

### **NOTICE**

Notice is hereby given that the 33rd Annual General Meeting of the Company will be held on Saturday, the 20th day of September, 2014 at 11.00 A.M. at the Registered Office of the Company situated at 181, Sector-3, Industrial Growth Centre, Bawal, Distt Rewari, Haryana-123501 to transact the following business:

#### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2014 including Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To declare dividend of Re. 1/- per share on equity shares at the face value of Rs. 10/- each for the financial year ended 31st March, 2014
3. To appoint a Director in place of Shri Rameshwar Dayal Tayal, who retires by rotation as per the provisions of Companies Act, 1956 and being eligible, offers himself for re-appointment as Director not liable to retire by rotation and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Rameshwar Dayal Tayal (DIN: 00021148) be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years for a term up to the conclusion of 38th Annual General Meeting of the Company in the calendar year 2019."  
**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
4. To appoint Auditor and fix their remuneration and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:  
"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s Shwetank Joshi & Co., (Registration No:- 52238) Chartered Accountant, 66, Ezra Street Kolkata-700001, the retiring Auditors who have offered their services and who are not disqualified to act as auditors of the company under Section 141 of the Companies Act, 2013 be and hereby re-appointed as Statutory Auditors of the Company, to hold office for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting (AGM) of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

#### **SPECIAL BUSINESS**

##### **ITEM NO. 5**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:-

"RESOLVED THAT, Shri Maninder Kohli (DIN: 01173387), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with deposit of one lakh rupees under Section 160 of the Companies Act, 2013 from the member proposing his candidature for the office of Director, be and is hereby appointed as Non-Executive, Non Independent Director of the Company in accordance with of Sections 149, 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and who shall be liable to retire by rotation."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

##### **ITEM NO. 6**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Suresh Thakur (DIN: 00702975), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with deposit of one lakh rupees under Section 160 of the Companies Act, 2013 from the member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years for a term up to the conclusion of 38th Annual General Meeting of the Company in the calendar year 2019."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

##### **ITEM NO. 7**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Sonia Dube (DIN: 01994475), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing along with deposit of one lakh rupees under Section 160 of the Companies Act, 2013 from the member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years for a term up to the conclusion of 38th Annual General Meeting of the Company in the calendar year 2019."

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**ITEM NO. 8**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** in suppression to resolution passed in Item No. 2 of Ordinary Business of the 30th Annual General Meeting held on 29th day of September, 2011 and in accordance with the provisions of Sections 152 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the member is hereby accorded to make Shri Arvind Kumar Saraf (DIN: 00057323) Non Executive Non Independent Chairman of the Company not liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**ITEM NO. 9**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section-148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**ITEM NO. 10**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:-

**"RESOLVED THAT** in continuation to resolution passed in Item No. 4 of the Special Business of the 31st Annual General Meeting held on 29th day of September, 2012 and in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the member is hereby accorded to vary the terms and conditions of appointment of Shri Radha Nath Pattanayak (DIN: 01189370) appointed as a Whole-time Director of the Company to the extent that he shall be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**ITEM NO. 11**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** in accordance with the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to approvals, permissions and sanctions from the appropriate authorities, if any, consent of the members be and is hereby accorded to alter the Object clause enumerated as Clause III of the Memorandum of Association of the company by deleting all the Other Objects under Clause III(C) of the Memorandum of Association of the Company. The amendments are as follows:-

**Clause III (C) OTHER OBJECTS:-**

Sub Clause 1 to 19 deleted.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**ITEM NO. 12**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as **SPECIAL RESOLUTION**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to approvals, permissions and sanctions from the appropriate authorities, if any, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board**

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

**(Amit Sharma)**  
**General Manager (Finance)**  
**Cum Company Secretary**  
**Membership No.:- A16480**

**Registered Office:**

181, Sector-3, Industrial Growth Centre  
Bawal, District-Rewari, Haryana-123501  
Tel: 01284-464160/161, Fax: 01284-264024

**Corporate Office:**

F-701A, Lado Sarai, Mehrauli,  
New Delhi-110030  
Tel: 01129523251, Fax: 01129523020

**CIN:** L34300HR1981PLC012151

**Email:** contact@arcotech.in , investors@arcotech.in

**Website:** www.arcotech.in

**NOTES :**

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special business set out in Item No(s) 5 to 12 above, is annexed hereto and forms part of notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR WHERE ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.  
A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. The appointment of proxy shall be in Form-MGT-11(attached herewith) and the instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate board resolutions/ authority, as applicable.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 13th September, 2014 to 20th September, 2014 (both days inclusive).
6. **VOTING THROUGH ELECTRONIC MEANS:**  
**In case of members receiving e-mail:**
  - (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - (ii) Click on "Shareholders" tab.
  - (iii) Now, select ARCOTECH LIMITED from the drop down menu and click on "SUBMIT"
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form & had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field. - Sequence number is communicated in the Attendance Slip/ Covering Letter.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the ARCOTECH LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

Please follow all steps from **SL. No. (i) to SL. no. (xvii)** above to cast vote.

- (A) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (B) The voting period begins on **14th September, 2014 (9.00am) and ends on 16th September, 2014 (6.00 pm)**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **8th August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. At the end of the voting period, the portal where votes are cast shall forthwith be blocked.
- (C) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date (record date) of **8th August, 2014**.
- (D) Mr. Saurabh Agrawal c/o M/s. Saurabh Agrawal & Co., Company Secretaries, 403, Nirmal Tower, 26, Barakhamba Road, Connaught place, New Delhi-110001 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (E) The Scrutinizer shall, within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (F) The Results shall be declared on or after AGM of the Company. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.arcotech.in](http://www.arcotech.in) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

7. The Board of Directors of the Company at their Meeting held on 07th May 2014 have recommended a dividend of Re. 1.00 per share on equity share of Rs. 10/- each for the financial year 2013-14. Dividend, if declared, at the Annual General Meeting, will be paid on or after **25th September, 2014 but before 19th October, 2014**.
8. **Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form are hereby informed to register their bank details with the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001 for the payment of dividend in their bank account.**
9. Members holding shares in physical form are requested to inform any change of address, Email -id, bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001. Members holding shares in electronic form are requested to inform any change of address, Email -id, bank details etc. immediately to their respective depository participants.
10. **Members holding shares in physical form are requested to write the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001 to register the E-mail id (of only first/sole holder), Permanent Account No. (PAN No.) Unique Identification No. (AADHAR No.), Mother's/Father's/Husband's name, Occupation, In case Member is a minor, Name of the guardian and date of birth of the member and CIN No. (In case member is a body corporate)**
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the STA i.e. M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001
12. All documents referred to in the above notice and the explanatory statement shall be open for inspection at the Registered Office of the Company between 10.00 A.M. and 6.00 P.M. on all working days up to and including the date of Annual General Meeting of the Company.
13. Electronic copy of the Annual report is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
14. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
15. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website [www.arcotech.in](http://www.arcotech.in) for their download.
16. The Register of Directors and Key Managerial personnel and their shareholding, maintained u/s 170 of the Companies Act, 2013 will be available for inspection at the registered office of the Company between 10.00 A.M. and 6.00 P.M. on all working days up to the date of meeting and at the commencement of the Meeting and remain open and accessible during the continuance of the meeting.
17. The Register of Contracts, maintained u/s 189 of the Companies Act, 2013 will be available for inspection at the registered office of the Company between 10.00 A.M. and 6.00 P.M. on all working days up to the date of meeting and at the commencement of the Meeting and remain open and accessible during the continuance of the meeting.
18. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
19. Members desiring any information or clarifications on the Annual Report are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
20. Members are already aware that the Company had appointed M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001, as Share Transfer Agent (STA), both for electronic connectivity and Share Transfer work. Members can make correspondence with STA for Share Transfer requests and change of address related queries.
21. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company / STA, the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
22. The Company is registered with the following depositories for dematerialization of its Equity Shares:-
  - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
  - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai- 400001

23. The relevant information of Directors, by way of brief resume, seeking reappointment under item no. 3 and appointment under Item No. 5, 6 & 7 as required under Clause - 49 of the Listing Agreement entered with the Stock Exchanges are given herein below:

Name of the Director	Shri Rameshwar Dayal Tayal	Shri. Maninder Kohli	Shri. Suresh Thakur	Ms. Sonia Dube
DIN No.	00021148	01173387	00702975	01994475
Date of Birth	November 30, 1953	December 04, 1964	May 24, 1959	May 06. 1974
First date of Appointment	November 12, 2005	November 22, 2013	May 07, 2014	August 12, 2014
Expertise in Specific Functional Areas	Finance	Finance	Technical	Legal
Qualification	Graduate	B.E	Mechanical Engineering	LLB
Directorship in other Companies	<ul style="list-style-type: none"> <li>Amber Leasing Private Limited</li> <li>Arcotech Biochem Limited</li> </ul>	<ul style="list-style-type: none"> <li>Arcotech Uniexpat Limited</li> <li>Juniper Outdoor Pursuits Centre Private Limited</li> <li>The Legend Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Himalayan Pure Waterhouse Limited</li> <li>Aapka Faisla Prakashan Private Limited</li> <li>Gurcharan Forex Private Limited</li> <li>Vandc Vaults and Finance Limited</li> <li>Punjab &amp; Sindh Bank, New Delhi</li> </ul>	<ul style="list-style-type: none"> <li>Her Clothing Private Limited</li> </ul>
Chairmanship/ Membership of Committees (across all public Cos.)	Chairman in following committees of Arcotech Limited <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Nomination and Remuneration Committee</li> <li>Stakeholders Relationship Committee</li> </ul>	Member in following Committees of Arcotech Limited <ul style="list-style-type: none"> <li>Risk Management Committee</li> <li>Nomination and Remuneration Committee</li> </ul>	Member in following committees of Punjab & Sindh Bank, New Delhi <ul style="list-style-type: none"> <li>Management Committee</li> <li>Customer Service Committee</li> </ul> Member in following committees of Arcotech Limited <ul style="list-style-type: none"> <li>Audit Committee</li> <li>Corporate Social Responsibility Committee</li> <li>Nomination and Remuneration Committee</li> </ul>	Member in following committees of Arcotech Limited <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee</li> </ul>
Shareholding in the Company	Nil	Nil	Nil	Nil
Inter-se Relationship between Directors	No	No	No	No

#### **ANNEXURE TO NOTICE**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **ITEM NO.5**

Shri. Maninder Kohli was appointed as an Additional Director of the Company with effect from November 22, 2013 under Section 161 of the Companies Act, 2013. His term of office shall expire at the ensuing Annual General meeting. The company has received a notice in writing from a member along with a deposit of Rs. 1,00,000/-, pursuant to Section-160 of the Companies Act, 2013 signifying his intention to propose Shri. Maninder Kohli, as a candidate for the office of the Director.

Shri Maninder Kohli, aged 49 years, is B.E from Delhi University and Master in International Management from U.S.A and is having an experience of 20 years with Citibank Consumer Bank as Senior Vice President. Shri. Maninder Kohli possesses fine exposure in finance and business development.

Shri Maninder Kohli is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Except Shri Maninder Kohli, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

Yours Directors recommend Ordinary resolution set out at Item No. 5 for approval.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf

**ITEM NO. 6**

Shri. Suresh Thakur was appointed as an Additional Director of the Company in Independent Capacity with effect from May 07, 2014 under Section 161 of the Companies Act, 2013. His term of office shall expire at the ensuing Annual General meeting. The company has received a notice in writing from a member along with a deposit of Rs. 1,00,000/-, pursuant to Section-160 of the Companies Act, 2013 signifying his intention to propose Shri. Suresh Thakur, as a candidate for the office of the Director.

Shri Suresh Thakur, aged 55 years, did Mechanical Engineering from Govt. Polytechnic College, Hamirpur Himachal Pradesh in 1979 and presently he is a Director of Punjab & Sind Bank, New Delhi.

Shri Suresh Thakur is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

Section 149 of the Act and Clause 49 of the Listing Agreement inter alia stipulate the criteria of independence directors. As per the Explanation to Section 152(6) of the Companies Act, 2013, an Independent Director shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Shri Suresh Thakur that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Except Shri Suresh Thakur, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

Yours Directors recommend Ordinary resolution set out at Item No. 6 for approval.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf.

**ITEM NO. 7**

Ms. Sonia Dube was appointed as an Additional Director of the Company in Independent Capacity with effect from August 12, 2014 under Section 161 of the Companies Act, 2013. Her term of office shall expire at the ensuing Annual General meeting. The company has received a notice in writing from a member along with a deposit of Rs. 1,00,000/-, pursuant to Section-160 of the Companies Act, 2013 signifying his intention to propose Ms. Sonia Dube as a candidate for the office of the Director.

Ms. Sonia Dube, aged 40 years did L.L.B and possesses appropriate skills, experience and knowledge, inter alia, in the field of legal matters. Presently she is associated with one of the leading law firm named as Legal Options, situated at New Delhi.

Ms. Sonia Dube is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act and Clause 49 of the Listing Agreement inter alia stipulate the criteria of independence directors. As per the Explanation to Section 152(6) of the Companies Act, 2013, an Independent Director shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Sonia Dube, that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

Except Ms. Sonia Dube, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Yours Directors recommend Ordinary resolution set out at Item No. 7 for approval.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf.

**ITEM NO. 8**

Shri Arvind Kumar Saraf is the Chairman and Promoter of the Company and appointed as Non Executive Non Independent Chairman of the Company. He was appointed as director liable to retire by rotation but now the company wishes to make him non rotational director who shall not be liable to retire by rotation.

Except Shri. Arvind Kumar Saraf and Shri Rishabh Saraf, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

Yours Directors recommend Ordinary resolution set out at Item No. 8 for approval.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf.

**ITEM NO. 9**

The Board on the recommendation of the Audit Committee has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the company for the financial year ending March 31, 2015 as per the following details:

Name of the Cost Auditor	Address	Firm Registration No	Industry	Audit fees (Rs. per annum)
M/s SS Chug & Co.	44-b, Jawahar Market, P.O. Partap Nagar, Distt Ropar, Nangal Dam, Punjab - 140125	101595	Non Ferrous Metals	25000 plus service tax and out of pocket expenses

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

Yours Directors recommend Ordinary resolution set out at Item No. 9 for approval.

**ITEM NO. 10**

In pursuance of the Section-152 of the Companies Act, 2013, the 2/3rd of the Directors of the Company shall be liable to retire by the rotation. The Company has total 6 directors out of whom there are 3 independent directors, who shall not be included in the total number of directors for retirement by rotation pursuant to Explanation to Section-152(6) of the Companies Act, 2013. Hence to comply with the provisions of Companies Act, 2013 and to constitute the 2/3rd of remaining 3 directors, it is expedient to vary the terms and conditions of appointment of Shri. Radha Nath Pattanayak, Whole Time Director to the extent that he shall be liable to retire by rotation.

Except Shri. Radha Nath Pattanayak, None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 10 of the Notice.

Yours Directors recommend Special resolution set out at Item No. 10 for approval.

The above particulars are also in compliance with the requirements of Clause 49 of the Listing Agreement in this behalf.

**ITEM NO. 11**

As per the Section-4(1) of the Companies Act, 2013, the Company cannot have Other Objects Clause in its Memorandum of Association. Hence, in compliance with the provisions of the Companies Act, 2013, there is requirement to delete the Other Objects Clause-III(C) from the memorandum of association of the company.

Accordingly, the objects clause enumerated as clause III of the Memorandum of Association of the company is required to be altered by deleting all the Other Objects under Clause III(C) of the Memorandum of Association of the Company and the same requires your approval vide special resolution. The amendment shall be effective upon the registration of the Resolution with the Registrar of Companies, NCT of Delhi & Haryana.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

Yours Directors recommend Special Resolution set out at Item No. 11 for approval.

**ITEM NO. 12**

The existing Articles of Association (AOA) of the company are based on Companies Act, 1956, and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956. With the coming into force of the Companies Act, 2013, some regulations in the existing AOA are no longer in conformity with the new Act and several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA of the company by a new set of Articles that are based on Table 'F' of Schedule 'I' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

Pursuant to the provisions of Section-14 of the Companies Act, 2013, amendment of Articles of Association would require approval of shareholders by way of Special Resolution. Accordingly, this matter has been placed before the shareholders for approval.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 of the Notice. The amendment shall be effective upon the registration of the Resolution with the Registrar of Companies, NCT of Delhi & Haryana.

Yours Directors recommend special resolution set out at Item No. 12 for approval.



**ARCOTECH LIMITED**

**CIN: L34300HR1981PLC012151**

**Registered Office:** 181, Sector-3, Industrial Growth Centre, Bawal, District-Rewari, Haryana-123501

**Tel:** 01284-464160/161, **Fax:** 01284-264024

**Corporate Office:** F-701A, Lado Sarai, Mehrauli, New Delhi-110030

**Tel:** 01129523251, **Fax:** 01129523020

**Email:** [contact@arcotech.in](mailto:contact@arcotech.in), [investors@arcotech.in](mailto:investors@arcotech.in) **Website:** [www.arcotech.in](http://www.arcotech.in)

**FORM NO. MGT-11  
PROXY FORM**

**Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014**

Name of the member(s):

Registered Address:

Email Id:

Folio No/ Client ID:

DP ID-

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name:..... Address:.....  
..... Email Id:.....Signature:....., or failing him
2. Name:..... Address:.....  
..... Email Id:.....Signature:....., or failing him
3. Name:..... Address:.....  
..... Email Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual general meeting of the company, to be held on Saturday the 20th September, 2014 At 11.00 a.m. at the Registered Office of the Company situated at 181, Sector-3, Industrial Growth Centre, Bawal, Distt Rewari, Haryana-123501 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Resolution (Ordinary/ Special)	Optional*	
			For	Against
<b>ORDINARY BUSINESS</b>				
1	Adoption of Accounts.	Ordinary		
2	Declaration of dividend on Equity shares	Ordinary		
3	Re-appointment of Shri Rameshwar Dayal Tayal, who retires by rotation and, being eligible, offers himself for re-appointment.	Ordinary		
4	Appointment of Statutory Auditors	Ordinary		
<b>SPECIAL BUSINESS</b>				
5	Appointment of Shri Maninder Kohli as Director	Ordinary		
6	Appointment of Shri Suresh Thakur as Director	Ordinary		
7	Appointment of Ms. Sonia Dube as Director	Ordinary		
8	To vary terms of appointment of Shri Arvind Kumar Saraf, Chairman	Ordinary		
9	Ratification of Remuneration of Cost Auditor	Ordinary		
10	To vary terms of appointment of Shri Radha Nath Pattanayak, Whole Time Director	Special		
11	Alteration in Object Clause of Memorandum of Association of the Company	Special		
12	Alteration in Articles of Association of the Company	Special		

Signed this .....day of .....2014

\_\_\_\_\_  
Signature of the Member

\_\_\_\_\_  
Signature of proxy holder(s)

Affix  
Rupee 1  
Revenue  
Stamp

**Notes:**

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 33rd Annual General meeting.
3. \* It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

**ARCOTECH LIMITED**

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**Tel: 01129523251, Fax: 01129523020**

**Email: [contact@arcotech.in](mailto:contact@arcotech.in), [investors@arcotech.in](mailto:investors@arcotech.in) Website: [www.arcotech.in](http://www.arcotech.in)**

**ATTENDANCE SLIP**

**Master Folio No.**

**NAME AND ADDRESS OF THE SHAREHOLDER**

.....  
.....  
.....

No. of Shares held:

I/We hereby record my/our presence at the 33rd ANNUAL GENERAL MEETING of the Company held on Saturday, the 20th day of September, 2014 at 11.00 A.M. at 181, Sector-3, Industrial Growth Centre, Bawal, Distt Rewari, Haryana-123501

\_\_\_\_\_  
Member's Folio/DP ID-Client ID No.

\_\_\_\_\_  
Member's /Proxy's Name in Block Letters

\_\_\_\_\_  
Member's /Proxy's Signatures

**Notes:**

1. Please complete the Name & Folio/DP ID-Client ID No. and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.
2. **Members are requested to bring this slip along with them as duplicate slips will not be issued at the venue of the meeting.**

**ARCOTECH LIMITED**

**CIN: L34300HR1981PLC012151**

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**Email:** [contact@arcotech.in](mailto:contact@arcotech.in), [investors@arcotech.in](mailto:investors@arcotech.in) **Website:** [www.arcotech.in](http://www.arcotech.in)

Registered Folio No. DP ID No./Client ID No.:

Sr. No.

No. of share(s) held:

Dear Member

**SUBJECT: VOTING THROUGH ELECTRONICS MEANS**

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 33<sup>rd</sup> Annual General Meeting of the Company to be held on Saturday, 20<sup>th</sup> September, 2014 at 11:00 a.m. The Company has availed the services of Central Depository Services Limited (CDSL) to provide the e-Voting facility.

The e-Voting facility is available at the link <http://www.evotingindia.co.in>

The e-Voting particulars are set out below:

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>User ID</b>	<b>Password/ PIN</b>

The e-Voting facility will be available during the following voting period:

Commencement of e-Voting	September 14, 2014 at 09:00 a.m.
End of e-Voting	September 16, 2014 at 06:00 p.m.

Please read carefully the instructions mentioned in Point 6 of Notes of Notice of AGM.

These details and instructions form integral part of the Notice of the 33<sup>rd</sup> Annual General Meeting to be held on 20<sup>th</sup> September, 2014. The cut-off date, (i.e. the record date) for the purpose of e-Voting is 8<sup>th</sup> August, 2014.

By Order of the Board  
For **ARCOTECH LIMITED**

(Amit Sharma)  
General Manager (Finance)  
Cum Company Secretary  
Membership No.:- A16480

*33rd Annual Report*  
*2013 - 2014*



**ARCOTECH LIMITED**

**CIN : L34300HR1981PLC012151**

**BOARD OF DIRECTORS**

Shri Arvind Kumar Saraf	Chairman
Shri Radha Nath Pattanayak	Whole Time Director
Shri Rameshwar Dayal Tayal	Director
Shri Maninder Kohli	Director
Shri Suresh Thakur	Director
Ms. Sonia Dube	Director

**COMPANY SECRETARY**

Shri Amit Sharma

**AUDITORS**

M/s. Shwetank Joshi & Co.  
Chartered Accountants  
66, Ezra Street,  
Kolkata - 700 001.

**REGISTERED OFFICE AND WORKS**

181, Industrial Growth Centre,  
Sector-3, Bawal-123501  
Distt. Rewari (Haryana)

**CORPORATE OFFICE**

F-701A, Lado Sarai,  
Mehrauli, New Delhi-110030

**DIRECTORS' REPORT**

Dear Members,

Your Directors have immense pleasure in presenting the 33rd Annual Report on the business and operations of the Company together with Audited Statement of Accounts of your Company for the financial year ended the 31st March, 2014.

**1. FINANCIAL HIGHLIGHTS**

(Rs. in Crores)

PARTICULARS	2013-2014	2012-2013
Sales	702.45	412.36
Profit Before Interest, Depreciation & Tax (PBIDT)	86.18	48.90
Less : Interest & Finance Charges	31.63	15.39
Profit Before Depreciation & Tax (PBDT)	54.55	33.51
Less : Depreciation	3.87	2.79
Profit Before Tax (PBT)	50.68	30.72
Less : Provision for Current Tax /Deferred Tax	17.58	7.81
Profit After Tax (PAT)	33.10	22.91

**Key Financial Indicators**

PARTICULARS	2013-2014	2012-2013
OPBDITA/ OI	14.6%	14.0%
ROCE	29.1%	24.9%
RONW	27.5%	25.2%

**2. DIVIDEND**

Your Directors have recommended dividend of Re. 1/- per share on equity shares at the face value of Rs. 10/- each for the financial year ended 31st March, 2014

**3. BUSINESS AND OPERATIONS REVIEW**

Your Company has continued its growth story during fiscal 2014 and achieved 70% growth in turnover, crossing Rs 700 crore turnovers during the year. The operating profit grew by 69% to Rs 49.39 crores from Rs 29.16 crores during the previous year. The EPS of the Company also grew from 11.43 to 15.76 while achieving CAGR of more than 47% during last five years. During the year under review, your company has successfully executed the India Government Mint order for Rs. 5/- coin. The Company has also started regular supplies to various ordnance factories i.e. Katni, Khirki, Warangaon & Ambarnath etc.

To further widen the product range as well as value addition, the company is looking to manufacture plated material as well as coin blanks & bullet cups. This will be a step towards forward integration and therefore improve margins.

Shareholders will be glad to note that your Company is contemplating to setup a green field project in the state of Gujarat, India to manufacture Aluminum semis. This will be an integrated facility and will prove to be a synergy to our Copper unit. Your Company is in advanced stage of discussion with all the stakeholder involved for setting up this plant. Aluminum demand has been growing at 10% CAGR since last 5 years and is expected to grow at 15-17% for the next five years. Since, Arcotech has strong team with knowledge of melting & casting of non ferrous metals and enjoys established credibility in copper and copper based alloy material market with strong customer as well as supply chain relationship, the setting up of Aluminum plant would be complemented by existing business activity of the company.

**4. DIRECTORS**

In pursuance with the provisions of Companies Act, 1956, Shri Rameshwar Dayal Tayal who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment as director not liable to retire by

rotation . In terms of Clause 49 of the Listing Agreement with the Stock Exchange(s), the details of the Director to be re-appointed are being provided in the notice of the 33rd Annual General Meeting.

During the year, Shri Maninder Kohli, Non Executive-Non Independent director, Shri Suresh Thakur, Independent director and Ms Sonia Dube, Independent Women director have joined the board of the Company. In terms of Clause 49 of the Listing Agreement with the Stock Exchange(s), the details of these Directors have provided in the notice of the 33rd Annual General Meeting.

During the year under review, Shri. Gautam Khaitan, Independent Director of the company resigned from the Board and Audit Committee & Remuneration Committee of the Company with effect from 22.11.2013. The Board placed on record its appreciation for the invaluable contribution made by him during his tenure and association with the company.

### **5. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956**

The Board of Directors hereby confirms, in terms of Section 217(2AA) of the Companies Act, 1956:

- a) That in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- b) That appropriate accounting policies have been selected and applied consistently, and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Annual Accounts have been prepared on a going concern basis.

### **6. FIXED DEPOSITS**

During the Year under review, your Company has not accepted any fresh deposit within the meaning of Section 58A and 58B of the Companies Act, 1956

### **7. AUDITORS' REPORT AND AUDITORS**

M/s. Shwetank Joshi & Associates, Chartered Accountants, 66, Ezra Street, Kolkata-700001, Statutory Auditors of the Company, hold office till the conclusion of the 33rd Annual General meeting and are eligible for re-appointment.

The Company has received Peer Review Certificate along with the Certificate from the auditors to the effect that their re-appointment, if made, would be within the limit prescribed under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for re-appointment . The Board of your Company recommends their re-appointment to hold office till the conclusion of the next Annual General Meeting (AGM) of the Company.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

### **8. LISTING OF SHARES**

As shareholders are already aware, Company's shares are listed at Bombay Stock Exchange (BSE). Now, the equity shares of the company are also listed on the National Stock Exchange of the India Limited (NSE) with effect from April 16, 2014 vide their letter dated April 11, 2014 bearing Ref No.: NSE/LIST/236029-W.

### **9. STATUTORY STATEMENTS**

#### **A. Conservation of energy and technology absorption**

The information relating to Conservation of Energy and Technology Absorption as required to be disclosed under Section 217(1)(e) of the Companies Act, 1956, read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is annexed herewith as Annexure - 'A'.

**B. Foreign Exchange Earnings and outgo**

During the year under review, your Company has dealt with foreign exchange earning and outgo, pursuant to section 217(1)(e) of the Companies Act, 1956 read with Rule 2(c) of the Companies (Disclosure of Particulars in Report of Board of Directors) Rules, 1988, is annexed herewith in 'Form-B'.

**C. Particulars of Employees**

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies Particulars of Employees Rules, 1975, as amended, regarding employees is given in the Annexure to the Directors' Report.

**10. CORPORATE GOVERNANCE**

A report on Corporate Governance together with a certificate from the practicing company secretary as per Clause 49 of the Listing Agreement is given separately in the Annexure-B which forms part of this Report.

**11. CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors has constituted a committee under Section-135 of the Companies Act, 2013 to be named as Corporate Social Responsibility Committee (CSR) to undertake the CSR activities as per the Schedule VII of the Companies Act, 2013. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013. Shri Arvind Kumar Saraf shall act as chairman of the committee.

The composition of CSR Committee is as Follows:-

NAME OF THE DIRECTOR	CATEGORY
Shri Arvind Kumar Saraf	Non Independent, Non Executive
Shri Radha Nath Pattanayak	Executive
Shri Rameshwar Dayal Tayal	Independent

Your Company always endeavors towards woman empowerment, their safety and respect in the society. Your Company has a policy to evolve strategies of education and empowerment of women so as to enable them to participate as equal citizens in the society.

As a responsible corporate citizen, your Company has a work environment policy covering health, safety and workplace environment. Arcotech subscribes to protecting the environment and to minimizing impact of its manufacturing process on the environment by proper installation of chimneys in the factory. Your Company has adopted a value-based approach to corporate sustainability management by incorporating environmental and social aspects.

Your Company assures all stakeholders that it will continue to comply with its social responsibilities in future as well.

**12. MANAGEMENT DISCUSSION AND ANALYSIS**

*(a) Industry Scenario & Future Challenges*

Industrial output has shown some sign of recovery and your company is hopeful that with the improvement in micro as well as macroeconomic indicators, rate of interest would see a downward trend and accordingly, it is expected that the industrial scenario will improve.

*(b) Human Resources / Industrial Relations*

Your Company acknowledges the commitment, competence and dedication of its employees at all areas of business. The Company is committed to nurturing, enhancing and retaining best talent through investment in its people to upgrade their technical, domain and leadership capability. To retain leadership position, the Company continuously innovates and customizes its Human Resource (HR) strategy to meet changing employee need.

*(c) Adequacy of Internal Controls*

The company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are authorized, recorded, and reported correctly.



(d) *Operating Performance, Future Outlook etc.*

The foregoing paragraphs under the head - Financial Results, Operations, and Future Outlook have discussed and analyzed other requisite issues mentioned in Clause 49 of the Listing Agreement.

### 13. ACKNOWLEDGMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry. Directors also take this opportunity to thank all Investors, Clients, Vendors, Banks, Government authorities and Stock Exchange(s) for their continued support.

**On behalf of the Board  
For Arcotech Limited**

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

**(Arvind Kumar Saraf)  
Chairman**

### A) Annexure to Directors' Report

S. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Late Employment
1	Shri. Radha Nath Pattanayak	54	Whole Time Director	3000000	1806000	29	18.12.2006	Business

### ANNEXURE - 'A'

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014.

#### I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken at various unit :
  - i. Hydraulic systems studied and low flow pump with lesser Kw motor installed.
  - ii. New LNTORE Drive installed in 20 HI Mills resulting into lower consumption of energy.
  - iii. Rolling Mill circuit modified to switch off blower & auxiliaries during idle time.
- b) Additional investment and proposals for reduction of energy consumption.
  - i. VFD for More number of machines shall be installed.
  - ii. New Digital Drives are proposed to be installed in other finishing as well as intermediate mills for optimum utilization of power.
- c) Impact of the measures at (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods.

The measure would help in increasing the productivity, lowering the power cost.

## FORM-A

### PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

#### (A) Power and Fuel Consumption

	Current Year 2013-2014	Previous Year 2012-2013
1. Electricity		
(a) Purchased (MWH)		
(i) Units	18799.86	12478.92
(ii) Total Amount	139027.43	79161.01
(iii) Rate per unit (Rs.)	7.39	6.34
(b) Own Generation		
(i) Through diesel generator		
Units (MWH)	158.39	262.62
Units per Ltr of diesel	2.16	2.48
Cost/ Unit (Rs.)	23.19	19.46
(ii) Through steam turbine generator	NIL	NIL
2. Coal/ Furnace Oil/ Others	-NA-	-NA-

#### (B) Consumption per unit of Production

	Production Unit (Kg.)	Standards (If any)	Current Year 2013-2014 (Unit)	Previous Year 2012-2013 (Unit)
1. Copper & Brass				
- Electricity		-	1.29	1.51
- Coal/ FO /Others		-	-	-

## FORM-B

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

#### 1. Research and Development (R&D)

- (a) Specific areas in which R&D was carried out by the Company
- 2Hi Hot Rolling Mill has been re-engineered for edge rolling to meet the specific customer.
  - Study was conducted to do casting & processing of NS10 material
- (b) Benefits derived as a result of the above R&D
- Capable to do edge rolling of brass & copper to meet customized requirement.
  - Productivity has been increased.
- (c) Future plan of action :
- New screw compressor will be installed in place of reciprocating compressor at PSA plant.
  - 2nd PSA plant will be commissioned.
- In future AGC for Mc-Milan will be developed and implemented
- (d) Expenditure on R&D:
- |   |   |               |
|---|---|---------------|
| Capital   | : | Not Allocated |
| Recurring   | : | Not Allocated |
| Total   | : | Not Allocated |
| Total R&D expenditure as a percentage of total turnover | : | Not Allocated |

#### 2. Technology absorption, adaptation and innovation:

- (a) Efforts, in brief, made towards technology commissioned. : Technological up gradation of various equipments have been undertaken.
- (b) Benefits derived as a result of the above efforts. : Efficient consumption of electricity and lower Production cost due to increase in production.
- (c) Technology imported during the last five years. : DC Caster, Continuous Casting Line & Pin hole Detector 20Hi Mill, Robertson Mill Coreless furnace consists of several imported mechanical, electronic components.

#### 3. Total Foreign exchange earnings and outgo :

- (a) Activities relating to export initiatives taken to increase exports, development of new export markets for products and export plans. : Company bagged repeat orders from various countries covering geographical segments like far-east asia, middle-east, Latin America.
- (b) Total foreign exchange used and earned. (equivalent to Rupees) :
- |                        |   |                  |
|------------------------|---|------------------|
| - Used (on cash basis) | : | Rs. 3535.22 Lacs |
| - Earned               | : | Rs. 493.08 Lacs  |

## REPORT ON CORPORATE GOVERNANCE

### 1. CORPORATE GOVERNANCE PHILOSOPHY

The Company's governance philosophy is based on trusteeship, transparency, accountability and ethical corporate citizen. As a responsible corporate citizen, we at Arcotech, foster a culture of ethical behavior and disclosure aimed at building trust of our stakeholders. The Company continues to focus its strengths and strategies to achieve the vision of becoming leader in non ferrous industry.

The Board of Directors of the Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company.

### 2. BOARD OF DIRECTORS

The Composition of Board of Directors of the Company is in conformity with the requirements of Clause 49 of the Listing Agreement and has an optimum combination of Executive and Non-Executive Directors. Currently, the Board of your Company consists of Six (6) Directors comprising One Executive Director, Two Non-Executive-Non-Independent Director, Three Independent Directors consisting of One Woman Independent Director.

Sl.	Name	Attendance		Number of other Directorship and Committee Membership/Chairmanship <sup>6</sup>		
		Board Meetings held in FY 2013-14	Last AGM	Other Directorships <sup>5</sup>	Total Committee Memberships	Total Committee Chairmanships
1	Sh.Arvind Kumar Saraf Chairman & Promoter	8	Yes	6	Nil	Nil
2	Sh. Radha Nath Pattanayak Whole Time Director - Executive	8	Yes	4	2	Nil
3	Sh. Rameshwar Dayal Tayal Independent - Non-Executive	8	Yes	1	Nil	2
4	Sh. Gautam Khaitan <sup>1</sup> Independent - Non-Executive	6	Yes	N.A	N.A	N.A
5	Sh. Maninder Kohli <sup>2</sup> Non-Independent - Non-Executive	2	No	1	Nil	Nil
6	Sh. Suresh Thakur <sup>3</sup> Independent - Non-Executive	Nil	No	3	1	Nil
7	Ms. Sonia Dube <sup>4</sup> Independent - Non-Executive	Nil	No	Nil	1	Nil

<sup>1</sup> Resigned from the office of Director of the Company with effect from 22.11.2013. He attended 6 meetings during his tenure in the financial year 2013-2014.

<sup>2</sup> Appointed as an Additional Director of the Company in Independent capacity with effect from 22.11.2013 thereafter Re-designated as Non Executive Non Independent Director of the Company with effect from 12.08.2014. He attended 2 meetings during his tenure in the financial year 2013-2014

<sup>3</sup> Appointed as an Additional Director of the Company in Independent capacity with effect from 07.05.2014

<sup>4</sup> Appointed as an Additional Director of the Company in Independent capacity with effect from 12.08.2014

<sup>5</sup> The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, Companies registered under Section 25 of the Companies Act, 1956 and Private limited companies.

<sup>6</sup> Represents Chairmanships/ Memberships of Audit Committee and Shareholders'/ Investor Grievance Committee of Indian Limited Companies.

a) Dates of Board Meetings and number of Directors present thereat

Sl. No.	Dates of Board Meeting	Number of Directors Present
1	03.04.2013	4
2	27.05.2013	4
3	08.07.2013	4
4	16.07.2013	4
5	10.09.2013	4
6	14.11.2013	4
7	22.11.2013	4
8	03.02.2014	4

b) Board Committees

- (i) **Audit Committee** reconstituted on 12.08.2014 comprising of two Non-Executive Independent Directors and one Executive Director. Shri Rameshwar Dayal Tayal, Non-Executive Independent Director is the Chairman of the Committee. Shri Amit Sharma, General Manager (Finance) cum Company Secretary acts as Secretary to the Committee.

Name of Director	Category
Shri. Rameshwar Dayal Tayal	Non Executive, Independent Director
Shri. Suresh Thakur	Non Executive, Independent Director
Shri Radha Nath Pattanayak	Executive Director

**Terms of Reference of Audit Committee**

Terms of reference of Audit Committee are in accordance with the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange(s), which, inter alia, include:-

- Review the adequacy and compliance of internal control systems.
- Review of Internal Audit Reports.
- Adequacy of financial disclosures
- Review of quarterly and annual financial results/statements.
- Company's financial and risk management policies.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

a) AUDIT COMMITTEE MEETINGS HELD IN FY 2013-2014		
Date of Meeting	Committee Members	Attendance
27.05.2013	Shri Gautam Khaitan@	Yes
	Shri. Rameshwar Dayal Tayal	Yes
	Shri Radha Nath Pattanayak	Yes
16.07.2013	Shri Gautam Khaitan@	Yes
	Shri. Rameshwar Dayal Tayal	Yes
	Shri Radha Nath Pattanayak	Yes
14.11.2013	Shri Gautam Khaitan@	Yes
	Shri. Rameshwar Dayal Tayal	Yes
	Shri Radha Nath Pattanayak	Yes
03.02.2014	Shri. Rameshwar Dayal Tayal	Yes
	Shri Radha Nath Pattanayak	Yes
	Shri Maninder Kohli#	Yes

@ Resigned from Audit committee with effect from 22.11.2013

# Appointed in Committee with effect from 22.11.2013 and Resigned from Audit Committee with effect from 12.08.2014  
Shri Suresh Thakur was appointed in Audit Committee with effect from 07.05.2014.

- (ii) **Nomination and Remuneration Committee (erstwhile Remuneration Committee)** reconstituted on 12.08.2014 comprising of three non-executive Directors out of which two directors are Independent. Shri Rameshwar Dayal Tayal Non-executive Independent Director is the Chairman of the Committee.

Name of Director	Category
Shri. Rameshwar Dayal Tayal	Non Executive, Independent Director
Shri. Maninder Kohli	Non Executive, Non Independent Director
Shri. Suresh Thakur	Non Executive, Independent Director

Its meeting was held on 21.11.2013

- (iii) **Stakeholders Relationship Committee (erstwhile Share Transfer Committee)** reconstituted on 12.08.2014 comprising of two Non-Executive Independent Director and one Executive Director. Shri Rameshwar Dayal Tayal Non-Executive Independent Director is the Chairman of the Committee.

Name of Director	Category
Shri. Rameshwar Dayal Tayal	Non Executive, Independent Director
Ms. Sonia Dube	Non Executive, Independent Director
Shri Radha Nath Pattanayak	Executive Director

Sl. No.	Date of Committee Meeting	Number of Directors Present
1	10.04.2013	2
2	25.04.2013	2
3	09.05.2013	2
4	13.06.2013	2
5	05.07.2013	2
6	18.07.2013	2
7	01.08.2013	2
8	27.08.2013	2
9	12.09.2013	2
10	24.10.2013	2
11	31.10.2013	2
12	07.11.2013	2
13	21.11.2013	2
14	05.12.2013	2
15	19.12.2013	2
16	26.12.2013	2
17	30.01.2014	2
18	13.02.2014	2
19	27.02.2014	2
20	06.03.2014	2

No share transfer was pending as on 31.03.2014.

**Shri Amit Sharma, General Manager (Finance) cum Company Secretary is the Compliance Officer of the Company.**

- (iv) **Corporate Social Responsibility Committee** constituted on 12.08.2014 comprising of one Non-executive Non-independent Director, one Executive Director and one Non-Executive Independent Director. Shri Arvind Kumar Saraf, Non Executive Non Independent Director is the Chairman of the Committee.

Name of Director	Category
Shri Arvind Kumar Saraf	Non Executive Non Independent Director
Shri Radha Nath Pattanayak	Executive Director
Shri. Suresh Thakur	Non Executive, Independent Director

- (v) **Risk Management Committee** constituted on 12.08.2014 comprising of one Non-Executive Non-Independent Director, one Executive director and one Non-Executive Independent director. Shri Arvind Kumar Saraf, Non Executive Non Independent Director is the chairman of the Committee.

Name of Director	Category
Shri. Arvind Kumar Saraf	Non Executive Non Independent Director
Shri Radha Nath Pattanayak	Executive Director
Shri. Maninder Kohli	Non Executive, Non Independent Director

### 3) Remuneration of Non Executive, Independent & Executive Directors:-

The Board has constituted a Nomination and Remuneration committee to recommend the remuneration of Whole Time Director/ Managing Director on the basis of their performance and to review the performance of the directors of the company.

#### A. Non-Executive Directors & Independent Directors

The Board of Directors have approved payment of sitting fee of Rs. 10,000/- to each of the Non Executive Directors and Independent Directors for attending each meeting of the Board of the Directors or any committee constituted by the Board of Directors for all meetings held after May 07, 2014.

#### B. Executive Directors

Following remuneration was paid to Whole-Time Director

(Rs. in Lacs)				
Sl. No.	Name	Salary	Perquisites/ Benefits(*)	Total
1.	Shri Radha Nath Pattanayak Whole-time Director	18.06	11.94	30.00

(\*) His present term of the contract is upto 16<sup>th</sup> December, 2015.

### 4) Code of Conduct for Directors and Senior Management

The Company has a well accepted and adopted Code of conduct as required under Clause 49(I) (D) of the Listing Agreement with the Stock Exchange. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2013-14.

-Sd/-  
Whole Time Director

### 5) General Meetings

#### A. Annual General Meetings

Last three Annual General Meetings of the company were held as under:-

Relating to	Place	Date & Time
2010-2011	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	29 <sup>th</sup> September, 2011 at 10.30 A.M
2011-2012	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	29 <sup>th</sup> September, 2012 at 10.30 A.M
2012-2013	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	28 <sup>th</sup> September, 2013 at 10.30 A.M

Neither any special resolution was not passed through postal ballot at the last Annual General Meeting nor is any such resolution proposed at the forthcoming AGM.

The following were the special resolutions passed in the previous three AGMs

Financial Year	Date of AGM	Particulars
2010-2011	29 <sup>th</sup> September, 2011	a) Approval pursuant to section 81(1A) for issue and allotment of such number of shares as may be required. b) Approval pursuant to section 314 for appointment of Mr. Rishabh Saraf holding office or place of profit on remuneration not exceeding Rs. 2.50 Lacs per month. c) Approval pursuant to section 309 for Remuneration by way of commission not exceeding 1 % per annum of the net profits to Mr. Arvind K Saraf, Non-Executive Chairman
2011-2012	29 <sup>th</sup> September, 2012	a) Re-Appointment of Shri Radha Nath Pattanayak as Whole Time Director of Company for a period of three years.
2012-2013	28 <sup>th</sup> September, 2013	NIL

All the other ordinary resolutions as set out in the respective AGM notices were duly passed by the members. No resolution was passed by postal ballot during the year under review.

#### B. No Extra Ordinary General Meeting was held in financial year 2013-14

### 6) Disclosures

- The company did not have any materially significant related party transactions, which may have potential conflict with the interest of the company. Nature and particulars of all other related party transactions have been disclosed and are forming part of the notes to the accounts.
- During the last three years, the company has complied with requirements relating to capital markets and no penalty or stricture has been imposed on the company by Stock Exchange(s) or SEBI or any statutory authority.
- It is affirmed that no personnel has been denied access to the audit committee.
- The Company is complying with all mandatory requirements of corporate governance as specified in clause 49 of the listing agreement. Non mandatory requirements of corporate

### 7) Means of Communication:

- Quarterly Results** : Through Intimation to Stock Exchange.
- Newspaper wherein results normally published** : Financial Express & Jansatta
- Website, where results displayed** : www.arcotech.in
- Shareholder's Grievances/ Complaint** : Correspondence through Emails/ Courier/ Registered Letters



### 8) General Shareholder Information

#### Annual General Meeting

- Date and Time

20<sup>th</sup> September, 2014 at 11.00 A.M.

- Venue

At the Registered Office of the company

Financial Year

April, 2013-March, 2014

Address for Correspondence :

F-701A, Lado Sarai, New Delhi-110030

Phone No.29523251

Fax No.29523020

Plant Location & Registered Office

181, Sector-3, Industrial Growth Centre, Bawal,

District Rewari, Haryana-123501

Phone No. : 01284-264160-161

Fax No. : 01284-264022

Corporate Office

F-701A, Lado Sarai, New Delhi-110030

Phone No. : 29523251

Fax No. : 29523020

Financial Calendar (Tentative)

**Results for the Quarter ended :-**

- 30<sup>th</sup> Sept, 2014 : Last week of October, 2014

- 31<sup>st</sup> Dec, 2014 : Last week of January, 2014

- Annual Audited Results for 2014-2015 : May, 2015

- AGM for the year 2014-2015 : In the month of September, 2015

Book Closure Date

Saturday, 13<sup>th</sup> September, 2014 to Saturday, 20<sup>th</sup> September, 2014  
(both days inclusive)

Dividend Payment Date

On or After 25<sup>th</sup> September, 2014 but before 19<sup>th</sup> October, 2014.

Listing on Stock Exchanges and Stock Code

Bombay Stock Exchange (BSE). The Stock Code is 532914.  
Listing of Equity shares at National Stock Exchange of India Limited  
w.e.f 16.04.2014. The Symbol is ARCOTECH, Series:EQ

Registrars and Transfer Agents

Maheshwari Datamatics Pvt Ltd,

6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata-700001

Ph:- 033-2248 2248, Fax : 033-51410591

Share Transfer System

The company has entered into Tri-partite Agreement with both NSDL & CDSL. However, Equity shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 21 days of receipt of the documents, if the request is valid and complete in all respects.

Dematerialisation of Shares & liquidity

The Shares of the Company are required to be traded in the dematerialized form. Full liquidity has been provided through tie-ups with NSDL & CDSL and shares can be transferred through Demat Accounts of transferor & transferee maintained with recognized DPs. As on 31.03.2014, 20607659 Equity shares of Rs 10/- (Ten) Each were dematted, this comes to 98.1317% of the total shareholding.

Demat ISIN Number

INE574I01027

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

Not Applicable

Market Price Data for the financial year

The monthly high and low quotations as well as the volume of shares traded at BSE during the year 2013-14 are as under :-



### Monthly Highs and Lows and Volume Traded at the BSE, 2013-14

Months	High (Rs.)	Low (Rs.)	Volume
April,2013	83.85	68.65	9,34,819
May,2013	113.70	71.50	5,51,177
June,2013	126.00	99.00	3,09,250
July,2013	145.00	104.80	1,99,460
August,2013	181.70	145.00	1,82,886
September,2013	267.60	190.00	3,23,711
October,2013	259.00	238.25	2,89,990
November,2013	248.50	202.00	3,46,678
December,2013	209.75	170.00	4,49,338
January,2014	182.00	169.80	8,20,058
February,2014	182.00	167.00	3,56,884
March,2014	179.70	169.60	2,59,200

### 9) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2014

No. of Equity SharesHeld	No. of Shares Held	% of Shareholding
Upto 500	240225	1.1439
501-1000	41759	0.1989
1001-2000	51611	0.2458
2001-3000	10164	0.0484
3001-4000	14062	0.0670
4001-5000	18544	0.0883
5001-10000	49197	0.2343
10001 and above	20574438	97.9735
<b>Total</b>	<b>21000000</b>	<b>100.0000</b>

For and on behalf of the Board

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

(Arvind K Saraf)  
Chairman

### CERTIFICATE OF PRATICING COMPANY SECRETARY AS PER CLAUSE 49 OF LISTING AGREEMENT

To

**The Members of Arcotech Limited**

We have examined the Compliance of conditions of Corporate Governance by Arcotech Limited for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange in India.

The Compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination has been limited to review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

**For A Upadhyay & Associates**

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

**Abhimanyu Upadhyay**  
**Company Secretary**

### CEO CERTIFICATION

I, Radha Nath Pattanayak, Whole Time Director of the Company, responsible for the finance function hereby certify that:

- a) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2014 and that to the best of my knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year 31st March 2014 which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit committee:-
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place : New Delhi  
Date : 12<sup>th</sup> August, 2014

**Whole Time Director**

## 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.

#### **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**

**Sd/-**  
**SHWETANK JOSHI**  
**PROPRIETOR**  
**Membership Number : 52238**  
**Place : New Delhi**  
**Date : 07.05.2014**

### **ANNEXURE TO THE AUDITORS REPORT**

*(Referred to in Paragraph 1 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.
- 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.
- 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**

Sd/-  
**SHWETANK JOSHI**  
**PROPRIETOR**  
**Membership Number : 52238**  
**Place : New Delhi**  
**Date : 07.05.2014**

### BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	AS AT 31.03.2014	AS AT 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	21,00,00,000	20,00,00,000
(b) Reserves and Surplus	2	1,14,55,12,733	79,80,87,296
<b>(2) Share application money pending allotment</b>		-	5,10,00,000
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	18,14,79,881	16,08,41,021
(b) Deferred tax liabilities (Net)	4	9,18,27,300	5,62,94,202
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	5	1,90,28,52,630	1,19,00,11,447
(b) Trade payables	6	80,06,38,257	69,19,77,943
(c) Other current liabilities	7	13,42,32,319	11,44,53,114
(d) Short-term provisions	8	13,66,77,882	8,07,32,909
<b>Total</b>		<b>4,60,32,21,002</b>	<b>3,34,33,97,932</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	87,47,63,348	69,18,98,911
(ii) Capital work-in-progress		-	1,68,73,977
(b) Non-current investments	10	69,700	69,700
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	48,43,099	29,23,153
(e) Other non-current assets	12	35,98,291	4,04,15,865
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	13	1,72,43,84,166	1,10,43,58,130
(c) Trade receivables	14	1,67,95,69,806	1,25,95,17,010
(d) Cash and cash equivalents	15	16,29,70,149	8,87,89,206
(e) Short-term loans and advances	16	15,30,22,444	13,85,51,980
<b>Total</b>		<b>4,60,32,21,002</b>	<b>3,34,33,97,932</b>

Notes on Accounts and Significant Accounting policies 25

Notes on Accounts referred to above form an Integral part of this Balance Sheet.  
As per our report of even date attached.

For SHWETANK JOSHI & CO.  
Chartered Accountants

A. K. SARAF  
Chairman

MANINDER KOHLI  
Director

R. N. PATTANAYAK  
Whole Time Director

SHWETANK JOSHI  
Proprietor  
Membership No. 52238

R. D. TAYAL  
Director

AMIT SHARMA  
General Manager (Finance)  
Cum Company Secretary

Place : New Delhi  
Date : 07.05.2014

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2014	YEAR ENDED 31.03.2013
<b>Revenue from Operations</b>			
Gross Sales	17	7,02,44,59,152	4,12,35,97,785
Less : Excise duty		77,49,67,355	43,28,60,561
Net Sales		6,24,94,91,797	3,69,07,37,224
Other Income	18	22,46,135	44,04,124
<b>Total Revenue</b>		<b>6,25,17,37,932</b>	<b>3,69,51,41,348</b>
<b>Expenditure:</b>			
a. Increase/Decrease in Finished Goods, Stock in Trade and Work-in Progress	19	(40,50,66,927)	(8,78,49,521)
b. Cost of Materials Consumed	20	5,38,50,28,288	3,05,89,08,966
c. Power and Fuel		14,00,63,786	8,72,15,285
e. Employees Cost	21	7,89,87,738	6,36,24,547
f. Depreciation	10	3,86,64,994	2,79,38,113
g. Other Expenditure	22	20,42,68,328	9,97,90,719
<b>Total Expenditure</b>		<b>5,44,19,46,207</b>	<b>3,24,96,28,109</b>
<b>Profit from Operations before Other Income, Finance Cost &amp; Exceptional Items</b>		<b>80,97,91,725</b>	<b>44,55,13,239</b>
Other Income	18	1,33,56,411	1,55,51,958
<b>Profit before Finance Cost &amp; Exceptional Items</b>		<b>82,31,48,136</b>	<b>46,10,65,197</b>
Finance Cost	23	31,63,58,561	15,38,57,686
Profit after Finance Cost but before exceptional items		50,67,89,575	30,72,07,511
Exceptional items		-	-
<b>Profit (+)/Loss (-) from Ordinary Activities before tax</b>		<b>50,67,89,575</b>	<b>30,72,07,511</b>
<b>Provision for Tax</b>			
-Current Tax		10,62,25,628	6,14,65,312
+Mat Credit Entitlement		-	(3,37,49,163)
-Mat Credit Availed		3,26,94,752	-
-Deferred Tax		3,55,33,098	4,66,20,058
-Tax in respect of earlier years		13,41,710	38,11,194
<b>Net profit (+)/Loss (-) from Ordinary Activities after tax</b>		<b>33,09,94,387</b>	<b>22,90,60,110</b>
Extraordinary Items (net of Tax Expense)		-	-
<b>Net Profit (+)/Loss (-) for the period</b>		<b>33,09,94,387</b>	<b>22,90,60,110</b>
Earning Per Share -Basic	24	15.76	11.43
-Diluted		15.76	11.43
Notes on Accounts and Significant Accounting policies	25		

Notes on Accounts referred to above form an Integral part of this Profit & Loss Account.

As per our report of even date attached.

For SHWETANK JOSHI & CO.  
Chartered Accountants

A. K. SARAF  
Chairman

MANINDER KOHLI  
Director

R. N. PATTANAYAK  
Whole Time Director

SHWETANK JOSHI  
Proprietor  
Membership No. 52238

R. D. TAYAL  
Director

AMIT SHARMA  
General Manager (Finance)  
Cum Company Secretary

Place : New Delhi  
Date : 07.05.2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014 AS PER LISTING AGREEMENT

(Rupees in Lacs)

Particulars	2013-2014	2012-2013
<b>A) Net Profit before Tax &amp; Extra-Ordinary Items</b>	5067.90	3072.08
- Adjustment for :-		
- Depreciation	386.65	279.38
- Interest	3163.59	1538.58
<b>Operating Profit before Working Capital Charges</b>	<b>8618.13</b>	<b>4890.03</b>
- Adjustment for :-		
- Trade & Other Receivable	(4200.53)	(4912.29)
- Inventory	(6200.26)	(4245.51)
- Trade Payable	8972.26	8219.67
<b>Cash Generated from Operations</b>	<b>7189.60</b>	<b>3951.90</b>
- Interest Paid	(3163.59)	(1538.58)
- Direct Taxes Paid	(1402.62)	(315.27)
<b>Net Cash Generated before Extra Ordinary Items</b>	<b>2623.39</b>	<b>2098.05</b>
- Extra Ordinary Items :-	-	-
- Reconciliation & Settlement	-	-
<b>Net Cash from Operating Activities</b>	<b>2623.39</b>	<b>2098.05</b>
<b>B) Cash Flow from Investing Activities</b>		
- Purchase / Sale of Fixed Assets	(2215.29)	(2281.11)
- Increase / Decrease in Loans & Advances	204.27	(988.48)
- Increase / Decrease in Capital Work in Progress	168.74	38.17
- Increase / Decrease in Investment	-	(0.70)
<b>Net Cash Used in Investing Activities</b>	<b>(1842.28)</b>	<b>(3232.13)</b>
<b>C) Cash Flow from Financing Activities</b>		
- Increase in Share Capital	100.00	-
- Increase in Share Premium Reserve	410.00	
- Increase / Decrease Share Application Money	(510.00)	510.00
- Increase / Repayment / Relief's of Long Term Borrowing	206.39	1050.52
- Dividend and Dividend Distribution Tax	(245.69)	-
<b>Net Cash used in Financing Activities</b>	<b>(39.30)</b>	<b>1560.52</b>
- Net Increase / Decrease in Cash & Cash Equivalents	741.81	426.44
<b>D) Cash &amp; Cash Equivalents</b>		
- Opening Balance	887.89	461.45
- Closing Balance	1629.70	887.89

For SHWETANK JOSHI & CO.  
Chartered Accountants

A. K. SARAF  
Chairman

MANINDER KOHLI  
Director

R. N. PATTANAYAK  
Whole Time Director

SHWETANK JOSHI  
Proprietor  
Membership No. 52238

R. D. TAYAL  
Director

AMIT SHARMA  
General Manager (Finance)  
Cum Company Secretary

Place : New Delhi  
Date : 07.05.2014



### NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>1. SHARE CAPITAL</b>		
<b>Authorised</b>	<b>35,00,00,000</b>	<b>35,00,00,000</b>
3,50,00,000 (Previous Year 3,50,00,000) Equity Share of Rs.10/- each (Previous Year Rs.10/- each)		
<b>Issued, Subscribed and Paid-up</b>	<b>21,00,00,000</b>	<b>20,00,00,000</b>
2,10,00,000 (Previous Year 2,00,00,000) Equity Share of Rs.10/- each ( Previous Year Rs.10/- each )		
<b>1.1 Reconciliation of outstanding shares at the beginning and at the end of the reporting period</b>		
<b>Nos of Shares</b>		
Shares as at the beginning of the year	2,00,00,000	2,00,00,000
Add: Shares issued during reporting period	10,00,000	-
Shares as at the end of the year	2,10,00,000	2,00,00,000
The Company had allotted 1000000 equity shares having face value of Rs 10/- per share of the Company at a premium of Rs 41/- per equity share aggregating to Rs 51/- per share on preferential basis on 3rd April, 2013.		
<b>1.2 Details of shareholders holding more than 5% shares in the company</b>		
	<b>As At 31.03.2014</b>	<b>As At 31.03.2013</b>
	Nos of Shares    % holding	Nos of Shares    %holding
Arvind k Saraf	15,19,750        7.24	12,19,750        6.10
Sidhant Distributors P Ltd	48,13,940        22.92	48,13,940        24.07
Vasudha commercial P Ltd	37,73,920        17.97	37,73,920        18.87
Her Clothing P Ltd	12,50,000        5.95	12,50,000        6.25
<b>2. RESERVE AND SURPLUS</b>		
<b>a) SECURITIES PREMIUM RESERVE</b>		
Opening Balance	-	-
Addition during the year	4,10,00,000	-
<b>Closing Balance (a)</b>	<b>4,10,00,000</b>	<b>-</b>
<b>b) SURPLUS</b>		
Opening Surplus in statement of Profit & Loss	79,80,87,296	56,90,27,186
Addition during the year	33,09,94,387	22,90,60,110
Less: Proposed Dividend	2,10,00,000	-
Less: Dividend Distribution Tax	35,68,950	-
<b>Closing Surplus in statement of Profit &amp; Loss (b)</b>	<b>1,10,45,12,733</b>	<b>79,80,87,296</b>
<b>Total Reserves and Surplus (a+b)</b>	<b>1,14,55,12,733</b>	<b>79,80,87,296</b>

PARTICULARS	AS AT 31.03.2014		AS AT 31.03.2013	
<b>3. LONG TERM BOROWING</b>				
	Non Current		Current	
	AS AT	AS AT	AS AT	AS AT
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
<b>a) SECURED LOANS- FROM BANKS</b>				
Term Loans	10,63,10,308	15,65,36,107	5,80,00,000	5,80,00,000
Vehicle Loans	32,19,573	43,04,914	10,85,341	12,17,166
<b>Total (a)</b>	<u>10,95,29,881</u>	<u>16,08,41,021</u>		
<b>b) UNSECURED LOANS</b>				
From Corporate	7,19,50,000	-	-	-
<b>Total (b)</b>	<u>7,19,50,000</u>	<u>-</u>		
<b>3.1</b>	Term loan-I of Rs 14.00 Crores was taken during the FY 2009-10 and carries interest @ BR+4.25% repayable in quarterly installments of Rs 70.00 Lacs. During the year, the interest rates have been revised to BR+3.75%			
<b>3.2</b>	Term loan-II of Rs 15.00 Crores was sanctioned during the FY 2012-13 and carries interest @ BR+4.25% repayable in quarterly installments of Rs 75.00 lacs. During the year, the interest rates have revised to BR+3.75%.			
<b>3.3</b>	The loan is secured by way of equitable mortgage/ hypothecation of land, plant & machinery and building and other fixed assets of the Company and personal guarantee of the promoter director.			
<b>3.4</b>	Unsecured Loan was taken from a Company in FY 2013-14 and carries interest @12.5% p.a repayable in September, 2015.			
<b>3.5</b>	Current Maturities of Long Term Loans have been considered as Other Current Liabilites in Note No. 7			
<b>4. DEFERRED TAX</b>				
Deferred Tax Liability on account of				
i) Depreciation for the year		(9,33,70,988)		(5,73,84,444)
Deferred Tax Assets on account of				
i) Other Employee Benefits		15,43,688		10,90,242
<b>Net Deferred Tax Assets/ (Liability)</b>		<u>(9,18,27,300)</u>		<u>(5,62,94,202)</u>
<b>5. SHORT TERM BOROWINGS</b>				
<b>SECURED BORROWING</b>				
<b>Working Capital Limits</b>				
From Banks		1,90,28,52,630		1,18,76,17,779
<b>UNSECURED LOANS</b>				
Fixed Deposits		-		23,93,668
<b>Total</b>		<u>1,90,28,52,630</u>		<u>1,19,00,11,447</u>
<b>5.1</b>	The working capital limits are repayable on demand and carries interest @ BR+3.75%.			
<b>5.2</b>	The Working Capital Limits from banks are secured by way of hypothecation of charge on entire current assets i.e raw material, finished goods, semi finished goods, stores and book debts and personal guarantee of the promoter director.			

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>6. TRADE PAYABLES</b>		
Creditors for Raw Material and Stores	80,06,38,257	69,19,77,943
<b>Total</b>	<b>80,06,38,257</b>	<b>69,19,77,943</b>
<b>7. OTHER CURRENT LIABILITIES</b>		
Creditors for Capital Goods	3,47,26,972	3,17,62,404
Expenses Payable	3,92,51,772	2,23,93,266
Advance from Customers	11,68,234	10,80,278
Long term Loan- Current Maturities (Ref Note No. 3)	5,80,00,000	5,80,00,000
Vehicle Loan- Current Maturities (Ref Note No. 3)	10,85,341	12,17,166
<b>Total</b>	<b>13,42,32,319</b>	<b>11,44,53,114</b>
<b>7.1</b> Expenses payable includes Rs 28,07,773/- (Previous year Rs 1054751/-) towards statutory dues.		
<b>8. SHORT TERM PROVISIONS</b>		
Provision for Gratuity	34,26,146	23,91,165
Provision for Leave Benefit	11,15,448	9,68,596
Provision for Proposed Dividend	2,10,00,000	-
Provision for Dividend Distribution Tax	35,68,950	-
Provision for Taxation (Ref Note No. 25(2)(iv))	10,75,67,338	7,73,73,148
<b>Total</b>	<b>13,66,77,882</b>	<b>8,07,32,909</b>

**8.1** Provision for leaves and Gratuity include current maturity amount of Rs NIL/- (previous year Rs 30,807/-)

**9. FIXED ASSETS**

<b>COSTORVALUATION</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant &amp; Machinery</b>	<b>Furniture</b>	<b>Office Equipment</b>	<b>Vehicles</b>	<b>Total</b>
<b>Gross Value as at 1 April 2012</b>	1,31,04,000	11,86,53,397	70,02,65,622	1,02,86,649	27,52,557	82,57,581	85,33,19,806
Additions	1,32,41,488	1,50,85,259	19,16,44,968	12,36,225	7,67,826	61,35,650	22,81,11,416
Disposals	-	-	-	-	-	-	-
<b>Gross Value as at 31 March 2013</b>	2,63,45,488	13,37,38,656	89,19,10,590	1,15,22,874	35,20,383	1,43,93,231	1,08,14,31,222
Additions		43,52,857	21,41,01,847	29,62,599	82,550	55,537	22,15,55,390
Disposals	-	-	-	-	-	43,297	43,297
<b>Gross Value as at 31 March 2014</b>	2,63,45,488	13,80,91,513	1,10,60,12,437	1,44,85,473	36,02,933	1,44,05,471	1,30,29,43,315
<b>DEPRECIATION</b>							
<b>At 1 April 2012</b>	-	1,02,73,090	33,93,03,190	69,92,452	10,95,124	39,30,342	36,15,94,198
Charge for the year	-	41,28,456	2,17,05,956	6,84,305	3,79,171	10,40,225	2,79,38,113
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	-	1,44,01,546	36,10,09,146	76,76,757	14,74,295	49,70,567	38,95,32,311
Charge for the year		45,29,032	3,15,55,656	7,80,853	4,19,917	13,79,536	3,86,64,994
Disposals	-	-	-	-	-	17,338	17,338
<b>At 31 March 2014</b>	-	1,89,30,578	39,25,64,802	84,57,610	18,94,212	63,32,765	42,81,79,967
<b>Net Block as at 31 March 2014</b>	2,63,45,488	11,91,60,935	71,34,47,635	60,27,863	17,08,721	80,72,706	87,47,63,348
Previous Year	2,63,45,488	11,93,37,110	53,09,01,444	38,46,117	20,46,088	94,22,664	

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>10. NON CURRENT INVESTMENTS</b>		
Investment in Subsidiary (Unquoted) Arcotech International Ltd- Hongkong -10000 Equity Shares of HKD 1 per share	69,700	69,700
<b>Total</b>	<u>69,700</u>	<u>69,700</u>
<b>10.1</b> The Company had incorporated a subsidiary in Hongkong. The subsidiary has not commenced its operations as yet.		
<b>11. LONG TERM LOANS &amp; ADVANCES</b>		
Loans & Advances to Related Party (Ref Note No. 25(2))	97,253	84,467
Deposits considered good	47,45,846	28,38,686
<b>Total</b>	<u>48,43,099</u>	<u>29,23,153</u>
<b>12. OTHER NON CURRENT ASSETS</b>		
Fixed Deposits	35,98,291	4,04,15,865
<b>Total</b>	<u>35,98,291</u>	<u>4,04,15,865</u>
<b>12.1</b> Fixed deposits have been used as margin money for availment of Non Fund Based limits from Banks.		
<b>13. INVENTORIES</b>		
(As taken, valued and certified by the Management)		
Raw Materials	56,01,88,067	38,38,90,177
Finished Goods	45,00,06,292	34,18,22,965
Semi-Finished Goods	61,78,05,600	32,09,22,000
Stores, Spares & Packing Materials	9,63,84,207	5,77,22,988
<b>Total</b>	<u>1,72,43,84,166</u>	<u>1,10,43,58,130</u>
<b>14. TRADE RECEIVABLES</b>		
<b>Unsecured and considered good</b>		
Over Six Months	68,56,637	1,88,70,225
Others	1,67,27,13,169	1,24,06,46,785
<b>Total</b>	<u>1,67,95,69,806</u>	<u>1,25,95,17,010</u>
<b>15. CASH &amp; CASH EQUIVALENTS</b>		
Cash and Cash Equivalent	1,48,928	1,87,286
Balance with Banks	6,63,738	1,23,079
Fixed Deposits with Banks (with original maturity of less than 12 months)	16,21,57,483	8,84,78,841
<b>Total</b>	<u>16,29,70,149</u>	<u>8,87,89,206</u>

**15.1** Fixed deposits have been used as margin money for availment of Non Fund Based limits from Banks.

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013	
<b>16. SHORT TERM LOANS &amp; ADVANCES</b>			
<b>Unsecured and Considered Good</b>			
Security Deposits	17,80,523	16,80,361	
MAT Credit Entitlement	10,54,411	3,37,49,163	
Advances recoverable in cash or kind	15,01,87,510	10,31,22,456	
<b>Total</b>	<b>15,30,22,444</b>	<b>13,85,51,980</b>	
<b>17. REVENUE FROM OPERATIONS</b>			
Sale of Non Ferrous Semis	7,00,27,38,222	4,10,20,24,902	
Job Work- Non Ferrous Semis	2,17,20,930	2,15,72,883	
<b>Total</b>	<b>7,02,44,59,152</b>	<b>4,12,35,97,785</b>	
<b>18. OTHER INCOME</b>			
<b>OPERATING</b>			
Insurance Claims Received	2,40,549	4,02,534	
Miscellaneous Sales	8,57,074	14,11,542	
Custom Duty - Draw Back (Export Sales)	11,48,512	25,90,048	
<b>TOTAL (A)</b>	<b>22,46,135</b>	<b>44,04,124</b>	
<b>NON OPERATING</b>			
Interest on Fixed Deposits (TDS Rs.608064/-)	1,28,97,707	73,00,763	
Interest on Debtors	1,03,898	2,82,979	
Interest on Security Deposit-DHBN	1,94,450	2,92,000	
Sundry Liabilities Written Off	-	76,76,216	
Income on Forex Differences (Net)	1,60,356	-	
<b>TOTAL (B)</b>	<b>1,33,56,411</b>	<b>1,55,51,958</b>	
<b>19. (INCREASE)/DECREASE IN INVENTORIES</b>			
	AS AT 31.03.2014	AS AT 31.03.2013	(Increase)/ Decrease
<b>Closing Stock</b>			
- Finished	45,00,06,292	34,18,22,965	10,81,83,327
- Semi Finished	61,78,05,600	32,09,22,000	29,68,83,600
<b>Total (A)</b>	<b>1,06,78,11,892</b>	<b>66,27,44,965</b>	<b>40,50,66,927</b>
<b>Opening Stock</b>			
- Finished	34,18,22,965	4,45,43,555	29,72,79,410
- Semi Finished	32,09,22,000	53,03,51,889	(20,94,29,889)
<b>Total (B)</b>	<b>66,27,44,965</b>	<b>57,48,95,444</b>	<b>8,78,49,521</b>
<b>Net Increase / Decrease ( A - B )</b>	<b>40,50,66,927</b>	<b>8,78,49,521</b>	<b>31,72,17,406</b>

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>20. COST OF RAW MATERIAL &amp; COMPONENTS CONSUMED</b>		
<b>A. CONSUMPTION OF RAW MATERIAL</b>		
Opening Stock	38,38,90,177	7,58,24,771
Add: Purchases	5,48,95,46,872	3,32,87,14,317
	<b>5,87,34,37,049</b>	<b>3,40,45,39,088</b>
Less: Closing Stock	56,01,88,067	38,38,90,177
<b>Consumption (A)</b>	<b>5,31,32,48,982</b>	<b>3,02,06,48,911</b>
<b>B. CONSUMPTION OF CONSUMABLE</b>		
Opening Stock	5,77,22,988	2,90,86,433
Add: Purchases	12,18,09,225	8,54,29,783
	<b>17,95,32,213</b>	<b>11,45,16,216</b>
Less: Closing Stock	9,63,84,207	5,77,22,988
Less: Consumable Capitalised	1,13,68,700	1,85,33,173
<b>Consumption (B)</b>	<b>7,17,79,306</b>	<b>3,82,60,055</b>
<b>Total Consumption (A + B)</b>	<b>5,38,50,28,288</b>	<b>3,05,89,08,966</b>
<b>21. EMPLOYEE COST</b>		
Salary & Wages (Including Allowances)	6,69,76,554	5,35,47,556
Directors Remuneration (including reimbursements)	30,00,000	30,00,000
Contribution towards ESI & EDLI	13,23,726	11,31,755
Contribution towards EPF & FPF	13,34,151	13,39,105
Contribution towards L.W.F	1,12,207	1,08,235
Gratuity	11,00,526	5,98,925
Leave Pay	2,48,613	3,11,440
Staff Welfare	48,91,961	35,87,531
<b>TOTAL</b>	<b>7,89,87,738</b>	<b>6,36,24,547</b>

PARTICULARS	AS AT 31.03.2014	AS AT 31.03.2013
<b>22. OTHER EXPENSES</b>		
<b>Repair &amp; Maintenance</b>		
-For Building	5,44,401	3,47,154
-For Machinery	43,47,647	18,63,418
-For Others	3,48,680	2,66,378
Rent, Rates and Taxes	16,83,427	15,59,678
Insurance	35,68,653	19,77,261
Legal & Professional Charges	64,01,809	54,27,420
Purchase Procurement Expenses	2,38,63,835	1,25,15,320
Selling & Distribution Expenses	2,76,30,226	62,78,687
Transportation Charges	1,95,29,819	78,23,711
Miscellaneous & Administrative Expenses	3,54,13,780	1,04,69,426
Travelling & Conveyance -Directors (Including Foreign Travel Rs.6079604/-Previous Year Rs.1642440/-)	75,15,046	22,63,292
Travelling & Conveyance -Others (including Foreign Travel Rs 393697/- Previous Year - Rs 644750/-)	36,50,913	38,65,509
Foreign Exchange Difference	-	12,20,641
Bad Debts	57,28,707	-
Sundry Balance Written Off	9,02,520	-
Loss on Sales of Fixed Assets	20,959	-
<b>Payment to Auditors</b>		
- For Statutory Audit	6,00,000	5,00,000
- For Tax Audit	50,000	40,000
- For Internal Audit	40,000	40,000
Bank Charges and Commission	6,24,27,906	4,33,32,824
<b>TOTAL</b>	<b>20,42,68,328</b>	<b>9,97,90,719</b>
<b>22.1</b> Miscellaneous expenses exceeding 1% of revenue or Rs 1,00,000/- whichever is higher is NIL		
<b>23. FINANCE COST</b>		
<b>Interest on</b>		
- Working Capital Loan	23,17,85,754	11,60,99,172
- Term Loan	2,69,37,638	1,95,78,378
- Letter of Credit	5,76,35,169	1,81,80,136
<b>TOTAL</b>	<b>31,63,58,561</b>	<b>15,38,57,686</b>
<b>24. EARNING PER SHARE</b>		
<b>Basic</b>		
Profit/ (Loss) after tax	33,09,94,387	22,90,60,110
Nos of Equity Shares	2,10,00,000	2,00,48,490
EPS- Basic	15.76	11.43
<b>Diluted</b>		
Profit/ (Loss) after tax	33,09,94,387	22,90,60,110
Nos of Equity Shares	2,10,00,000	2,00,48,490
EPS- Diluted	15.76	11.43

Basic earnings per share are 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. 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 numbers of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.



## 25. NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES:

### 1. **Significant Accounting Policies:**

#### (a) **Basis of Accounting**

Financial Statements are prepared under historical cost convention on accrual basis except those disclosed in notes on accounts.

#### (b) **Revenue Recognition**

Sales are recognized on dispatch of materials to customers.

#### (c) **Employee Benefits**

##### i) **Defined Contribution Plan:**

Contribution to Provident Fund, which is defined contribution retirement plan, is charged to the Statement of Profit & Loss in the period in which the contributions are incurred.

##### ii) **Defined Benefit Plan:**

Retirement benefits in the form of Gratuity and leave encashment are determined on actuarial valuation using projected unit credit method at the balance sheet date and are charged to Statement of Profit & Loss.

#### (d) **Fixed Assets**

(i) Fixed assets are stated at cost of acquisition inclusive of freight, duties and incidental expenses, etc.

(ii) Depreciation on fixed assets has been charged on Straight Line Method at the rates and in the manner, prescribed under Schedule XIV of the Companies Act, 1956.

#### (e) **Investments**

Investments, if any, are stated at cost.

#### (f) **Inventories**

(i) Inventories of Raw Materials, Stores & Consumable are valued at cost.

(ii) Inventories of Work in Process are valued at lower of cost and net realizable value.

(iii) Inventories of Finished Goods are valued at cost or market value whichever is lower.

(iv) Salable dust and scrap are valued at estimated realizable value.

#### (g) **Foreign currency translation**

##### Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

##### Exchange differences

The company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

(i) Transactions reported in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction.

(ii) Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(iii) Any income or expenditure on account of foreign exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

#### (h) **Contingent Liabilities**

Contingent liabilities are not provided for in the books of accounts and are disclosed by way of note to the accounts.

**(i) Taxes on Income**

Current tax is determined as the amount of tax payable in respect of taxable Income for the period. Deferred Tax is recognized subject to considering prudence on timing differences being the differences between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent period. Deferred Tax Asset for the current year has been created taking into account the unabsorbed depreciation and carry forward of losses of earlier years.

MAT under the provisions of Income Tax Act, 1961 is recognized as current tax in the statement of profit and loss. The credit available under the act in respect of MAT paid is recognized as an asset only when and to the extent convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**2. Other Notes to the Accounts****i) Related party disclosures****a) List of related parties:**

- i. Key management personnel
  1. Mr. A K Saraf (Chairman)
  2. Mr. Rishabh Saraf (Vice President)
  3. Mr. R N Pattanayak (Whole Time Director)
- ii. Relative of key management personnel with whom transactions have taken place: NIL
- iii. Other related parties
  1. Arcotech International Ltd.-100% subsidiary
  2. Arcotech Info Ltd.
  3. Arcotech Biochem Ltd.
  4. Arcotech Uniexpat Ltd.
  5. Arcofemi Healthcare Ltd.
  6. Arcotech Advanced Metaliks Ltd.
  7. Medsave Healthcare (TPA) Ltd.
  8. Sidhant Distributors Pvt Ltd.
  9. Vasudha Commercial Pvt. Ltd.
  10. Jeevan Vihar Properties Pvt. Ltd.
  11. Sarathi Infrastructure Pvt Ltd.
  12. Nucleus Insurance Risk Managers Pvt Ltd.
  13. Trust Insurance Risk Managers Pvt Ltd.
  14. Siddhivinayak Stockist and Traders Pvt Ltd.

- b) Transactions with related parties: there are no transactions in the year with the related parties which need to be reported except : i) Remuneration paid to Mr. R N Pattanayak, Whole Time Director aggregating to Rs 3000000/- and Mr. Rishabh Saraf, Vice President (Marketing) aggregating to Rs 900000/- including reimbursements. ii) Advance given to Arcotech International Limited-100% subsidiary of Rs 97253 (previous year Rs 84467/-).

- ii) Contingent Liability not provided for is Rs 6,45,04,000/- towards Bank Guarantees given to Ordnance Factories against Job Work tenders
- iii) There are no Micro, Small and Medium enterprises to whom the Company owed dues, which were outstanding for more than 45 days during the year.
- iv) Provision for the current tax has been made as per Income Tax Act, 1961 as under:-
- |   |              |
|---|--------------|
| - Provision for Current Tax at regular rate | 13,89,20,380 |
| - Less: MAT Credit Availed                  | 3,26,94,752  |
| - Net Tax Payable Provided                  | 10,62,25,628 |
- v) Information required under paragraph 3,4C & 4D of Part-II of Schedule VI (Revised) of the Companies Act, 1956 are annexed therewith as per Annexure-I
- vi) Previous years figures have been recast, re-classified, re-grouped wherever considered necessary.

**26. The disclosures required under Accounting Standard (AS-15) "Employee Benefit" notified in the Companies (Accounting Standard Rules, 2006) are as given below:**

**(a) Defined Benefit Plan**

Particulars	Leave Encashment (Non Funded) 2013-14	Gratuity (Non Funded) 2013-14	Leave Encashment (Non Funded) 2012-13	Gratuity (Non Funded) 2012-13
<b>Expenses recognized in the statement of Profit &amp; Loss Account</b>				
i) Current Service Cost	1,25,075	8,78,363	1,80,837	6,23,623
ii) Past Service Cost	-	-	-	-
iii) Interest Cost	93,782	2,61,779	73,240	1,94,731
iv) Expected return on plan assets	-	-	-	-
v) Actuarial (Gains)/ Losses	29,756	(39,616)	57,363	(2,19,429)
vi) Total Expense	2,48,613	11,00,526	3,11,440	5,98,925
<b>Net Asset/ (Liability) recognized in the Balance Sheet as at year end</b>				
i) Present Value at defined benefit obligation	11,15,448	34,26,146	9,68,596	23,91,165
ii) Fair value of plan assets	-	-	-	-
iii) Funded status [Surplus/ (Deficit)]	(11,15,448)	(34,26,146)	(9,68,596)	(23,91,165)
iv) Net Asset / (Liability)	(11,15,448)	(34,26,146)	(9,68,596)	(23,91,165)
<b>Change in Obligation during the year</b>				
i) Present Value at defined benefit obligation at the beginning of the year	9,68,596	23,91,165	8,62,392	19,36,182
ii) Current Service Cost	1,25,075	8,78,363	1,80,837	6,23,623
iii) Past Service Cost	-	-	-	-
iv) Interest Cost	93,782	2,61,779	73,240	1,94,731
v) Actuarial (Gains)/ Losses	29,756	(39,616)	57,363	(2,19,429)
vi) Payment Benefits	(1,01,761)	(65,545)	(2,05,236)	(1,43,942)
vii) Present Value at defined benefit obligation at the end of the year	11,15,448	34,26,146	9,68,596	23,91,165

Particulars	Leave Encashment (Non Funded) 2013-14	Gratuity (Non Funded) 2013-14	Leave Encashment (Non Funded) 2012-13	Gratuity (Non Funded) 2012-13
<b>Change in the Assets during the year</b>				
i) Fair value of the plan assets at the beginning of the year	-	-	-	-
ii) Expected return on plan assets	-	-	-	-
iii) Contributions by employer	1,01,761	65,545	-	-
iv) Actual Benefits paid	(1,01,761)	(65,545)	-	-
v) Actuarial (Gains)/ Losses	-	-	-	-
vi) Fair value of the plan assets at the end of the year	-	-	-	-
vii) Total actual return on plan assets	-	-	-	-
<b>Actuarial gain/ Loss Recognised</b>				
i) Actuarial gain/(loss) for the period- Obligation	(29,756)	(39,616)	(57,363)	2,19,429
ii) Actuarial gain/(loss) for the period- Plan Assets	-	-	-	-
iii) Total (gain)/Loss for the period	29,756	39,616	57,363	(2,19,429)
iv) Actuarial (gain)/loss recognised in the period	29,756	39,616	57,363	(2,19,429)
v) Unrecognised actuarial (gains)/ losses at the end of period	-	-	-	-
vi) Experience Adjustment loss/ (gain)- Plan	-	-	-	-
vii) Experience Adjustment loss/ (gain)- Obligations	29,756	39,616	5,768	(3,43,636)
<b>The major categories of plan assets as % of total plan</b>	<b>N.A</b>		<b>N.A</b>	
i) Insurer Managed Funds	N.A		N.A	
<b>Actuarial Assumptions</b>				
ii) Discount Rate	8.25% P.A	8.25% P.A	8.25% P.A	8.25% P.A
iii) Expected rate of return on plan assets	N.A	N.A	N.A	N.A
iv) Mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
v) Salary Escalation	6.00% P.A	6.00% P.A	6.00% P.A	6.00% P.A

**(b) Defined Contribution Plans**

Employer's contribution to provident fund charged off during the year ended 31st March, 2014 of Rs 1334151 (previous year 1339104) has been included under the head Personnel Expenses (Note No. 21).

### ANNEXURE-I

INFORMATION AS REQUIRED UNDER PARAGRAPHS 3, 4C & 4D OF PART II OF SCHEDULE VI (REVISED) OF THE COMPANIES ACT' 1956

#### I. CONSUMPTION OF RAW MATERIALS

Non-ferrous metals

Value (Rs.)

5,31,32,48,982  
(3,02,06,48,911)

#### II. TOTAL VALUE OF RAW MATERIAL, STORES & SPARES CONSUMED

##### Raw Materials :

Imported

Percentage %

Value (Rs.)

6.65  
(4.85)

35,35,21,968  
(14,65,01,076)

Indigenous ( including materials  
purchased through canalised agencies )

93.35  
(95.15)

4,95,97,27,014  
(2,87,41,47,835)

##### Stores & Spares :

Imported

1.29  
NIL

9,28,696  
NIL

Indigenous

98.71  
(100)

7,08,50,610  
(3,82,60,055)

#### III. C.I.F VALUE OF IMPORTS

2013-14

2012-13

Raw Materials

35,35,21,968

14,65,01,076

Components & Spare Parts

-

9,28,696

Capital Goods

-

-

#### IV. Expenditure In Foreign Currency During the Financial Year on Account of Royalty, Know-How, Professional Consultancy Fees, Interest And Other Matters

Nil

Nil

#### V. Amount remitted during the year in foreign currency as dividend

Nil

Nil

No. of Non Resident Shareholders

No. of Shares Held

Amount of Dividend

Year to which the Dividend Relates

#### VI. FOB Value of Exports

4,93,08,246

10,33,98,952

# ARCOTECH LTD.

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E-mail : contact@arcotech.in, Website : www.arcotech.in CIN : L34300HR1981PLC012151

## FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Arcotech Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A
5.	<b>Signed by-</b> Radha Nath Pattanayak Whole Time Director	For ARCOTECH LTD. <i>R. Pattanayak</i> Director