No. 01951816



Date: 5th September, 2023
Place: Mumbai

'ANNEXURE - I' TO THE DIRECTOR'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2023

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U51909MH2008PTC180740
ii)	Registration Date	02/04/2008
iii)	Name of the Company	Arc Distributors (I) Private Limited
iv)	Category / Sub-Category of the Company	Private Company/ Company Limited by Shares
v)	Address of the Registered office and contact details	Flat No. 5, 1st Floor, Parag Apartment J. P. Road, Andheri (West) Mumbai - 400061 Email Id: info@arc-distributors.com
vi)	Whether listed Company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Retail trade, except of motor vehicles and motorcycles	47	-100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	applicable section



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	9000	9000	90	-	9000	9000	90	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	9000	9000	90	-	9000	9000	90	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	9000	9000	90	-	9000	9000	90	-
B. Public	-	-	-	-	-	-	-	-	-



Shareholding / other than Promoter									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	1000	1000	10	-	1000	1000	10	-
Sub-total (B)(1):-	-	1000	1000	10	-	1000	1000	10	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-



c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1000	1000	10	-	1000	1000	10	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	10000	10000	100	-	10000	10000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Mr. Devang Champaklal Goradia	9000	90	0	9000	90	0	-
		9000	90	0	9000	90	0	-

(iii) Change in Promoters' Shareholding

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	9000	90	9000	90
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /	NO CHANGE			



	decrease (e.g. allotment / transfer / bonus / sweat equity etc)				
	At the End of the year	9000	90	9000	90

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable*

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Not Applicable			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
3	At the End of the year (or on the date of separation, if separated during the year)				

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of Shares Increase	No. of Shares Decrease	No. of shares	% of total shares of the Company
1.	Mr. Devang Champaklal Goradia	9000	90	0	0	9000	90



V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	1,02,577	-	-	1,02,577
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	1,02,577	-	-	1,02,577
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	
		Name of the Director	Total Amount
1.	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil



2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit -others, specify...	Nil	NIL
5.	Others, please specify	Nil	Nil
	Total (A)	-	-

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mr. Vaibhav Pawar	Mr. Parth Vyas	
	1.Independent Directors			
	a. Fee for attending board / committee meetings			
	b. Commission			
	c. Others, please specify			
	Total (1)			
	2.Other Non-Executive Directors			
	a. Fee for attending board / committee meetings			
	b. Commission			
	c. Others, (Remuneration)	7,50,000	7,50,000	15,00,000
	Total (2)			
	Total (B)=(1+2)			
	Total Managerial Remuneration	7,50,000	7,50,000	15,00,000

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total



1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please Specify	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	Nil

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



For and on behalf of the Board
ARC DISTRIBUTORS (I) PRIVATE LIMITED



DEVANG GORADIA
Director
DIN No. 01951816

Date: 5th September, 2023
Place: Mumbai

ARC Distributors (I) Private Limited

*Flat no. 5, 1st floor,
Parag Apartment, J.P. Road
Andheri (W), Mumbai - 400 061*

CIN: U51909MH2008PTC180740

Financial Report

***Financial Year: 2022-2023
Assessment Year: 2023-2024***

Contents:

Independent Auditor's Report

Balance Sheet

Statement of Profit and Loss

Statement of Cash Flow

Notes to Accounts & Significant Accounting Policies

Audit Report in Form No. 3CA

Form No. 3CD along with Annexures

Computation of Income

Income Tax Return Acknowledgement

R H D B & Co LLP

*Chartered Accountants
A-402, Dipti Classic, 15 Suren Road
Andheri (East), Mumbai - 400 093*

ARC DISTRIBUTORS (I) PRIVATE LIMITED
Balance Sheet As At 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

Particulars	Note No.	As At 31 March 2023	As At 31 March 2022
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	2	100	100
(b) Reserves and surplus	3	56,767	37,951
2. Current liabilities			
(a) Short-term borrowings	4	-	103
(b) Trade payables	5	1,99,688	1,55,994
(c) Other current liabilities	6	1,322	1,683
TOTAL		2,57,876	1,95,831
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment - Tangible assets	7	5,196	2,832
(b) Non-current investments	8	1,17,462	59,253
(c) Deferred tax assets (Net)	9	632	821
(d) Other Non-current assets	10	1,097	1,097
2. Current assets			
(a) Inventories	11	65,025	46,604
(b) Trade receivables	12	42,086	32,581
(c) Cash and cash equivalents	13	17,243	3,541
(d) Short term loans and advances	14	8,934	49,102
TOTAL		2,57,876	1,95,831

Significant Accounting Policies

Notes forming part of financial statements

The accompanying notes form an integral part of the financial statements.

1
2 - 36

As per our report of even date attached

For R H D B & Co LLP
Chartered Accountants
Firm's Registration No: 132490W/W-100125

V. Shah

Viral Shah
Partner
Membership No: 189204

Mumbai
Date: 05-Sept-2023

UDIN: 23189204BGWMHS4568



For and on behalf of the Board of Directors
Arc Distributors (I) Private Limited



Devang Goradia
Director
DIN: 01951816

Mumbai
Date: 05-Sept-2023

Vaibhav Pawar
Director
DIN: 035365933

ARC DISTRIBUTORS (I) PRIVATE LIMITED
Profit & Loss Statement For The Year Ended 31 March 2023
(All amounts in INR thousands, unless otherwise stated)

Particulars	Note No.	Year Ended 31 March 2022	Year Ended 31 March 2021
I. INCOME			
(a) Revenue from operations (net)	15	3,30,449	2,52,496
(b) Other Income	16	18,789	21,256
TOTAL		3,49,238	2,73,752
II. EXPENDITURE			
(a) Purchase of traded goods	17	2,82,882	2,20,316
(b) Changes in Inventory of traded goods	18	(18,422)	(13,140)
(c) Employee benefit expenses	19	7,290	7,175
(d) Finance cost	20	132	186
(e) Depreciation and amortisation expenses	21	1,260	1,220
(f) Other Expenses	22	51,457	41,602
TOTAL		3,24,598	2,57,359
III. Profit before tax		24,640	16,393
IV. Tax expense:			
(1) Current tax		(5,836)	(2,884)
(2) Deferred tax		11	37
V. Profit / (Loss) for the year		18,815	13,546
VI. Earnings per equity share (nominal value of share Rs. 10, basic and diluted)	30		
(1) Basic		1.88	1.35
(2) Diluted		1.88	1.35

Significant Accounting Policies
Notes forming part of financial statements
The accompanying notes form an integral part of the financial statements.

1
2 - 36

As per our report of even date attached.

For R H D B & Co LLP
Chartered Accountants
Firm's Registration No: 132490WW-100125

Vpshah

Viral Shah
Partner
Membership No: 189204

Mumbai
Date: 05-Sept-2023

UDIN: 23189204BGWMHS4568



For and on behalf of the Board of Directors
Arc Distributors (I) Private Limited



Devang Goradia
Director
DIN: 01951816

Mumbai
Date: 05-Sept-2023

Vaibhav Pawar

Vaibhav Pawar
Director
DIN: 035365933

ARC DISTRIBUTORS (I) PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31 March 2023
(All amounts in INR thousands, unless otherwise stated)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
A. Cash flow from operating activities		
Profit / (Loss) before tax	24,640	16,393
Adjustments for non-cash transactions:		
Depreciation	1,260	1,220
Unrealised foreign exchange loss	7,689	-
Items considered separately:		
Interest & Finance Charges	2	108
Profit on Sale of Motor Car	(249)	-
Profit on sale of investments	(17,185)	(15,812)
Interest income	(206)	(108)
Dividend income	(1,053)	(611)
Operating profit / (loss) before working capital changes	14,899	1,190
<u>Changes in working capital:</u>		
Adjustments for (increase) / decrease in assets:		
Long term loans and advances	-	-
Inventories	(18,422)	(13,140)
Trade receivables	(9,506)	2,828
Short term loans and advances	40,169	(19,205)
Adjustments for increase / (decrease) in liabilities:		
Trade payables	43,694	23,928
Other current liabilities	(361)	(2,669)
Short-term provisions	-	102
Cash generated from operations	70,473	(6,967)
Taxes Paid	(5,836)	(2,884)
Net cash generated from operating activities (A)	64,637	(9,851)
B. Cash flow from investing activities		
Outflow on purchase of tangible assets	(4,140)	(148)
Outflow on purchase of Equity Shares	(2,88,482)	(1,49,621)
Outflow on purchase of fixed deposits	(3,29,877)	(1,87,264)
Inflow on sale of Tangible Asset	1,446	-
Inflow on sale of Equity Shares	2,21,903	1,37,446
Inflow on maturity of fixed deposits	3,29,877	1,87,264
Gain on sale of investments	17,185	15,812
Interest income	206	108
Dividend income	1,053	611
Net cash flow generated from investing activities (B)	(50,830)	4,209

ARC DISTRIBUTORS (I) PRIVATE LIMITED
Cash Flow Statement For The Year Ended 31 March 2023
(All amounts in INR thousands, unless otherwise stated)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
C. Cash flow from financing activities		
Inflow from long term borrowings	-	-
Outflow from long term borrowings	-	(417)
Outflow from short term borrowings	(103)	(3,462)
Outflow of Interest expenses	(2)	(108)
Net cash flow generated from financing activities (C)	(104)	(3,987)
Net increase / (decrease) in cash or cash equivalents (A+B+C)	13,702	(9,629)
Add: Cash and cash equivalents at beginning of the year	3,541	13,170
Cash and cash equivalents at end of the year	17,243	3,541

Notes:

- The above cash flow statement has been prepared under the indirect method as set out in AS-3 on Cash Flow Statements notified under section 211(3C) and relevant provisions of the Companies Act, 2013.
- Previous year figures have been recast / restated where necessary.

As per our report of even date attached

For R H D B & Co LLP
Chartered Accountants
Firm's Registration No: 132490W/W-100125

V. Shah
Viral Shah
Partner
Membership No: 189204



Mumbai
Date: 05-Sept-2023

UDIN: 23189204BGWMHS4568

For and on behalf of the Board of Directors
ARC DISTRIBUTORS (I) PRIVATE LIMITED



Devang Goradia
Devang Goradia
Director
DIN: 01951816

Mumbai
Date: 05-Sept-2023

Vaibhav Pawar
Vaibhav Pawar
Director
DIN: 03536593

ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

Firm Background

ARC Distributors (I) Private Limited ('the Company') was incorporated on the 02nd April, 2008. The objective of the company is to carry on the business of trading in all types of Health Product Supplements, Dental tools, and Jewellery tools.

Note 1 : Significant accounting policies

1 Basis of preparation of financial statements

The accompanying financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and the accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees.

2 Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

3 Current-non-current classification

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

Assets

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

- It is expected to be realized in, or is intended for sale or consumption in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

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

All other assets are classified as non-current.

Liabilities

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

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

All other liabilities are classified as non-current.



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

4 Fixed Assets and Depreciation

Fixed assets are stated in the books at historical cost inclusive of all incidental expenses incurred for acquisition of such assets, less depreciation. In respect of additions/deletions, depreciation is provided for the period for which the asset is used. Depreciation on fixed assets is provided on a Written Down Value basis at rates that are prescribed in Schedule II of the Companies Act, 2013, by considering useful life of the assets as prescribed in the Schedule with 5% residual value.

5 Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

6 Stock In Trade:

Inventories which comprise of Health Product Supplements, Dental and Jewellery tools are carried at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, FIFO method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

7 Revenue Recognition

Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Drawback / License Receipts

Drawback / License Receipts are recognised as and when the claims are made.

Other Income

Other income is comprised primarily of interest income, gain / loss on sale of fixed assets, exchange gain / loss on translation of other assets and liabilities. Interest income is recognized on a time proportion basis.

8 Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the statement of profit and loss for the year. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss for the year.



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

9 Employee Benefits

Short term employee benefits expected to be paid in exchange of services rendered by employees are recognized in the statement of profit and loss un-discounted during the period in which the employee renders services. The company does not operate any defined benefit plan or defined contribution plan for long term employee benefits. Liabilities in respect of long-term employee benefits are estimated by the management and recognized in the statement of profit and loss in the period of occurrence on payment basis.

10 Income Taxes

Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are accounted for in accordance with Accounting Standard 22 (AS-22) on "Accounting for taxes on Income". Current tax is measured at the amount expected to be paid / recovered from the tax authority using the applicable tax rates.

Deferred tax liabilities are recognised for future tax consequence attributable to timing difference between taxable income and accounting income that are capable of reversing in one or more subsequent periods and are measured at relevant enacted/ substantively enacted tax rates and in the case of deferred tax asset on consideration of prudence, are recognised and carried forward to the extent of reasonable / virtual certainty as case may be. At each balance sheet date, the Company reassesses unrealised deferred tax assets to the extent they become reasonably certain or virtually certain of realisation, as the case may be.

11 Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

12 Provision for bad and doubtful Debts

The Company's management has formulated a policy that any debts outstanding for more than 6 months shall be written off as bad debts subject to management discretion. Debts arising during the year and considered unrecoverable to the extent, at the end of the year shall be adjusted in the same year.

13 Investments

Long-term investments are carried at cost less provision for diminution other than temporary, if any, in value of such investments. Current investments are carried at lower of cost and fair value

14 Cash Flow Statements

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



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

2 Share Capital

(a) Number and amount of shares authorised

Particulars	31 March 2023	31 March 2022
Authorised		
50,000 equity shares of Rs 10/- each	500	500
Issued, subscribed and paid up		
10,000 equity shares of Rs 10/- each fully paid up	100	100

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2023		31 March 2022	
	No of shares	Amount	No of shares	Amount
At the commencement of the year	10,000	100	10,000	100
Shares issued during the year	0	-	0	-
At the end of the year	10,000	100	10,000	100

(c) Terms/rights attached to Equity shares

The Company has a single class of equity shares with par value of Rs.10 per share. Accordingly all the equity shares rank equally with regard to dividends and share in Company's residual assets. The equity shares are entitled to dividend as declared from time to time. The voting rights of an equity shareholders on a poll are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(d) Particulars of shareholders holding more than 5% equity shares

Name of Shareholders	31 March 2023		31 March 2022	
	No of shares	% Holding	No of shares	% Holding
Devang Goradia	9,000	90%	9,000	90%
Vaishali Mane	1,000	10%	1,000	10%
Total	10,000	100%	10,000	100%

(e) Promoters shareholding

Name of Promoter	31 March 2023		31 March 2022	
	No of shares	% Holding	No of shares	% Holding
Devang Goradia	9,000	90%	9,000	90%
Vaishali Mane	1,000	10%	1,000	10%
Total	10,000	100%	10,000	100%

There is no change in shares held by the promoters during the year. Accordingly the % change during the year is Nil.



ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***3 Reserves and surplus**

Particulars	31 March 2023	31 March 2022
Balance in statement of profit and loss		
Balance at the beginning of year	37,951	24,406
Add: Transferred from profit and loss statement	18,815	13,546
Balance at end of the year	56,767	37,951

4 Short-term Borrowings

Particulars	31 March 2023	31 March 2022
Secured		
Term loans from financial institution	-	103
Total	-	103

Note 1: Loan From Yes Bank Limited

- The loan was taken against vehicle purchase.
- This loan was fully repaid in Current Year

5 Trade payables

Particulars	31 March 2023	31 March 2022
Dues of micro enterprises and small enterprises	247	400
Dues to others	1,99,441	1,55,594
Total	1,99,688	1,55,994

Also refer note no. 33 on details of dues to micro small and medium enterprises
Refer note 5A for ageing analysis of trade payables



ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***6 Other current liabilities**

Particulars	31 March 2023	31 March 2022
Advances from customers	112	88
Expenses payable:		
Audit fees payable	135	135
Other expenses payable	5	16
Other payables:		
Statutory dues payable		
- TDS / TCS	1,067	166
- GST	-	1,110
- Income Tax	-	165
- Profession tax	3	3
Total	1,322	1,683

8 Non-current investments

Particulars	31 March 2023	31 March 2022
Investments in equity instruments (quoted)	1,17,462	89,520
Total	1,17,462	89,520

Note:

- Non-current investments are valued at cost as per AS - 13.

9 Deferred tax assets (Net)

Particulars	31 March 2023	31 March 2022
Primary component of deferred tax asset are as follows:		
Fixed Assets	832	821
Total net deferred tax assets (Net)	832	821



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ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***10 Other Non - current assets**

Particulars	31 March 2023	31 March 2022
Security deposits	1,097	1,097
Total	1,097	1,097

11 Inventories

Particulars	31 March 2023	31 March 2022
Stock in trade (As certified by management)	65,025	46,604
Total	65,025	46,604

Note:

- Inventories are valued at lower of cost and net realisable value.

12 Trade receivables

Particulars	31 March 2023	31 March 2022
Outstanding for a period exceeding six months from the date they are due for payment:		
- Unsecured, considered good	2,129	2,595
Other debts		
- Unsecured, considered good	39,958	29,986
Total	42,086	32,581

Refer note 12A for ageing analysis of trade receivables

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ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***13 Cash and cash equivalents**

Particulars	31 March 2023	31 March 2022
Balances with banks		
- In current accounts	17,240	3,536
Cash on hand	3	5
Total	17,243	3,541

14 Short term loans and advances

Particulars	31 March 2023	31 March 2022
Unsecured, considered good		
Loans and advances to related parties:		
- Loans to directors	1,864	-
- Trade advance to related parties	-	15,140
Other loans and advances:		
- Loans and advances to employees	25	25
- Advances to suppliers	167	739
- Prepaid expenses	142	19
- Balances with revenue authorities	6,736	2,912
Total	8,934	18,835

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ARC DISTRIBUTORS (I) PRIVATE LIMITED
Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023
(All amounts in INR thousands, unless otherwise stated)

7 Property, plant and equipment

i) Tangible assets

Description	As at 01-04-2022		Gross Block		As at 01-04-2022		Accumulated Depreciation / Amortisation		Net Carrying Value	
	As at 01-04-2022	As at 31-03-2023	Additions	Disposals / Write off	As at 01-04-2022	As at 31-03-2023	Depreciation for the year	Disposals / Adjustment	As at 31-03-2023	As at 31-03-2022
Furniture and Fixtures	36	48	12	-	15	17	3	-	30	21
Vehicles	11,005	12,584	3,614	(2,035)	8,381	8,031	1,170	(1,520)	4,552	2,624
Office Equipment	380	828	448	-	194	257	63	-	571	187
Computers	159	226	67	-	159	183	24	-	43	0
TOTAL	11,580	13,685	4,140	(2,035)	8,748	8,489	1,260	(1,520)	5,196	2,832



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

5A Trade Payables ageing schedule:

As at 31 March 2023	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	247	-	-	-	247
(ii) Others	51,025	19,217	12,461	1,16,738	1,99,441
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	400	-	-	-	400
(ii) Others	1,05,485	17,890	950	31,268	1,55,594
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

12A Trade Receivables ageing schedule:

As at 31 March 2023	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - considered good	39,958	395	1,733	-	-	42,086
(i) Undisputed - considered doubtful	-	-	-	-	-	-
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed - considered doubtful	-	-	-	-	-	-

As at 31 March 2022	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed - considered good	29,986	118	1,323	1,154	-	32,581
(i) Undisputed - considered doubtful	-	-	-	-	-	-
(iii) Disputed - considered good	-	-	-	-	-	-
(iv) Disputed - considered doubtful	-	-	-	-	-	-



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

15 Revenue from operations (Net)

Particulars	31 March 2023	31 March 2022
Sale of products	3,30,314	2,52,370
Other operating revenue	135	125
Total	3,30,449	2,52,496

16 Other income

Particulars	31 March 2023	31 March 2022
<u>Interest income:</u>		
Interest on fixed deposit	206	108
Other interest income	96	-
Dividend income	1,053	611
Balances written back	-	84
Profit on sale of investments	16,530	15,812
Profit on Sale of Motor Car	249	-
Speculation gain	654	269
Foreign exchange gain	-	4,371
Total	18,789	21,256

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ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***17 Purchase of traded goods**

Particulars	31 March 2023	31 March 2022
Purchase:		
Purchase of goods	2,76,772	2,17,931
Less: Discounts received	(491)	(252)
Add: Direct expenses		
Clearing and forwarding expense	2,536	1,666
Freight expense	3,666	532
Loading and unloading charges	18	37
Packing expense	319	402
Other Direct Expenses	62	-
Total	2,82,882	2,20,316

18 Changes in Inventory of traded goods

Particulars	31 March 2023	31 March 2022
Inventories at the beginning of the year	46,604	33,464
Less: Inventories at the end of the year	65,025	46,604
Total	(18,422)	(13,140)

19 Employee Benefit Expenses

Particulars	31 March 2023	31 March 2022
Directors remuneration	1,440	2,307
Salaries and wages	5,364	4,608
Staff welfare expenses	486	260
Total	7,290	7,175



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

20 Finance costs

Particulars	31 March 2023	31 March 2022
Interest on borrowings	2	108
Bank charges	130	79
Total	132	186

21 Depreciation and amortisation expenses

Particulars	31 March 2023	31 March 2022
Depreciation on tangible assets	1,260	1,220
Total	1,260	1,220

22 Other Expenses

Particulars	31 March 2023	31 March 2022
Auditors remuneration	150	150
Balances written back	6	-
Business promotion expense	217	645
Commission on sales	23,030	16,439
Electricity expense	86	107
Exhibition Expenses	5,793	-
Foreign exchange Loss	9,384	-
Insurance charges	180	130
Interest and late fees	4	859
IT and software expenses	94	80
Loss from F&O trading	-	13,083
Membership and subscriptions	119	118
Office expense	576	656
Other miscellaneous expense	26	15
Printing and stationery	48	92
Professional fees	191	516
Rates and taxes	336	111
Rent expense	752	785
Repairs and maintenance	975	429
Telephone and communication expense	357	245
Travel and conveyance	9,105	7,094
Warehouse expenses	28	49
Total	51,457	41,602



ARC DISTRIBUTORS (I) PRIVATE LIMITED
Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

23 Ratio Analysis

Sr.no.	Ratio Analysis	Numerator	Denominator	31-Mar-22	31-Mar-21	% Variance	Reason for Variance
1	Current Ratio	Total Current Assets	Total Current Liabilities	0.66	0.84	-20.64%	
3	Return on Equity Ratio	Net Profit after taxes - preference dividend (if any)	Average Shareholders Equity	0.40	0.43	-8.45%	
4	Inventory Turnover Ratio	Cost of Goods sold	Average Inventory	4.74	5.18	-8.44%	
5	Trade Receivables Turnover Ratio	Net Credit Sales	Average Trade Receivables	8.85	7.43	19.17%	
6	Trade Payables Turnover Ratio	Net Credit Purchases	Average Trade Payables	1.88	1.82	3.35%	
7	Net Capital Turnover Ratio	Net Sales	Average Working Capital	(4.88)	(9.73)	-49.85%	The variance is on account of decrease in average working capital during the year.
8	Net Profit Ratio	Net Profit	Net Sales	0.06	0.05	6.14%	
9	Return on Capital employed	EBIT	Capital Employed	0.43	0.43	0.57%	



ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***24 Expenses and remittance in Foreign Currencies during the financial year**

Particulars	31 March 2023	31 March 2022
Import Purchase of Trading Goods (Refer note below)	2,29,448	1,80,896
Foreign Travelling	3,339	1,523
Total	2,32,787	1,82,419

Note: The amount of import purchase disclosed under this note is net of custom duty incurred.

25 Earnings in Foreign Exchange

There were no earnings in foreign exchange during the year.

26 The Accounting Standard AS-17 issued by the Institute of Chartered Accountants of India is not applicable to the company, as the company does not fall in the category specified in the AS-17.

27 There were no contingent liabilities as on 31 March 2023 (Previous year Rs. Nil)

28 There were no capital commitments as on 31 March 2023 (Previous year Rs. Nil)

29 Related Party Disclosures

Nature of relationship	Name of related party
Key managerial persons (Directors)	Devang Goradia Parth Vyas Vaibhav Pawar
Relatives	Gaurang Goradia Vaishali Mane
Associates (Enterprises in which relatives / KMP exercise control)	ADD Nutrition ARC Distributors Perfect Body Co.

Related party transactions are disclosed ahead separately.



ARC DISTRIBUTORS (I) PRIVATE LIMITED

Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023

(All amounts in INR thousands, unless otherwise stated)

29 Related Party Disclosures (continued)

Nature of Transaction	31 March 2023		31 March 2022	
	Associates / Relatives	KMP	Associates / Relatives	KMP
<u>A. Remuneration, salary & commission paid</u>				
Parth Vyas	-	750	-	820
Gaurang Goradia	1,743	-	1,376	-
Devang Goradia	-	-	-	857
Vaibhav Pawar	-	750	-	810
<u>B. Rent expense</u>				
Vaishali Mane	356	-	420	-
<u>C. Sales during the year</u>				
Vaishali Mane (ADD Nutrition)	6	-	33	-
Devang Goradia	-	-	-	1
<u>D. Trade Advances:</u>				
<u>Advances repaid:</u>				
Devang Goradia (ARC Distributors)	-	12,101	-	9,271
Gaurang Goradia (Perfect Body Co.)	2,840	-	1,261	-
Vaishali Mane (ADD Nutrition)	199	-	-	-
<u>Advances given:</u>				
Devang Goradia (ARC Distributors)	-	-	-	545
<u>E. Loan:</u>				
<u>Loan Given:</u>				
Devang Goradia	-	3,834	-	26,118
Parth Vyas	-	200	-	-
<u>Loan repaid:</u>				
Devang Goradia	-	1,970	-	26,118



ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023***(All amounts in INR thousands, unless otherwise stated)***30 Earning Per share**

Particulars	31 March 2023	31 March 2022
(a) Profits available to equity shareholders	18,815	13,546
(b) Number of weighted average equity shares of Rs.10 each	10,000	10,000
(c) Number of dilutive potential equity shares	10,000	10,000
Basic Earning per share (in Rs.) (a/b)	1.88	1.35
Diluted Earning per share (in Rs.) (a/c)	1.88	1.35

31 Deferred taxes

Particulars	31 March 2023	31 March 2022
The primary components that gave rise to deferred tax liabilities and assets are as follows:		
Deferred tax asset		
Tax effect of the timing difference on account of :		
Depreciation	832	821
Net deferred tax asset	832	821

32 Auditor's remuneration

Particulars	31 March 2023	31 March 2022
Statutory audit	150	150
Others	80	325
Total	230	475



ARC DISTRIBUTORS (I) PRIVATE LIMITED**Notes To Accounts Accompanying Financial Statements For The Year Ended 31 March 2023**

(All amounts in INR thousands, unless otherwise stated)

33 Details of dues to micro small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008, which recommends that the Micro, Small Enterprises should mention in the correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Based on information received and available with the Company the amounts payable to Micro, Small and Medium Enterprises as at the year end are as below:

Name of MSME Party	31 March 2023	31 March 2022
R H D B & Co LLP	247	400
Total	247	400

- 34 The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 35 Previous year figures have been regrouped where necessary to confirm to current year's presentation.
- 36 Figures in the financial statements are disclosed in thousands.

As per our report of even date attached

For R H D B & Co LLP
Chartered Accountants
Firm's Registration No: 132490W/W-100125

V. Shah
Viral Shah
Partner
Membership No: 189204



Mumbai
Date: 05-Sept-2023

UDIN: 23189204BGWMHS4568

For and on behalf of the Board of Directors
Arc Distributors (I) Private Limited

Devang Goradia
Devang Goradia
Director
DIN: 01951816

Vaibhav Pawar
Vaibhav Pawar
Director
DIN: 03536593

Mumbai
Date: 05-Sept-2023



R H D B & CO LLP

Chartered Accountants

A-402, Dipti Classic, 15 Suren Road, Near WEH Metro Station, Andheri East. Mumbai – 400093.
Tel:- 26827601 - 5 | E-mail: dharmen@rhdb.in; viral@rhdb.in |

Independent Auditors' Report

To the Members of
ARC Distributors (I) Private Limited

Report on the Audit of the financial statements

Opinion

We have audited the accompanying financial statements of ARC Distributors (I) Private Limited ('the Company'), which comprise of the Balance sheet as at 31 March 2023, and the statement of Profit and Loss for the year then ended, cash flow statement and the notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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 31 March 2023, its profit for the year ended on that date.

Basis for Opinion

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 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 financial statements under the provisions of the Companies Act, 2013 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance 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 Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015(As amended). 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Report on Other Legal and Regulatory Requirements

1. 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 Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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Chartered Accountants

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;

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

- i. The Company does not have any pending litigations on its financial position in its financial statements which will materialise into a contingent liability.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R H D B & Co LLP**
Chartered Accountants

Firm's Registration No: 132490W/W-100125

Place: Mumbai
Date: 5th September, 2023
UDIN: 23189204BGWMHS4568



V. Shah

Viral Shah
Partner

Membership No: 189204

Annexure 'A' to the Independent Auditors' Report 31 March 2023

(Referred to in our report of even date)

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not own any Intangible assets. Accordingly, the provisions of clause 3(i)(a)(B) of the Order are not applicable.
- (b) The Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification
- (c) The Company does not own any immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
- (b) The Company does not have any working capital limits in excess of five crore rupees (at any point of time during the year), in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii)(b) of the Order are not applicable.
- iii. (a) The Company has granted an interest free unsecured loan repayable on demand to two of its directors aggregating to Rs.38.34 lacs during the year.
- (b) In our opinion and according to the information and explanations given to us, the terms and conditions are not pre-judicial to the interests of the Company.
- (c) As per the terms of loan, it is repayable on demand, in our opinion and according to the information and explanations given to us, repayments whenever demanded have been received by the Company completely.
- (d) The amount is repayable on demand. The Company has not demanded the balance repayment as on the year end. Accordingly, no amount is over-due as on the balance sheet date.
- (e) According to the information and explanation provided to us, the provisions of clause 3(iii)(e) of the Order are not applicable.

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(f) The details required under this clause is as under:

Particulars	Promoters	Related Party
Aggregate amount of loans repayable on demand	36.34 lacs	2 lacs
Percentage of total loans granted during the year	94.73%	5.26%

- iv. According to the information and explanation given to us, the company has complied with requirements of section 185 and 186 in respect of loans, investments, guarantees or security made by it during the year under audit.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits under the directives of the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. In our opinion and according to information and explanations given to us, the requirement of maintaining Cost Records as specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the company. Accordingly, reporting requirements under paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, goods and service tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the records of the Company examined by us and the information and explanations given to us, there were no dues outstanding of income tax, sales-tax, service tax, duty of customs, duty of excise or value added tax, which have not been deposited on account of any dispute.
- viii. According to the information and explanation given to us, company does not have any transactions, not recorded in the books of account and which have now been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);
- ix. (a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year
- (b) Company is not declared willful defaulter by any bank or financial institution or other lender.
- (c) Company has not availed any term loans during the year.
- (d) Company has not raised any short-term funds during the year.
- (e) Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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- x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting requirements under paragraph 3(x) of the Order are not applicable to the Company.
- xi. (a) According to the information and explanation given to us, any fraud by the company or and fraud on the company has not been noticed or reported during the year;
(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company.
- xii. Company is not a Nidhi company, Accordingly, reporting requirements under paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, we are of the opinion that all transactions with related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the Accounting Standards and the Companies Act, 2013.
- xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013.
- xv. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected to its Directors. Accordingly, reporting requirements under paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable.
- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable
- 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, 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 incapable 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

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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. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **R H D B & Co LLP**

Chartered Accountants

Firm's Registration No: 132490W/W-100125



V R Shah

Viral Shah

Partner

Membership No: 189204

Mumbai

Date: 5th September, 2023

UDIN: 23189204BGWMHS4568