

SHWETANK JOSHI & CO.

CHARTERED ACCOUNTANTS
66, EZRA STREET
KOLKATA - 700 001
PHONE : 2225-3828, FAX : 2225-3932

INDEPENDENT AUDITOR'S REPORT

To the Members of ARCOTECH LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of Arcotech Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

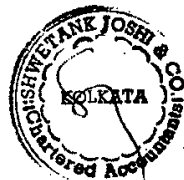
Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



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Opinion


In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a. in the case of the Balance Sheet of the state of affairs of the Company as at March 31, 2014;
- b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") (as amended) issued by the Central Government of India in terms of section 227 (4A) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227 (3) of the Act, we report that:-
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274(1)(g) of the Act.

For SHWETANK JOSHI & CO.
Chartered Accountants
Firm's Registration Number: 315093E


SHWETANK JOSHI
PROPRIETOR
Membership Number: 52238
Place: New Delhi
Dated: 07.05.2014



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ANNEXURE TO THE AUDITORS REPORT

ARCOTECH LIMITED

(Referred to in Paragraph I of our report of even date)

- I. a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management at reasonable intervals during the year and there is a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material.
- c. During the year, the Company has not disposed of any substantial part of its fixed assets.
- II. a. The Inventories of the Company at all its locations has been physically verified by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c. On the basis of our examination of records of inventories and according to the information and explanations given to us, in our opinion, the company is maintaining proper record of inventories. The discrepancies noticed on such physical verification of inventories as compared to the books of records were not material.
- III. According to the information and explanations given to us, the Company has neither granted nor taken any loan secured or unsecured to/ from companies, firms and/or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- IV. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control systems.



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- V. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly clause 4(v)(b) of the order is not applicable.
- VI. The company has not accepted any fresh deposits from the public during the year.
- VII. In our opinion, the company has an internal audit system commensurate with the size the Company and nature of its business.
- VIII. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- IX. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the statutory dues including Provident Fund, investor education and protection fund, employees state insurance, Income Tax, sales tax, wealth tax, Service Tax, Customs Duty and Excise Duty, Cess and other material statutory dues as applicable with appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were in arrears as at 31.03.2014 for a period of more than six months from the date they become payable.
- c. According to the information and explanations given to us, there are no dues relating to Income Tax, Sales Tax, Wealth Tax, Service Tax Custom Duty, Excise Duty and Cess as at 31st March, 2014, which have not been deposited on account of any dispute.
- X. The company has no accumulated losses as at 31st March, 2014 and has not incurred cash losses in the financial year ended on that date or in the immediately preceding financial year.
- XI. According to information and explanations given to us and the records of the Company examined by us, the company has not defaulted in repayment of dues to a financial Institutions or bank.
- XII. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debenture and other securities.




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- XIII. In our opinion the Company is not a chit fund or nidhi/ mutual benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
- XIV. In our opinion, the Company is not dealing or trading in shares, securities, debentures or other investments.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by, the others from bank or financial institutions during the year.
- XVI. According to the information and explanations given to us, the term loans were used for the purpose it has been taken.
- XVII. According to the information and explanations given to us, and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
- XVIII. The Company has made preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. However, the price at which the shares have been issued is not prejudicial to the interest of the Company.
- XIX. The Company has not issued any debentures during the year.
- XX. The Company has not raised any money through Public issue during the year.
- XXI. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year nor have we been informed of such case by the management.

For SHWETANK JOSHI & CO.
Chartered Accountants
Firm's Registration Number: 315093E


SHWETANK JOSHI
PROPRIETOR
Membership Number: 52238
Place: New Delhi
Dated: 07.05.2014





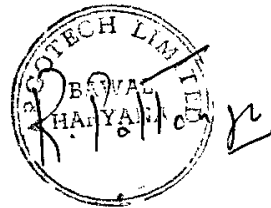
ARCOTECH LTD.

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH, 2014

Sl. NO.	Particulars	(Rs in Lacs)					
		Quarter Ended			Year Ended		
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	
		Audited	Un Audited	Audited	Audited	Audited	
1	Income from operations						
	Gross Sale	25459.63	18319.97	12103.56	70244.59	41235.98	
	Less: Excise Duty	2756.58	2065.43	1296.26	7749.67	4328.61	
	Net Sales	22703.05	16254.54	10807.30	62494.92	36907.37	
	Other Operating Income	14.94	4.54	25.38	22.46	44.04	
	Total income from operations (net)	22717.99	16259.08	10832.68	62517.38	36951.41	
2	Expenses						
	(a) Cost of materials consumed	17357.13	13475.04	9584.52	53850.28	30589.09	
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1635.41	(292.40)	(781.15)	(4050.67)	(878.50)	
	(c) Power and Fuel	421.61	309.34	246.52	1400.64	872.15	
	(d) Employee Cost	213.85	214.87	169.01	789.88	636.25	
	(e) Depreciation	107.93	103.61	79.91	396.65	279.38	
	(f) Other expenses	657.88	317.99	307.75	2042.68	997.91	
	Total expenses	20393.81	14128.45	9606.56	54419.46	32496.28	
3	Profit / (Loss) from operations before other income, finance	2324.18	2130.63	1226.12	8097.92	4455.13	
4	Other income	54.44	27.13	109.26	133.56	155.52	
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 ± 4)	2378.62	2157.76	1335.38	8231.48	4610.65	
6	Finance Cost	819.28	894.57	475.13	3163.58	1538.58	
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)	1559.34	1263.19	860.25	5067.90	3072.07	
8	Exceptional items						
9	Profit / (Loss) from ordinary activities before tax (7 ± 8)	1559.34	1263.19	860.25	5067.90	3072.07	
10	Tax expense	543.90	429.36	50.73	1757.95	781.47	
11	Net Profit / (Loss) from ordinary activities after tax (9 ± 10)	1015.44	833.83	809.52	3309.95	2290.60	
12	Extraordinary items (net of tax expense)						
13	Net Profit / (Loss) for the period (11 ± 12)	1015.44	833.83	809.52	3309.95	2290.60	
14	Paid-up equity share capital (Face Value Rs 10/-)	2100.00	2100.00	2000.00	2100.00	2000.00	
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year				11455.13	7980.87	
16	Earning Per Share-Basic	4.84	3.97	4.05	15.76	11.45	
	-Diluted	4.84	3.97	4.04	15.76	11.43	

PART II					
A	PARTICULARS OF SHAREHOLDING				
1	Public shareholding				
	- Number of shares	6055264	6055264	6055264	6055264
	- Percentage of shareholding	28.83	28.83	30.28	28.83
2	Promoters and Promoter Group Shareholding				
	a) Pledged / Encumbered				
	- Number of shares	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL
	b) Non - encumbered				
	- Number of shares	14944736	14944736	13944736	14944736
	- Percentage of shares (as a % of the total shareholding of the Promoter and Promoter group)	100	100	100	100
	- Percentage of shares (as a % of the total share capital of the company)	71.17	71.17	69.72	71.17



Registered Office/Works : 181, Sector 3, Industrial Growth Centre, Bawal-123501, Distt. Rewari, Haryana

(An ISO 9001 : 2000 & 14001 : 2004 Certified Company)



Particulars		Quarter ended (31.03.2014)
B	INVESTOR COMPLAINTS	
	Pending at the beginning of the quarter	NIL
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	NIL

PARTICULARS		AS AT 31.03.2014	AS AT 31.03.2013
A	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
	(a) Share Capital	2100.00	2000.00
	(b) Reserves and Surplus	11455.13	7980.87
	Sub Total- Shareholders' Fund	13555.13	9980.87
2	Share application money pending allotment	-	510.00
3	Minority Interest	-	-
4	Non- Current Liabilities		
	(a) Long term borrowings	1814.80	1608.41
	(b) Deferred Tax Liabilities (net)	918.27	562.94
	(c) other long term liabilities	-	-
	(d) Long term provisions	-	-
	Sub Total- Non- current liabilities	2733.07	2171.35
5	Current Liabilities		
	(a) Short- term borrowings	19028.53	11900.11
	(b) Trade Payables	8006.38	6919.78
	(c) Other Current Liabilities	1342.32	1144.53
	(d) Short-term provisions	1386.78	807.33
	Sub Total-Current liabilities	29744.01	20771.75
	TOTAL- EQUITY AND LIABILITIES	46032.21	33433.98
B	ASSETS		
1	Non- Current assets		
	(a) Fixed Assets	8747.63	6918.99
	(b) Capital Work in Progress	-	168.74
	(c) Deferred Tax Assets (net)	-	-
	(d) Non Current Investment	0.70	0.70
	(e) Long term loans & Advances	48.43	28.39
	(f) other non- currents assets	35.98	404.16
	Sub Total-Non- Current Assets	8832.74	7520.97
2	Current Assets		
	(a) Inventories	17243.84	11043.58
	(b) Trade receivables	16795.70	12595.17
	(c) Cash & Cash equivalents	1629.70	887.89
	(d) Short term loans & advances	1530.23	1386.36
	(e) other current assets	-	-
	Sub Total- Current Assets	37199.47	25913.01
	TOTAL ASSETS	46032.21	33433.98

Notes:

- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors at their Meeting held on 7th May, 2014
- There were no Complaints pending from Investors at the beginning and at the end of the Quarter ended 31st March, 2014
- Previous period figures have been regrouped to confirm to the Current period classification and revised Schedule VI of the Companies Act, 1956.
- The board has recommended dividend of Rs 1/- per share (face value of Rs 10/- per share) for the Financial year ended 31.03.2014.

Place: New Delhi
Dated 07.05.2014

