INDEPENDENT AUDITORS' REPORT

THE MEMBERS OF
ARC INSULATION & INSULATORS LIMITED
(formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED)
Regd. Office: Village - Ramdevpur, PO-Bawali Bishnupur 2,
Parganas South, Bishnupur, West Bengal- 743384, India

Report on the Audited Financial Statements

We have audited the accompanying Financial Statements of **M/s ARC INSULATION & INSULATORS LIMITED (formerly ARC INSULATION AND INSULATORS PRIVATE LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2026, the Statement of Profit and Loss, and the Statement of Cash Flows for the year ended, and with Notes to the Financial Statements including a summary of the Material Accounting Policies and other explanatory information (hereinafter referred to as "Financial Statements").

Opinion

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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India (Indian GAAP), of the state of affairs of the company as at 31st March, 2026, the profit and total income, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("the 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 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 (the "ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
1. Revenue Recognition – Manufacturing and Supply of GFRP Composite Products & Industrial Supplies Revenue from the sale of manufactured goods and supply of Glass Fibre Reinforced Polymers ("GFRP") composite/constituency products (including GFRP Rebars, Gratings, Walkways, Pipelines, Tubes, Fencing, and	Our audit procedures in relation to revenue recognition for GFRP composite products included, among others: • **Policy Compliance:** Evaluated the Company's accounting policies for revenue recognition against the requirements of AS 9. • **Internal Controls:** Tested the design, implementation, and operating effectiveness of key internal controls over order

Cable Trays under the brand name "ARC") constitutes a principal line of business for the Company.

The Company caters to diverse and specialized sectors, including Infrastructure, Power, Chemical, Electrical Substations, Marine, and Metal & Mining. Contractual terms vary across product lines and customers regarding pricing, delivery terms (FOB/CIF/FOR destination), inspection protocols, acceptance testing by clients/third-party agencies, and warranty obligations.

Under AS 9 (Revenue Recognition), revenue from sale of goods is recognized when significant risks and rewards of ownership have been transferred to the buyer, and no significant uncertainty exists regarding measurability or ultimate collectability.

Revenue recognition involves significant management estimation and judgment in:Determining the point of transfer of significant risks and rewards of ownership based on varying dispatch, freight, and client acceptance terms (e.g., pre-dispatch inspection vs. site delivery/installation acceptance);Assessing collectability and measurability of unbilled receivables, custom product orders, and price escalation clauses;Evaluating potential product returns, quality-related rejections, or warranty claims given the specialized industrial applications.Given the volume of transactions, customized product specifications, and the judgment required in assessing dispatch/delivery terms across varied industries, revenue recognition was determined to be a Key Audit Matter.

acceptance, dispatch generation, client quality inspection certifications, invoicing, and revenue recording.

• **Contract & Terms Review:** Examined customer contracts, purchase orders, and tenders on a sample basis to understand agreed terms regarding delivery, client inspection/acceptance, and risk transfer timing.

• **Substantive Testing:** Performed substantive testing on a sample of sales transactions during the year by verifying supporting invoices, lorry receipts (LR), factory gate passes, quality inspection certificates, and customer acknowledgment/delivery receipts.

• **Cut-off Testing:** Performed testing on transactions immediately before and after the financial year-end to verify that revenue was recorded in the correct accounting period based on transfer of risks and rewards.

• **Credit Notes & Returns Analysis:** Verified post-year-end credit notes, quality-related rejections, and customer adjustments to confirm the completeness and accuracy of revenue and related provisions.

• **Receivables & Confirmations:** Obtained independent direct confirmations for outstanding trade receivables on a sample basis and evaluated management's assessment of collectability.

Conclusion: Based on the audit procedures performed, we found the Company's revenue recognition from the sale and supply of GFRP composite products to be consistent with the requirements of AS 9, and the related disclosures in the financial statements to be appropriate.

2. Significant Reduction in Profitability (Profit Before Tax and Profit After Tax)

As reported in the Statement of Profit and Loss, the Company experienced a sharp decline in profitability for the financial year ended March 31, 2026:

• Profit Before Tax (PBT): Decreased by 76.00% to ₹278.31 Lakhs (FY 2025-26) from ₹1,159.44 Lakhs (FY 2024-25).

• Profit After Tax (PAT): Decreased by 78.64% to ₹185.51 Lakhs (FY 2025-26) from

Our audit procedures in relation to the reduction in profit included, among others:

• **Margin & Expense Analytical Testing:** Conducted detailed variance testing across major cost categories (raw material costs, fixed overheads, and administrative costs) to verify whether profit margins aligned with volume reductions and price variations.

• **Completeness of Liabilities & Accruals:** Evaluated unrecorded liabilities through search for unrecorded drop-ship invoices, post-balance-sheet payment reviews, and supplier statement reconciliations.

₹868.60 Lakhs (FY 2024-25), following total tax expenses of ₹92.81 Lakhs (comprising Current Tax of ₹83.37 Lakhs, Earlier Years Tax of ₹22.70 Lakhs, and Deferred Tax credit of ₹13.26 Lakhs).

This significant margin compression increases audit risks related to operating leverage sensitivity, potential understatement/omission of accrued expenses, overstatement of inventory valuations to inflate gross margins, and the valuation of deferred tax assets/liabilities relative to reduced future taxable income expectations.

Due to the magnitude of the drop in PBT and PAT and its overall impact on the financial health of the business, profitability reduction was considered a Key Audit Matter

• **Tax Provisioning & Deferred Tax Audit:** Audited the computation of Current Tax (₹83.37 Lakhs) and Prior Period Adjustments (₹22.70 Lakhs). Evaluated deferred tax asset recognitions (₹13.26 credit) for reasonable certainty of future taxable profit availability under applicable accounting standards.

• **Valuation & Carrying Values:** Assessed management's test of fixed assets and inventory NRV calculations to confirm no overstated asset balances hid operational losses.

Conclusion: Based on the audit procedures performed, we concluded that the reduction in PBT and PAT is completely and accurately presented, expenses and tax provisions are properly recognized, and the related financial statement disclosures are appropriate

Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors' Report including Annexures to Directors' Report, Management Discussion and Analysis Report and Report on Corporate Governance, but does not include the Financial Statements and our Auditors' 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 identified above when it becomes available, 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 on the other information that we obtained prior to the date of Auditors' report, 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 the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Indian GAAP) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and designing, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

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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, 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 alternatives but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility for the Audit of 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 auditors' 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.

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Materiality is the magnitude of misstatement in the 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 qualitative 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.

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.

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 auditors' report unless law or regulation precludes public disclosure about the matters, or when, in extremely rare circumstances, 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.

Report on Other Legal and Regulatory Requirements

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 said Order, to the extent applicable.

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, and the Statement of Cash Flows 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 (Indian GAAP) specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors as on 31st March, 2026 taken on record by the Board of directors, none of the directors are disqualified as on 31st March, 2026 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, as required under Section 143(3)(i) of the Act, refer to our separate report in **"Annexure B"**.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with the

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requirements of section 197(16) of the Act, the Company has complied with the provisions of Section 197 read with Schedule V to the Act, relating to managerial remuneration.

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

i. According to the information and explanations given to us, the Company does not have any pending litigations having an impact on its financial position.

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;

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 to 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 to 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), (a) and (b) above, contain any material misstatement.

v. (a) The company has not proposed, declared and paid any Dividend in the previous year during the year in accordance with Section 123 of the Act, as applicable.

(b) The board of directors of the company has not proposed any final dividend for the current year.

vi. Based on our examination, including test checks, the company has used an accounting software with audit trail (edit log) feature for maintaining its books of account, which has not been consistently operated throughout the year for all relevant transactions. During our audit, we did not find any instance of the audit trail feature being tampered with and the audit trail has been preserved by the company as per statutory requirements for record retention.

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Other Matters

Certain comparative figures for the previous year have been regrouped and/or reclassified to conform to the presentation adopted in the current year. Such regrouping and reclassification do not affect the previously reported profit, equity or cash flows of the Company. Our opinion is not modified in respect of this matter.

For Jay Gupta & Associates
Chartered Accountants
Firm Regn. No: 329001E



(CA Jay Shanker Gupta)
Partner
Membership No.: 059535
UDIN: 26059535VXFPJR8718

Place: Kolkata
Date: 30th May, 2026

Annexure A to the Independent Auditors' Report

(Referred to in Paragraph-1 of Other Legal and Regulatory Requirements section of our Report of even date to the members of M/s ARC INSULATION & INSULATORS LIMITED (formerly ARC INSULATION AND INSULATORS PRIVATE LIMITED) on the Financial Statements for the year ended 31st March, 2026.)

(i) In respect of the Company's property, plant & equipment and intangible assets:

(a) A. The company has maintained proper records showing full particulars, including quantitative details and situation of its Property, Plant and Equipment.

B. According to the information and explanations given to us and based on our examination of the records of the Company, the Company is maintaining proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the physical verification of property, plant and equipment is being carried out by the company in a phased manner to cover all its assets over a period of three years. In accordance with this programme, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable property are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment or Intangible Assets or both during the year.

(e) No proceedings have been initiated or are pending against the company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988(as amended in 2016) and Rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, during the year from banks or financial institutions on the security of current assets. However, under the terms of the sanction letters/agreements executed with the respective banks/financial institutions, the Company is not required to file quarterly returns or statements (such as stock statements or trade receivables statements) with them. Accordingly, the requirement to report on the agreement of such quarterly returns or statements with the books of account of the Company under clause 3(ii)(b) of the Order is not applicable.

(iii) The Company has made no investments in, provided guarantee or security or granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, reporting under clause 3(iii) of the Order is not applicable.

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(a) Neither the Company has provided loans or advances in the nature of loans or provided guarantee or security to any other entity during the year, nor the company has made any investments in, companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the Company's interest.

(c) In our opinion and according to the information and explanations given to us, in respect of loans, the schedule of repayment of principal and payment of interest has not been stipulated. In absence of any stipulation as to repayment of loan and interest, we are unable to comment on whether the receipts are regular. The Loan are repayable on demand.

(d) According to the information and explanations given to us and based on our examination of the records of the Company, the loans granted are repayable on demand. Accordingly, it is not practicable to comment on the overdue amount in respect of such loans. Therefore, reporting under clause 3(iii)(d) of the Order relating to overdue amounts exceeding ninety days and reasonable steps taken for recovery of principal and interest is not applicable.

(e) According to the information and explanations given to us and based on examination of records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and based on our examinations of the records of the company, during the year, it has not granted Loan and advances in the nature of loan Which are repayable on demand and not specifying any terms or period of repayment. Accordingly, reporting under clause 3(iii)(f) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

(v) The Company has not accepted any deposits from the public during the year within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 (as amended). Accordingly, the provisions of the clause 3(v) of the Order are not applicable to the Company

(vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including goods and service tax, provident fund, employees' provident fund, employees' state insurance, income – tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to the company have generally been regularly deposited by it with appropriate authority.
There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material

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statutory dues in arrears as at 31st March, 2026 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute. Accordingly, clause 3(vii)(b) of the Order is not applicable.

(viii) There are no such transactions which are not recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The company has not issued any debentures.

(b) According to the information and explanations given to us, the company has not been declared a wilful defaulter by any bank or financial institution or other lender during the year.

(c) According to the information and explanation given to us and on the basis of our examination of records of the company, no term loans were taken by the company.

(d) According to the information and explanations given to us on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been utilized for long term purposes.

(e) According to the information and explanations given to us and based on our examination of the financial statements of the company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

(x) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has raised ₹ 3,806.25 Lakhs by way of Initial Public Offer / Further Public Offer / issuance of debt instruments during the financial year 2025–26.
Out of the total proceeds raised, an amount of ₹ 1,867.38 Lakhs was utilized during the year for the objects specified in the prospectus / offer document. The remaining unutilized balance of ₹ 1,938.87 Lakhs as on the Balance Sheet date has been temporarily placed in Fixed Deposits with a scheduled commercial bank, namely State Bank of India, pending utilization for the stated objects of the issue.
Based on our procedures, the funds raised were applied for the intended purposes as stated in offer document, and the unutilized portion has been placed in accordance with the permissible temporary deployment modes permitted under the relevant regulatory guidelines. No default or unauthorized diversion in the application of funds was observed during the year under audit.
(b) During the year, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence clause 3(x)(b) of the Order is not applicable.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

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(f) 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.

(g) According to the information and explanations given to us, no whistle blower complaints were received by the company during the year.

(xii) According to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable Accounting Standards.

(xiv) (a) In our opinion and according to information and explanations given to us, the Company does not have an adequate internal audit system commensurate with the size and the nature of its business.
(b) In view of the above in (a) and as informed to us, no internal audit reports were issued during the year or up to the date of our report.

(xv) In our opinion and according to information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the paragraph 3(xv) of the order is not applicable to the company.

(xvi) (a) The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable to the company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There was no resignation of previous statutory auditor during the year, the reporting requirements under Clause (xviii) of Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any

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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.

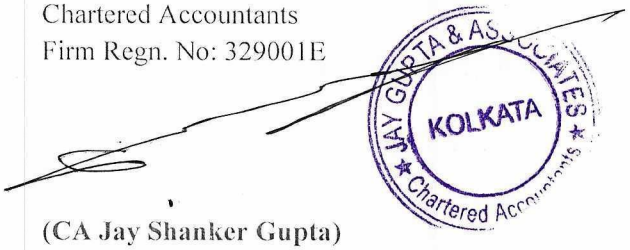
(xx)

(a) In respect of other than ongoing projects:

- **For the Financial Year 2025–26:** The Company has an unspent Corporate Social Responsibility (CSR) amount of **₹ 12.65 Lakhs as on March 31, 2026**. The statutory period of six months from the end of the financial year (i.e., September 30, 2026) for transferring the said unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013, in compliance with the second proviso to sub-section (5) of Section 135 of the Act, **has not elapsed as on the date of this report**, and the amount remains unspent.
- **The Total unspent shortfall of Rs. 12.65 Lakhs has not been transferred to any separate bank account.**

(b) According to the information and explanations given to us, the Company **does not have any ongoing CSR projects**. Accordingly, reporting under clause 3(xx)(b) of the Order is **not applicable** for the year.

For Jay Gupta & Associates
Chartered Accountants
Firm Regn. No: 329001E



(CA Jay Shanker Gupta)
Partner
Membership No.: 059535
UDIN: 26059535VXFPJR8718

Place: Kolkata
Date: 30th May, 2026

Annexure B to the Independent Auditors' Report

The Annexure B referred to in paragraph 2(f) of Report on Other Legal and Regulatory Requirements paragraph of our report of even date to the members of M/s ARC INSULATION & INSULATORS LIMITED (formerly ARC INSULATION AND INSULATORS PRIVATE LIMITED) on the Financial Statements for the year ended 31st March, 2026.

Report on the Internal Financial Control with reference to the aforesaid Financial Statements under clause (i) of sub section 3 of section 143 of the Companies Act, 2013 ("The Act").

We have audited the internal financial controls with reference to financial reporting of M/s ARC INSULATION & INSULATORS LIMITED (formerly ARC INSULATION AND INSULATORS PRIVATE LIMITED) ("the Company") as of 31st March, 2026 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 with reference to Financial Reporting issued by the Institute of Chartered Accountants of India. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 with reference to financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial reporting included obtaining an understanding of internal financial controls with reference to financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Reporting

JAY GUPTA & ASSOCIATES KOLKATA Chartered Accountants

A company's internal financial control with reference to 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 with reference to financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial reporting and such internal financial controls with reference to financial reporting were operating effectively as at 31st March 2026, based on the internal control with reference to 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 with reference to Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jay Gupta & Associates
Chartered Accountants
Firm Regn. No: 329001E

JAY GUPTA & ASSOCIATES ★ KOLKATA ★ Chartered Accountants

(CA Jay Shanker Gupta)
Partner
Membership No.: 059535
UDIN: 26059535VXFPJR8718

Place: Kolkata
Date: 30th May, 2026

ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : L18109WB2008PLC129263

BALANCE SHEET AS ON MARCH 31, 2026

Amount (Rs. In Lakhs, unless otherwise stated)

Sr.No	Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
I	**EQUITY AND LIABILITIES**			
1	**Shareholders Funds**			
	(a) Share Capital	2	1,029.74	725.24
	(b) Reserves & Surplus	3	4,989.30	1,778.90
2	**Non-current liabilities**			
	(a) Long-Term Borrowings	4	-	309.84
	(b) Long-Term Provisions	5	60.46	21.59
3	**Current Liabilities**			
	(a) Short-Term Borrowings	6	2.02	286.79
	(b) Trade Payables:	7		
	(A) total outstanding dues of micro and small enterprises		-	-
	(B) total outstanding dues of creditors other than micro and small enterprises		568.66	539.71
	(c) Other Current Liabilities	8	58.97	64.84
	(d) Short-Term Provisions	9	89.19	201.60
	TOTAL		**6,798.34**	**3,928.51**
II	**ASSETS**			
1	**Non Current Assets**			
	(a) Property, Plant & Equipment & Intangible Assets	10		
	(i) Property, Plant and Equipment		1,477.32	1,304.96
	(b) Non Current Investments	11	0.90	1.25
	(c) Deferred Tax Assets (net)	12	27.71	14.44
	(d) Other Non-Current Assets	13	639.02	417.71
2	**Current Assets**			
	(a) Inventories	14	1,173.14	770.60
	(b) Trade Receivables	15	954.93	1,205.84
	(c) Cash and Bank Balances			
	(i) Cash and Cash Equivalents	16	181.28	76.39
	(ii) Other Bank Balances		1,938.87	-
	(d) Short-Term Loans and Advances	17	133.21	110.74
	(e) Other Current Assets	18	271.97	26.57
	TOTAL		**6,798.34**	**3,928.51**

As per our report of even date
For, Jay Gupta & Associates
(Formerly Known as Gupta Agarwal & Associates)
Chartered Accountants
FRN: 329001E

JAY GUPTA & ASSOCIATES KOLKATA Chartered Accountants

Jay Shanker Gupta
(Partner)
Membership No. 059535
UDIN: 26059535VXFPJR8718
Place : Kolkata
Date: 30.05.2026

For & on the behalf of
Arc Insulation And Insulators Limited

Manish Bajoria
Managing Director/ CFO
DIN: 02203237

Neelam Bajoria
Director
DIN: 02250051

Esha Sen
Company Secretary
Mem. No.: A44837
Place : Kolkata
Date: 30.05.2026

ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : L18109WB2008PLC129263

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2026

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2026	For the year ended 31.03.2025
I. Revenue from Operations	19	2,086.86	3,271.64
II. Other Income	20	84.93	43.68
III. Total Income (I + II)		**2,171.79**	**3,315.32**
IV. Expenses:			
Cost of Material Consumed	21	1,317.42	1,704.49
Changes in Inventories of Finished goods	22	(118.44)	(118.59)
Employee Benefits Expense	23	297.87	159.17
Finance Costs	24	18.27	41.91
Depreciation and Amortisation Expense	25	101.33	92.63
Other Expenses	26	277.02	276.27
IV. Total Expenses		**1,893.48**	**2,155.88**
V. Profit before exceptional and extraordinary items and tax (III - IV)		**278.31**	**1,159.44**
VI. Exceptional items & Extraordinary Items			
VII. Profit before tax (V- VI)		**278.31**	**1,159.44**
VIII. Tax expense:			
Current Tax		83.37	299.96
Earlier years Tax		22.70	-
Deferred Tax		(13.26)	(9.12)
Total Tax Expense		92.81	290.84
IX . Profit (Loss) for the period (VII-VIII)		**185.51**	**868.60**
X. Earnings per equity share: (Amount in Rs.)			
(1) Basic & Diluted		2.05	12.32

As per our report of even date
For, Jay Gupta & Associates
(Formerly Known as Gupta Agarwal & Associates)
Chartered Accountants
FRN: 329001E

JAY GUPTA & ASSOCIATES * KOLKATA * Chartered Accountants

Jay Shanker Gupta
(Partner)
Membership No. 059535
UDIN: 26059535VXFPJR8718
Place : Kolkata
Date: 30.05.2026

For & on the behalf of
Arc Insulation And Insulators Limited

Manish Bajoria
Managing Director/ CFO
DIN: 02203237

Neelam Bajoria
Director
DIN: 02250051

Esha Sen
Company Secretary
Mem. No.: A44837
Place : Kolkata
Date: 30.05.2026

ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : L18109WB2008PLC129263

CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2026

Amount (Rs. In Lakhs, unless otherwise stated)

	PARTICULARS	For the year ended 31.03.2026	For the year ended 31.03.2025
A	**CASH FLOW FROM OPERATING ACTIVITIES:**		
	Net Profit before tax	278.31	1,159.44
	Depreciation & Amortisation	101.33	92.63
	Interest Paid	18.27	41.91
	Interest Income	(63.43)	(8.17)
	Gratuity Expense	43.51	0.56
	Operating Profit before Working Capital Changes	**377.99**	**1,286.37**
	Adjusted for:		
	Inventories	(402.54)	(211.98)
	Trade receivables	250.91	(751.20)
	Short Term Loans & Advances	(22.47)	(66.23)
	Other Current Assets	(245.40)	(24.27)
	Trade Payable	28.95	68.00
	Other Current Liabilities	(5.88)	(5.84)
		(396.42)	**(991.52)**
	Cash generated/(used) From Operations	**(18.43)**	**294.84**
	Income Tax Paid	223.12	268.60
	Net Cash generated/(used in) from Operating Activities (A)	**(241.55)**	**26.24**
B	**CASH FLOW FROM INVESTING ACTIVITIES:**		
	Increase/(Decrease) in Non-Current Investments	0.36	-
	Purchase of Property, plant & equipment	(273.69)	(758.01)
	Interest Income	63.43	8.17
	Changes in Other Bank Balances	(1,938.87)	-
	(Increase)/Decrease in Non-Current Assets	(221.30)	20.62
	Net Cash used in Investing Activities (B)	**(2,370.08)**	**(729.22)**
C	**CASH FLOW FROM FINANCING ACTIVITIES:**		
	Increase in share capital	3,806.25	420.32
	Proceeds from long term borrowing	-	240.00
	Repayment from long term borrowing	(309.84)	(84.82)
	Proceeds of short term borrowing	-	4,291.45
	Repayment of short term borrowing	(284.77)	(4,127.62)
	Issue related expenses	(476.86)	-
	Finance Cost	(18.27)	(41.91)
	Net Cash used in Financing Activities (C)	**2,716.51**	**697.41**
	Net Increase/(Decrease) in Cash and Cash Equivalents	104.89	(5.56)
	Cash and Cash Equivalents at the beginning of the year	76.39	81.95
	Cash and Cash Equivalents at the end of the year	**181.28**	**76.39**

Note :-

1. Components of Cash & Cash Equivalent

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
a. Balances with banks	45.86	9.70
b. Balance in CC Account	55.37	-
c. Cash in hand	80.04	46.68
d. Cheque in Hand	-	20.00
Total	**181.28**	**76.39**

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

3. Figures in Brackets represents outflow.

As per our report of even date
For, Jay Gupta & Associates
(Formerly Known as Gupta Agarwal & Associates)
Chartered Accountants
FRN: 329001E

JAY GUPTA & ASSOCIATES * KOLKATA * Chartered Accountants

Jay Shanker Gupta
(Partner)
Membership No. 059535
UDIN: 26059535VXFPJR8718
Place : Kolkata
Date: 30.05.2026

For & on the behalf of
Arc Insulation And Insulators Limited

Manish Bajoria	**Neelam Bajoria**
Managing Director/ CFO	**Director**
DIN: 02203237	**DIN: 02250051**

Esha Sen
Company Secretary
Mem. No.: A44837
Place : Kolkata
Date: 30.05.2026

ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : L18109WB2008PLC129263

CORPORATE INFORMATION

Our Company was originally incorporated on September 10, 2008, as a Private Limited Company in the name of "ARC Insulation & Insulators Private Limited" under the provisions of the Companies Act, 1956 bearing Corporate Identification Number U18109WB2008PTC129263 issued by the Deputy Registrar of Companies, West Bengal. Subsequently, pursuant to a Special Resolution of our Shareholders passed in the Extra-Ordinary General Meeting held on June 11, 2024, our Company was converted from a Private Limited Company to Public Limited Company and consequently, the name of our Company was changed to 'ARC Insulation & Insulators Limited' and a Fresh Certificate of Incorporation consequent to Conversion was issued on August 5, 2024 bearing Corporate Identification Number U18109WB2008PLC129263 issued by the Registrar of Companies, Central Processing Centre.

The company is engaged in manufacturing and supply of Glass Fibre Reinforced Polymers ("GFRP") composite/constituency products. Our offerings include GFRP Rebars, GFRP Granting Walkways, GFRP Pipelines, GFRP Tubes, GFRP Fencing for Transformers, GFRP Cable Trays, and other related products designed for industrial, energy and marine's sectors. In addition to our core business, the company acquired the ongoing business of our promoter, 'M/s ARC Insulation & Insulators,' a sole proprietorship, through a business transfer agreement dated June 01, 2009. Under our brand name "ARC", we supply our products for application in diverse industries including Infrastructure, Power, Cooling Tower, Chemical, Composite, Electrical Substation, Metal & Mining etc.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

(a) The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the provisions of the Companies Act, 2013 and the Companies (Accounting Standards) Rules 2014, as prescribed. The financial statements have been prepared under the historical cost convention on accrual basis.

(b) The preparation of the financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The Financial Statements of ARC INSULATION AND INSULATORS LIMITED (formerly Known as ARC INSULATION AND INSULATORS PRIVATE LIMITED) comprise of Statement of Assets and Liabilities as at for the year ended 31 March, 2025 the Statement of Profit and Loss, Cash Flow Statement, Significant Accounting Policies to the Financial Information and Notes to the Financial Information. These Financial Statements have been prepared by the management of the company.

These Financial Information have been compiled by the Company's management from Audited Financial Statements of the company as at for the years ended 31st March, 2025 prepared in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

(c) The preparation of the financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialize.

1.2 Revenue Recognition

(a) The company generally follows the mercantile system of accounting and recognizes Income & Expenditure on accrual basis.

(b) Revenue is recognised to the extent that it is possible that, the economic benefits will flow to the company and the revenue can be reliably estimated and collectability is reasonably assured.

(c) Revenue from sale of goods & services are recognised when service is fully provided to our customer and when there are no longer any unfulfilled obligations. The performance obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

(d) Revenue is measured on the basis of sale price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and service tax etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

(e) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

JAYANT GUPTA & ASSOCIATES KOLKATA Chartered Accountants

1.3 Property, Plant & Equipment and Intangible Assets & Depreciation

(a) Property, Plant and Equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Cost of acquisition or construction of property, plant and equipment comprises its purchase price including import duties and non-refundable purchase taxes after deducting trade discounts, rebates and any directly attributable cost of bringing the item to its working condition for its intended use.

(b) Subsequent costs are included in the assets' carrying amount or recognised 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 maintained cost are charged to the statement of profit and loss during the period in which they are incurred.

(c) Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of property, plant and equipment and are recognised in the statement of profit and loss when the same is derecognised.

(d) Depreciation is calculated on pro rata basis on Written down value method (WDV) based on estimated useful Life as prescribed under Part C of Schedule - II of the Companies Act, 2013. Freehold land is not depreciated.

(e) Intangible asset purchased are initially measured at cost. The cost of an intangible assets comprises its purchase price including duties and taxes and any costs directly attributable to making the assets ready for their intended use. The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a written down value basis over the period of their estimated useful lives.

1.4 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price and value in use, which is determined by the present value of the estimated future cash flows.

1.5 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

Current investments or Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

1.6 Inventories

The inventories are maintained as cost or NRV whichever is lower. Cost is determined on FIFO basis.

1.7 Employee Benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contribution to the provident fund is charged to the statement of profit and loss for the year when an employee renders the related services.

Provision for Gratuity has been considered as per Acturial valuation report.

Leave encashment to the employees are accounted for as & when the same is claimed by eligible employees.

1.8 Borrowing Costs

(a) Borrowing costs that are directly attributable to the acquisition of qualifying assets are capitalized for the period until the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

(b) Other Borrowing costs are recognized as expense in the period in which they are incurred.



1.9 Taxes on Income

Tax expense comprises of current tax and deferred tax.
Current income tax is measured at the amount expected to be paid to the tax authorities, computed in accordance with the applicable tax rates and tax laws.
Deferred Tax arising on account of "timing differences" and which are capable of reversal in one or more subsequent periods is recognized, using the tax rates and tax laws that are enacted or substantively enacted. Deferred tax asset is recognized only to the extent there is reasonable certainty with respect to reversal of the same in future years as a matter of prudence.

1.10 Earnings per Share (EPS)

(a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1.11 Prior Period Items

Prior Period and Extraordinary items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed in financial statements if any.

1.12 Provisions / Contingencies

(a) Provision involving substantial degree of estimation in measurements is recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.
(b) Contingent Liabilities are shown by way of notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.
(c) A Contingent Asset is not recognized in the Accounts.

1.13 Segment Reporting

A. Business Segments:

Based on the guiding principles given in Accounting Standard 17 (AS - 17) on Segment Reporting issued by ICAI, the Company has only one reportable Business Segment which is engaged in business of manufacturing and supply of Glass Fibre Reinforced Polymers ("GFRP") composite/constituency products. Accordingly, the figures appearing in these financial statements relate to the Company's single Business Segment.

B. Geographical Segments:

The Company activities / operations are confined to India and as such there is only one geographical segment. Accordingly, the figures appearing in these financial statements relate to the Company's single geographical segment.

1.14 Foreign Currency Transactions

Foreign exchange transactions are recorded at the rate prevailing on the date of respective transaction. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transacion. Exchange diffrences arising on foreign exchange transactions settled during the year and on restatement as at the balance sheet date are recognized in the statement of profit and loss for the year.

1.15 Balance Confirmations

Balance of Debtors & Creditors & Loans & advances Taken & giving are subject to confirmation and subject to consequential adjustments, if any. Debtors & creditors balance has been shown separately and the advances received and paid from/to the parties is shown as advance from customer and advance to suppliers.



1.16 Regrouping

Previous years figures have been regrouped and reclassified wherever necessary to match with current year grouping and classification.

1.17 Government Grants

Government Grants are recognised where there is reasonable assurance that the company has complied with the conditions attached to them and that the grant will be received. Revenue grants are recognised in the statement of Profit and Loss and are shown under Other Income. Capital grants are recognised in Reserves in case the same is for a project as a whole. If these are for a specific asset, then the same is reduced from the cost of the concerned asset for which it is received.

1.18 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are promoting education, promoting gender equality by empowering women, healthcare, environment sustainability, art and culture, destitute care and rehabilitation, disaster relief, COVID-19 relief and rural development projects. The company is required to expense on CSR activities during F.Y. 2024-25. The relevant details have been disclosed in Annexure 1.18.



ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : L18109WB2008PLC129263

ANNEXURE TO NOTE: 1.7
EMPLOYEE BENEFITS

I. Defined contribution plans

The Company has classified the various benefits provided to employees as under:

a. Employee State Insurance Fund

b. Employee Provident Fund

The expense recognised during the period towards defined contribution plan -

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Employers Contribution to Employee's Provident Fund	10.02	4.62
Employers Contribution to Employee's State Insurance	2.06	1.52

II. Defined benefit plans

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of INR 20,00,000/-.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

(Amount in Lakhs, Unless Otherwise Stated)

	Defined benefit plans	For the period ended 31.03.2026	For the period ended 31.03.2025
		Gratuity (Unfunded)	Gratuity (Unfunded)
I	**Expenses recognised in statement of profit and loss during the year:**		
	Current service cost	8.17	5.40
	Past service cost	-	-
	Expected return on plan assets	-	-
	Net interest cost / (income) on the net defined benefit liability / (asset)	4.27	1.98
	Immediate Recognition of (Gain)/Losses	31.07	(6.82)
	Loss (gain) on curtailments		
	Total expenses included in Employee benefit expenses	**43.51**	**0.56**
	Discount Rate as per para 78 of AS 15 R (2005)	**6.73%**	**6.62%**
II	**Net asset /(liability) recognised as at balance sheet date:**		
	Present value of defined benefit obligation	66.28	22.78
	Fair value of plan assets	-	-
	Funded status [surplus/(deficit)]	**(66.28)**	**(22.78)**
III	**Movements in present value of defined benefit obligation**		
	Present value of defined benefit obligation at the beginning of the year	22.78	22.22
	Current service cost	8.17	5.40
	Past service cost	-	-
	Interest cost	4.27	1.98
	Actuarial (gains) / loss	31.07	(6.82)
	Benefits paid	-	-
	Present value of defined benefit obligation at the end of the year	**66.28**	**22.78**
	Classification		
	Current liability	5.82	1.18
	Non-current liability	60.46	21.59

JAY GUPTA & ASSOCIATES KOLKATA Chartered Accountants

ARC INSULATION AND INSULATORS LIMITED
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IV Actuarial assumptions:

(Amount in Lakhs, Unless Otherwise Stated)

Particulars	For the period ended 31.03.2026	For the period ended 31.03.2025
Expected Return on Plan Assets	NA	NA
Discount rate	6.73%	6.62%
Expected rate of salary increase	10.00%	10.00%
Mortality Rate During Employment	IALM 2012-14	IALM 2012-14
Retirement age	60	60

Notes:

a. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b. The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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ARC INSULATION AND INSULATORS LIMITED
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Annexure To Note: 1.14
Foreign Currency Transactions

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Expense in Foreign Currency		
Purchases (In USD)	4,46,681.27	3,54,615.75
Purchases (In INR in Lakhs)	398.60	303.03
Capital Goods in Foreign Currency		
Purchases (In USD)		-
Purchases (In Russian Ruble)		
Purchases (In INR in Lakhs)		-
Income in Foreign Currency		
Sales (In USD)	89,262.00	61,857.00
Sales (In INR in Lakhs)	73.61	49.12
FOB Value (In INR in Lakhs)	73.61	49.12

JAY GUPTA & ASSOCIATES
KOLKATA
Chartered Accountants

ARC INSULATION AND INSULATORS LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 2
SHARE CAPITAL

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
	Rs. In Lakhs	Rs. In Lakhs
Authorised		
150,00,000 Equity Shares of Rs.10/- each.	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed & Fully Paid-up		
72,52,380 Equity Shares of Rs.10/- each		725.24
1,02,97,380 Equity Shares of Rs.10/- each	1,029.74	
Total	**1,029.74**	**725.24**

NOTE 2A : Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2026	As at 31.03.2025
Shares outstanding at the beginning of the year (Nos.)	72,52,380	17,13,020
Shares Issued during the year for a consideration other than in cash (Nos.)	-	-
Shares Issued during the year for a consideration in cash (Nos.)	30,45,000	4,00,300
Additional shares after splitting during the year (Nos.)	-	-
Bonus issue (Nos.)	-	51,39,060
Shares outstanding at the end of the year (Nos.)	**1,02,97,380**	**72,52,380**

Notes:

a. The company issued 51,39,060 equity shares of Rs. 10/- each as bonus shares in the ratio of 3:1 (i.e. 3 (Three) Fully paid Bonus Shares of Rs.10/- each allotted against the holding of 1 (One) equity shares of the Company) vide EGM resolution passed on 18.09.2024 (i.e. after the period considered this is Financial Statement).

b. The company further issued 4,00,300 equity shares of Rs. 10 each by making a Preferential allotment at an issue price of Rs. 105/- (including a premium) each vide resolution dated 23-09-2024 and alloted on 30.09.2024.

c. The company further issued 30,45,000 equity shares of Rs. 10 each through Initial Public Offer (IPO) at an issue price of Rs. 125/- (including a premium) each, listed on 29th August, 2026.

NOTE 2B: Term/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs 10 per share. Holder of each equity share is entitled to one vote. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to the approval of shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the number of equity shares held by the shareholders.

NOTE 2C: Shares held by Promoters & Promoters' Group

Promoter Name	No. of Shares		No. of Shares	
	As at 31.03.2026	% of Holding	As at 31.03.2025	% of Holding
	Face Value Rs. 10/-		Face Value Rs. 10/-	
Manish Bajoria	36,30,280	35.25%	36,95,280	50.95%
Neelam Bajoria	12,36,000	12.00%	12,36,000	17.04%
Aman Bajoria	80,000	0.78%		
Swabhumi distributors Private Limited	17,00,000	16.51%	17,00,000	23.44%
Manish Bajoria (HUF)	1,40,000	1.36%	1,40,000	1.93%
Premlata Bajoria	400	0.00%		
Ashish Kumar Bajoria	400	0.00%	400	0.01%
Total	**67,87,080**	**65.91%**	**67,71,680**	**93.37%**

NOTE 2D: The Details of shareholding holding more than 5%

Name of shareholder	As at 31.03.2026		As at 31.03.2025	
	Number of Shares	% of Holding	Number of Shares	% of Holding
	Face Value Rs. 10/-		Face Value Rs. 10/-	
Manish Bajoria	36,30,280	35.25%	36,95,280	50.95%
Neelam Bajoria	12,36,000	12.00%	12,36,000	17.04%
Swabhumi distributors Private Limited	17,00,000	16.51%	17,00,000	23.44%

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 3
RESERVE & SURPLUS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Securities Premium		
Balance at the beginning of the reporting period	492.92	112.64
Add: Addition during the year	3,501.75	380.29
Less: Issue expenses	(476.86)	-
Balance at the end of the reporting period	3,517.81	492.92
Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	1,285.98	931.29
Add/(Less): Net Profit/(Net Loss) for the current year	185.51	868.60
Add: Prior period stock adjustments	-	-
Less: Earlier Year Income Tax Adjusted	-	-
Less: Gratuity provision of earlier years	-	-
Less: Bonus Share Issue	-	(513.91)
Closing Balance	1,471.49	1,285.98
Total	**4,989.30**	**1,778.90**

NOTE- 4
LONG TERM BORROWINGS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Secured Loan		
From banks		
Term loans from Bank	2.02	378.70
(b)Unsecured Loans		
Loan from related parties	-	10.67
Total	2.02	389.37
Less: Current Maturities of Long Term Debts	2.02	79.53
Total	-	**309.84**

Note: Secured & Unsecured Loan Detail are Refer Note No. 4.1

NOTE- 5
LONG TERM PROVISIONS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Provisions for Employee Benefit- Gratuity Provision	60.46	21.59
Total	**60.46**	**21.59**

NOTE- 6
SHORT TERM BORROWINGS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Secured Loan:		
Loans repayable on demand		
Cash Credit	-	207.26
Current maturities of Long term borrowings from Bank	2.02	79.53
Total	**2.02**	**286.79**

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 7
TRADE PAYABLES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Trade Payables- Due to Small and Micro enterprises	-	-
Trade Payables- Due to Other than Small and Micro enterprises	568.66	539.71
Total	**568.66**	**539.71**

(Balances are subjected to ledger confirmations)

Trade Payables ageing schedule for the year ended 31.03.2026

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Small and Micro enterprises		-	-	-	-
Others	396.41	170.64	1.39	0.22	568.66
Disputed Dues- Small and Micro enterprises	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Unbilled	-	-	-	-	-
Undues	-	-	-	-	-
TOTAL	**396.41**	**170.64**	**1.39**	**0.22**	**568.66**

Trade Payables ageing schedule for the year ended 31.03.2025

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Small and Micro enterprises		-	-	-	-
Others	404.42	88.14	47.15	-	539.71
Disputed Dues- Small and Micro enterprises	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-
Unbilled	-	-	-	-	-
Undues	-	-	-	-	-
TOTAL	**404.42**	**88.14**	**47.15**	**-**	**539.71**

NOTE- 8
OTHER CURRENT LIABILITIES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Advance from Customers	26.89	12.93
Salary Payable	16.32	21.24
Payable Against Purchase of Land	8.11	8.11
Statutory Dues:		
- TDS & TCS Payable	2.38	7.57
- PF & ESI Payable	0.92	1.02
- GST Payable	-	11.13
Expenses Payables	4.35	2.85
Total	**58.97**	**64.84**

NOTE- 9
SHORT TERM PROVISIONS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for Employee Benefits		
Provision For Employee Benefits- Gratuity Provision	5.82	1.18
Other Provision		
Provision for Income Tax (Net off TDS & TCS)	83.37	200.42
Total	**89.19**	**201.60**

NOTE- 10
PROPERTY,PLANT & EQUIPMENTS AND INTANGIBLE ASSETS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Property,Plant & Equipments	1,477.32	1,304.96
Total	**1,477.32**	**1,304.96**

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 11
NON CURRENT INVESTMENTS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Investment in Gold Coin	0.90	1.25
Total	**0.90**	**1.25**

NOTE- 12
DEFFERED TAX LIABILITIES/(ASSETS) (NET)

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Deferred Tax Liabilities/(Assets)	(27.71)	(14.44)
Total	**(27.71)**	**(14.44)**

NOTE- 13
OTHER NON CURRENT ASSETS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Security Deposits	40.16	19.57
Capital Advances:		
- Advance against Land	314.31	319.31
- Advance against Capital goods	232.60	-
Fixed Deposit with Scheduled Bank (Maturity is more than 12 months)*	51.95	78.83
Others	-	-
Total	**639.02**	**417.71**

***Held as Margin Money against Bank Guarantee**

NOTE 14
INVENTORIES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Raw Material	685.31	401.21
Work- in- process at cost	-	-
Finished Goods	487.84	369.39
Total	**1,173.14**	**770.60**

Note: Value of closing inventory has been considered as per AS-2 i.e. lower of Cost or NRV, as certified by the management

NOTE- 15
TRADE RECEIVABLES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Secured, considered good;		-
(b) Unsecured, considered good;	954.93	1,205.84
(c) Doubtful.		
Total	**954.93**	**1,205.84**

Trade Receivable Ageing Schedule for the year ended 31.03-2026

Particulars	Outstanding for following periods from due date of payment					
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	391.40	237.91	251.42	33.61	40.57	954.93
Undisputed Trade Receivables — considered doubtful						-
Disputed Trade Receivables considered good	-	-	-	-	-	-
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Unbilled	-	-	-	-	-	-
Undues	-	-	-	-	-	-
TOTAL	**391.40**	**237.91**	**251.42**	**33.61**	**40.57**	**954.93**

Trade Receivable Ageing Schedule for the year ended 31.03-2025

Particulars	Outstanding for following periods from due date of payment					
	Less than 6months	6months - 1year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables — considered good	468.22	587.02	54.10	65.94	-	1,175.28
Undisputed Trade Receivables — considered doubtful						-
Disputed Trade Receivables considered good	-	-	-	-	30.56	30.56
Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Unbilled	-	-	-	-	-	-
Undues	-	-	-	-	-	-
TOTAL	**468.22**	**587.02**	**54.10**	**65.94**	**30.56**	**1,205.84**

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 16
CASH AND CASH EQUIVALENTS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Balances with Banks		
Balance in Cash credit account	45.86	9.70
Cash in Hand (As certified by management)	55.37	-
Cheques in Hand	80.04	46.68
	-	20.00
Total	**181.28**	**76.39**
Other Bank Balances:		
FD with maturity less than 12 months	1,938.87	
Total	**1,938.87**	-

NOTE- 17
SHORT TERM LOANS AND ADVANCES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Advances to related parties	-	10.00
Others		
Unsecured & Considered good		
Advance to supplier	133.21	100.74
Total	**133.21**	**110.74**

NOTE- 18
OTHER CURRENT ASSETS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	As at 31.03.2026	As at 31.03.2025
Prepaid IPO Expenses	-	20.00
Prepaid Degital Marketing Expenses	-	5.20
Balances with Revenue Authorities:		
- Income Tax, Self Asst. Tax & TDS (Net off with Provision for Income Tax)	118.89	-
- GST Receivable	76.68	-
Advance Salary	71.37	-
Other Receivable	5.02	1.37
Total	**271.97**	**26.57**

NOTE- 19
REVENUE FROM OPERATIONS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Sale of Finished Goods:		
- Domestic	1,997.75	3,205.33
- Export	73.61	49.12
Other operating revenues	15.50	17.18
Total	**2,086.86**	**3,271.64**

NOTE- 20
OTHER INCOME

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Recurring and Related to Business:		
Interest Income	63.43	8.17
Other Non-operating Income		
Duty Drawback / Subsidy	-	0.59
Forex Gain (net)	-	1.78
Freight & Forwarding Charges	4.81	-
Liability W/off	15.28	29.53
Insurance Claim	0.47	1.14
Other non-operating Income	0.94	2.47
Total	**84.93**	**43.68**

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 21
COST OF MATERIALS CONSUMED

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Opening Stock Raw Materials	401.21	307.82
Add: Prior period adjustments		
Purchases of Raw Materials		
Indegenous purchase	1,024.98	1,299.24
Import purchase	398.60	303.03
Less: Closing Stock of Raw Materials	685.31	401.21
Add : Direct Expenses:		
Consumables	-	0.12
Customs Duty	40.25	14.63
Direct Wages	12.76	41.69
Freight Charges	19.49	103.39
Electric Charges	-	-
Power & Fuel	9.00	0.20
Other Direct Expenses	96.44	35.56
Total Direct Expenses	**177.93**	**195.60**
Total	**1,317.42**	**1,704.49**

NOTE 21
CHANGES IN INVENTORIES OF FINISHED GOODS

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Finished goods :		
Opening Stock	369.39	250.80
Closing Stock	487.84	369.39
(Increase)/Decrease	**(118.44)**	**(118.59)**
Total	**(118.44)**	**(118.59)**

NOTE- 23
EMPLOYEES BENEFIT EXPENSE

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Salaries, Wages & Bonus	170.70	92.47
Director's Remuneration	71.59	60.00
Gratuity	43.51	0.56
Contribution to Provident and other funds	12.08	6.14
Total	**297.87**	**159.17**

NOTE- 24
FINANCE COST

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Interest Expense		
Loan from Banks and Fis	16.65	32.86
Loan Processing Charges	-	2.66
Interest on Statutory Dues	1.62	
Bank Charges	-	6.39
Total	**18.27**	**41.91**

NOTE- 25
DEPRECIATION & AMORTIZATION EXPENSE

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Depreciation on Property, Plant & Equipment	101.33	92.63
Total	**101.33**	**92.63**

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NOTES TO THE FINANCIAL STATEMENTS

NOTE- 26
OTHER EXPENSES

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Advertisement & Publicity	26.22	1.70
Auditor Remuneration	2.50	3.18
Bad Debt	9.30	-
Balance written off	-	-
Bank & Other charges	-	-
Business promotion	35.12	28.36
Business seminar Expenses	-	
Calibration charge	-	-
Certification & Inspection Expenses	0.24	2.03
Commission on sales	57.95	74.58
Communication expenses	-	-
CSR Expenses	-	8.00
Stores & spares	49.09	16.63
Computer Expenses	0.22	-
Car Expenses	-	-
Discount Allowed	-	-
Delivery Expenses	0.62	0.32
Donation Expenses	0.09	0.04
Forex Loss (Net)	-	-
Director Siting Fees	-	1.05
Discount Allowed	-	
Forex Loss (net)	7.19	-
Foreign Tour Expenses	-	
Freight Charges	-	-
Fuel Charges	-	-
G.P.S Tracking Charges	-	-
Gst Reversal Expenses	-	-
General Expenses	-	24.04
Insurance expenses	0.13	1.09
Interest paid on GST	-	-
Interest paid on Statutory Dues	-	21.50
Internet and Website Expesnses	0.67	6.74
IPO Expenses	5.36	11.02
Legal & Profession Charges	9.85	20.06
License & Subscription Fee	-	-
Loss in Transit	-	-
Loss on sale of Fixed assets	-	-
Lab Expenses	-	-
Market development expenditure amortised	-	-
Miscellaneous Expenses	-	0.02
Office Expenses	27.11	1.28
Other Expenses	-	-
Roc Fees	0.69	6.48
Penalty for GST	-	-
Postage & Telecommunication	0.93	0.69
Printing & Stationery	1.24	0.97
Prior Years Interest Difference	-	-
Power and Fuel Expenses	-	-
Packing expenses	-	-
Rates & Taxes	3.12	-
Rent	-	-
Repairs & Maintanance	15.00	28.08
Research & Development	-	-
Roc Fees	-	-
Round off	-	-
Security Charges	9.64	8.09
Selling and Administration Expenses	-	-
Services expenses	-	-
Software Expenses	-	-
Spare Parts	-	-
Statutory payments	-	-
Testing Charges	9.52	1.66
Travelling and conveyance	3.84	7.84
Tender expenses	1.39	0.85
Vehicle Maintenance	-	-
Total	**277.02**	**276.27**

*Details of Payment to Auditors

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	For the year ended 31.03.2026	For the year ended 31.03.2025
Details of Payments to Auditor		
Statutory Audit	2.50	3.18
Total	2.50	3.18

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NOTE- 10
Property, Plant & Equipment & Intangible Assets

Amount (Rs. In Lakhs, unless otherwise stated)

As on 31.03.2026

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2025	Additions	Disposal	As at 31.03.2026	As at 01.04.2025	For the Year	Adjustment	As at 31.03.2026	As at 31.03.2026	As at 31.03.2025
Tangible Assets										
Freehold Land	497.56			497.56	-		-	-	497.56	497.56
Building	660.54	18.15		678.69	206.64	12.02	-	218.66	460.03	453.90
Plant & Machinery	894.54	18.88		913.42	593.18	62.42	-	655.60	257.82	301.37
Furniture	11.48	133.28		144.76	6.76	15.10	-	21.87	122.90	4.72
Electrical Fitting	37.06	0.58		37.64	33.00	0.51	-	33.51	4.14	4.06
Office Equipments	28.28	31.83		60.11	7.03	1.29	-	8.32	51.79	21.25
Computers	10.59	6.18		16.77	7.80	2.73	-	10.53	6.25	2.79
Vehicles	157.80	64.78		222.58	138.48	7.26	-	145.74	76.84	19.31
Total	**2,297.85**	**273.69**	**-**	**2,571.54**	**992.89**	**101.33**	**-**	**1,094.22**	**1,477.32**	**1,304.96**

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Amount (Rs. In Lakhs, unless otherwise stated)

As on 31.03.2025

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2024	Additions	Disposal	As at 31.03.2025	As at 01.04.2024	For the Year	Adjustment	As at 31.03.2025	As at 31.03.2025	As at 31.03.2024
Tangible Assets										
Freehold Land	108.74	388.82		497.56	-	-	-	-	497.56	108.74
Building	325.89	334.65		660.54	193.98	12.65	-	206.64	453.90	131.91
Plant & Machinery	888.92	5.62		894.54	526.43	66.75	-	593.18	301.37	362.50
Furniture	7.32	4.16		11.48	5.80	0.97	-	6.76	4.72	1.53
Electrical Fitting	36.22	0.84		37.06	32.16	0.84	-	33.00	4.06	4.06
Office Equipments	7.79	20.49		28.28	4.06	2.97	-	7.03	21.25	3.73
Computers	7.16	3.43		10.59	5.72	2.08	-	7.80	2.79	1.44
Vehicles	157.80	-		157.80	132.12	6.37	-	138.48	19.31	25.68
Total	**1,539.84**	**758.01**	**-**	**2,297.85**	**900.26**	**92.63**	**-**	**992.89**	**1,304.96**	**639.58**

NOTE- 10
Property, Plant & Equipment & Intangible Assets

Annexure- XIII

Amount (Rs. In Lakhs, unless otherwise stated)

As on 31.03.2024

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2023	Additions	Disposal	As at 31.03.2024	As at 01.04.2023	For the Year	Adjustment	As at 31.03.2024	As at 31.03.2024	As at 31.03.2023
Tangible Assets										
Freehold Land	72.03	36.71		108.74	-	-	-	-	108.74	72.03
Building	313.55	12.34		325.89	180.64	13.34	-	193.98	131.91	132.91
Plant & Machinery	747.01	141.91		888.92	465.23	61.19	-	526.43	362.50	281.78
Furniture	7.07	0.26		7.32	5.34	0.45	-	5.80	1.53	1.72
Electrical Fitting	36.22	-		36.22	31.22	0.94	-	32.16	4.06	5.00
Office Equipments	5.31	2.48		7.79	3.66	0.40	-	4.06	3.73	1.65
Computers	5.84	1.32		7.16	4.72	1.00	-	5.72	1.44	1.13
Vehicles	152.59	5.21		157.80	124.08	8.04	-	132.12	25.68	28.51
Total	**1,339.61**	**200.23**	**-**	**1,539.84**	**814.89**	**85.37**	**-**	**900.26**	**639.58**	**524.72**

JAY GUPTA & ASSOCIATES ★ KOLKATA ★ Chartered Accountants

ARC INSULATION AND INSULATORS LIMITED
(Formerly Known as ARC INSULATION AND INULATORS PRIVATE LIMITED)
CIN : U18109WB2008PLC129263

STATEMENT OF PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITY

Name of Lender/Fund	Nature of Facility	Date of Issue	Sanctioned Amount (Rs. In Lakhs)	Securities offered	Repayment Period	Rate of Interest	Outstanding amount as on 31.03.2026 (Rs. In Lakhs)	Outstanding amount as on 31.03.2025 (Rs. In Lakhs)
4.1. Long term Borrowings:								
SECURED LOANS								
Business Term Loan:								
ICICI BANK	Car Loan	18-09-2021	14.60	Hypothecation of Car against Loan	60 Months	7.80%	2.02	5.27
HERO FINANCE CORPORATION LIMITED	Corporate Term Loan	30-04-2019	160.00	Mortgage aganst land held in name of Manish Bajoria at Mouza – Samali, Police Station – Bishnupur, J.L.No.23, R.S.Khatian Nos.465 and 498, L.R.Khatian No.2298, R.S. and L.R.Dag Nos.86 and 87, District South 24 Parganas.	72 Months	13.00%	-	27.92
HERO FINANCE CORPORATION	Machinery Term Loan	15-07-2020	33.00	Hypothecation against Machinery	48 Months	14.00%	-	-
ICICI BANK	Car loan	30-03-2022	10.00	Hypothecation of Car against Loan	36 Months	7.50%	-	0.31
KOTAK MAHINDRA BANK LIMITED	Loan against Property	31-05-2022	128.00	Mortgage against property and personal guarantee given by Manish Bajoria	120 Months	9.85%	-	108.37
KOTAK MAHINDRA LOAN	Personal finance loan	08-02-2023	49.50	Personal finance loan	24 Months	Floating Interest	-	-
KOTAK MAHINDRA BANK LIMITED	Loan For Commercial Property Purchase	31-01-2025	240.00	(Property ID:P-00597907) - OU107AND OU108,OU107AND OU108,NA,PRIMARC CHAMBERS,LASKARHAT ROAD,Kasba,24PARGANAS,WEST BENGAL-700039	60 Months	8.20%	-	236.83
Total (A)							2.02	378.70
UNSECURED LOANS								
MANISH BAJORIA	Loan from related party (Managing Director))	28-09-2010	140.00	The Company has received an unsecured loan, which is interest-free and repayable on demand as per the terms agreed with the lender.	Repayable on Demad	-	-	10.67
Total (B)							-	10.67
Total Long Term Borrowings (A+B)							-	389.37
6.1. Short term Borrowings:								
Bank OD								
STATE BANK OF INDIA	Overdraft Faculities	09-04-2025 (Last Renual Date)	470.00	Primery Security : Hypothecation of Stock & Receivable, Hypothecation of Stock and receivables of the unit, both present and future Collateral Security : Belongs to ARC Insulation & Insulators Ltd., (Realizable value Rs 5.76 Crore, 1st chg against SBI Edu Loan Account No. 39930376502 of Promotor's son and value taken for business exposure is after deduction of 110% of outstanding), Title Deed No. I-3548. I-2669, Registered on : 24-06-2009 at South 24 Parganas, West Bengal Personal Guarantee of Manish Bajoria and Neelam Bajoria	Payable at Demand	8.90%	-	164.75
YES BANK	Overdraft Faculities	26-07-2023	200.00	105% margin in FD	Pavable at Demand		-	42.51
Total Short Term Borrowingss (C)							-	207.26
Total (A+B+C)							2.02	596.63

The Company has also availed Non fund based limit of ₹ 75.00 Lakhs of Bank Guarantee & ₹ 150.00 Lakhs of Letter of Credit and Credit exposure limit of ₹ 4.00 lakhs against Hypothecation of stock & book debts, Equitable mortgage of two storied building with RCC & Asbestors roofing factory shed constructed on plot of land measuring 99 decimals, R.S/L.R Dag no. 170 under mouza - Mukundapur, R.S & L.R Dag no. 718 & 719 under mouza ramdevpur at premises bibirhat Mahishgoat Road, Vill - Ramdevpur within the clear ambit of khagramuri Gram Panchayat JL no. 6 & 7, Touzi no. 99 & 14, Pargana Magura, PO - Bawali, RS - 49 & 89,PS & ADSR - Bishnupur, Dist. Parganas South in the name of ARC Insulation & Insulators Ltd. and Personal Guarantee of Manish Bajoria & Neelam Bajoria.

JAY GUPTA & ASSOCIATES KOLKATA Chartered Accountants

ARC INSULATION AND INSULATORS LIMITED
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STATEMENT OF RELATED PARTY TRANSACTIONS

NOTE 27 : Related Party Disclosures

A. List of Related parties

Sl. No.	Name	Relation
	Key Mangerial Personnel	
1	Mr. Manish Bajoria	Managing Director & CFO
2	Mrs. Neelam Bajoria	Director
3	MR. Ashish Kumar Bajoria	Director
4	Shradha Dhacholia	Company Secretary
	Relative of Key Mangerial Personnel	
1	Aman Bajoria	Son of Manish and Neelam Bajoria
2	Premlata Bajoria	Mother of Manish Bajoria
3	Manish Bajoria(HUF)	Manish Bajoria, Karta
4	Meenu Agarwal	Sister of Neelam Bajoria
5	Vinod Agarwal	Relative of Manish Bajoria
	Enterprises having Significant Influence	
1	Swabhumi Distributors Pvt Ltd	

Amount (Rs. In Lakhs, unless otherwise stated)

	As at 31.03.2026			
A. Transactions with Related Parties during the period **Nature of Transactions**	**KMP**	**Relative of KMP**	**Holding Company**	**Enterprises having Significant**
Director Remuneration				
Manish Bajoria	45.12			
Neelam Bajoria	25.77			
Mr. M. Velayudham				
Ms. Shruti Poddar				
Mr. Anand Poddar				
Advance for Puchases of Land				
Manish Bajoria				
Mr. M. Velayudham				
Ms. Shruti Poddar				
Mr. Anand Poddar				
Manish Kumar Agrawal				
Ankita Gupta				
Reimbursement				
Shradha Dhacholia	0.23			
Loan availed				
Manish Bajoria	334.27			
Neelam Bajoria	0.37			
Vinod Agarwal				
Meenu Agarwal				
Loan repaid				
Manish Bajoria	334.27			
Neelam Bajoria	0.37			
Vinod Agarwal				
Meenu Agarwal		10.00		
Loan/Advance Given				-
Meenu Agarwal				
Salary				-
Shradha Dhacholia	4.80			
Aman Bajoria		3.00		
Advance Given against Purchase				

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STATEMENT OF RELATED PARTY TRANSACTIONS

Amount (Rs. In Lakhs, unless otherwise stated)

B. Outstanding Balances Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant
Unsecured Loan				
Manish Bajoria				
Neelam Bajoria				
Vinod Agarwal				
Advances Given				
Meenu Agarwal				
Advance Given for Land				
Manish Bajoria	314.31			
Remuneration/ Salary Payable				
Manish Bajoria	-71.37			
Neelam Bajoria				
Aman Bajoria				

Amount (Rs. In Lakhs, unless otherwise stated)

As at 31.03.2025

A. Transactions with Related Parties during the period Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant
Director Remuneration				
Manish Bajoria	36.00			
Neelam Bajoria	24.00			
Advance for Puchases of Land				
Manish Bajoria	52.94			
Reimbursement				
Shradha Dhacholia	0.39			
Loan availed				
Manish Bajoria	10.67			
Neelam Bajoria	-			
Loan repaid				
Manish Bajoria	12.16			
Neelam Bajoria	0.01			
Loan/Advance Given				-
Meenu Agarwal		10.00		
Salary				-
Aman Bajoria		6.00		

Amount (Rs. In Lakhs, unless otherwise stated)

B. Outstanding Balances Nature of Transactions	KMP	Relative of KMP	Holding Company	Enterprises having Significant
Unsecured Loan				
Manish Bajoria	10.67			
Advances Given				
Meenu Agarwal		10.00		
Advance Given for Land				
Manish Bajoria	314.31			

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ARC INSULATION AND INSULATORS LIMITED
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Note 28 : STATEMENT OF TAX SHELTER

Particulars	As at 31.03.2026	As at 31.03.2025
Net Profit/(Loss) before taxes (A)	278.31	1,159.44
Tax Rate Applicable %	25.17%	25.17%
Adjustments		
Add: Depreciation as per Companies act	101.33	92.63
Add: Gratuity provision	43.51	0.56
Add: Disallowance under Income Tax Act, 1961	0.23	41.09
Less: Depreciation as per Income Tax Act, 1961	92.13	101.88
Net Adjustments(B)	**52.93**	**32.40**
Business Income (A+B)	**331.24**	**1,191.84**
Gross Total/ Taxable Income	**331.24**	**1,191.84**
Less: Deductions U/S 80JJAA		
Net Total/ Taxable Income	**331.24**	**1,191.84**
NET TAXABLE INCOME	331.24	1,191.84
Tax Payable as per Normal Rate	83.37	299.96
Tax as per Income Tax **(C)**	83.37	299.96
Net Tax	**83.37**	**299.96**
Current tax as per restated Statement of Profit & Loss	**83.37**	**299.96**

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Note 28 : Statement of Accounting Ratios

Amount (Rs. In Lakhs, unless otherwise stated)

Particulars	NOTES	As at 31.03.2026	As at 31.03.2025
Current Assets	[A]	4,653.39	2,190.14
Current Liabilities	[B]	718.83	1,092.94
Current Ratio	**[A/B]**	**6.47**	**2.00**
Debt	[A]	2.02	596.63
Equity	[B]	6,019.04	2,504.14
Debt - Equity Ratio	**[A/B]**	**0.00**	**0.24**
Earnings available for debt service	[A]	312.98	1,250.30
Debt Service	[B]	65.71	118.53
Debt - Service Coverage Ratio	**[A/B]**	**4.76**	**10.55**
Net Profit after Tax	[A]	185.51	868.60
Average Shareholder's Equity	[B]	4,261.59	1,859.68
Return on Equity Ratio (%)	**[A/B]**	**4.35%**	**46.71%**
Cost of Goods Sold	[A]	1,198.97	1,585.89
Average Inventory	[B]	971.87	664.61
Inventory Turnover Ratio	**[A/B]**	**1.23**	**2.39**
Net Sales	[A]	2,086.86	3,271.64
Average Trade Receivables	[B]	1,080.38	830.24
Trade Receivables Turnover Ratio	**[A/B]**	**1.93**	**3.94**
Net Purchases	[A]	1,601.51	1,797.87
Average Trade Payables	[B]	554.18	505.71
Trade Payables Turnover Ratio	**[A/B]**	**2.89**	**3.56**
Net Sales	[A]	2,086.86	3,271.64
Current Assets		4,653.39	2,190.14
Current Liabilities		718.83	1,092.94
Average Working Capital	[B]	2,515.88	701.52
Working Capital Turnover Ratio	**[A/B]**	**0.83**	**4.66**
Net Profit	[A]	185.51	868.60
Net Sales	[B]	2,086.86	3,271.64
Net Profit Ratio (%)	**[A/B]**	**8.89%**	**26.55%**
Earning before interest and taxes	[A]	296.58	1,201.35
Capital Employed	[B]	6,019.04	2,813.98
Capital Employed = Total Equity + Long term Debt			
Return on Capital Employed (%)	**[A/B]**	**4.93%**	**42.69%**
Market Value at End of the year- Market Value at the Beginning of the year	[A]	-98.70	-
Market Value at End of the year		39.05	-
Market Value at the Beginning of the year	[B]	137.75	-
Return on Investment	**[A / B]**	**-71.65%**	**0.00%**
# The Opening Market Value is taken as on Listing Date, i.e; 29th August, 2025			

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Note 28 : Statement of Accounting Ratios

Notes:

1. Current Ratio increased by 222.63% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Current Assets during the F.Y. 2025-26
2. Debt Equity Ratio decreased by 99.86% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Equity during the F.Y. 2025-26
3. Debt Service Coverage Ratio decreased by 54.84% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to decrease in Earnings available for Debt Service during the F.Y. 2025-26
4. Return on Equity Ratio decrease by 90.65% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Average Shareholder's Fund for the F.Y. 2025-26
5. Inventory Turnover Ratio decrease by 48.03% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Average Inventory for the F.Y. 2025-26
6. Trade Receivable Ratio decrease by 50.98% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Average Trade Receivable for the F.Y. 2025-26
7. Working Capital Turnover Ratio decreased by 82.23% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Average Working Capital during the F.Y. 2025-26
8. Net Profit Ratio decreased by 66.41% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to decrease in Net Profit during the F.Y. 2025-26
9. Return on Capital Ratio decreased by 88.46% for the year ended 31.03.2026 as compared to F.Y. 2024-25 due to increase in Capital Employed during the F.Y. 2025-26
10. Return on Investment decreased by 71.65% for the year ended 31.03.2026 when compared from its Listing Date due to decrease in Closing Market Value for the F.Y. 2025-26

No transactions to report against the following disclosure

a) Crypto Currency or Virtual Currency
b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
c) Registration of charges or satisfaction with Registrar of Companies

Loans against which charge is not created :

Particular	Loan Against	Date of Loan	Amount (Rs in Lakhs)	
ICICI BANK	Car Loan	18-09-2019	14.60	Hypothecation of Car against Loan Date of Charge Creation: September 18, 2019
ICICI BANK	Car loan	30-03-2022	10.00	Hypothecation of Car against Loan Date of Charge Creation : March 30, 2022
STATE BANK OF INDIA	Overdraft Faculities	09-04-2025	470.00	Primery Security : Hypothecation of Stock & Receivable, Hypothecation of Stock and receivables of the unit, both present and future Collateral Security : Belongs to ARC Insulation & Insulators Ltd., (Realizable value Rs 5.76 Crore, 1st chg against SBI Edu Loan Account No. 39930376502 of Promotor's son and value taken for business exposure is after deduction of 110% of outstanding), Title Deed No. I-3548. I-2669, Registered on : 24-06-2009 at South 24 Parganas, West Bengal Personal Guarantee of Manish Bajoria and Neelam Bajoria Date of Charge Creation : April 09, 2025

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Note 28 : Statement of Accounting Ratios

d) Relating to borrowed funds
 i) Wilful defaulter
 ii) Utilisation of borrowed funds & share premium
 iii) Borrowings obtained on the basis of security of current assets
 iv) Discrepancy in utilisation of borrowings
 v) Current maturity of long term borrowings

e) There are no layer of companies, hence no disclosures are required

f) There is no scheme of arrangement approved in terms of section 230 to 237 of Companies Act, 2013

g) The company has neither advanced or loaned or invested funds nor received any advances (either borrowed funds or share premium or any other sources or kind of funds) from any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall
 (i) 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)
 (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

h) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the Company.

i) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

j) No instance of any transactions not being recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 have been found. The Company does not have any previously unrecorded income and related assets which have not been properly recorded in the books of accounts.

DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

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Annexure To Note : 1.18

Amount (Rs. In Lakhs, unless otherwise stated)

Corporate Social Responsibility	As at 31.03.2026	As at 31.03.2025
(a) Total amount required to be spent during the year	14.09	6.56
(b) Total amount of expenditure incurred during the year	-	(8.00)
(c) Shortfall/ (excess) at the end of the year	14.09	(1.44)
(d) Total amount of previous years shortfall	(1.44)	-
(e) Reason for shortfall		Not Applicable
(f) Nature of CSR activities (Refer Note 1)		Activities for Education of Childrens (Ananta Trust CSR Registration No. CSR0007171)
(g) Details of related party transactions		
(h) 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 should be shown separately		
Total	12.65	(1.44)

Notes :

1. The Company undertakes the following activities in the nature of Corporate social responsibility (CSR) :

   a.Promoting education, including special education and employment enhancing vocational skills, especially among children, women, and elderly.

   b.Promotion of health care, including preventive health care and sanitation.

   c.Measures for the benefit of armed forces veterans, war widows, and their dependents.

2. CSR expenses for the current year includes excess provision for earlier year which has been adjusted in current year.

