


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 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A
5.	Signed by- Radha Nath Pattanayak Whole Time Director	 Director

34th Annual Report
2014 - 2015



ARCOTECH LIMITED

CORPORATE INFORMATION

CIN : L34300HR1981PLC012151

BOARD OF DIRECTORS

Sh.Arvind Kumar Saraf	:	Chairman & Promoter
Sh. R D Tayal	:	Independent Director
Sh. Sham Lal Mohan	:	Independent Director
Sh. Maninder Kohli	:	Non-Executive Director
Sh. Suresh Thakur	:	Independent Director
Smt. Sonia Dube	:	Independent Director
Sh. Rishabh Saraf	:	Non Executive Director
Sh. Radha Nath Pattanayak	:	Whole Time Director

AUDITORS

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

REGISTRAR

Maheshwari Datamatics Pvt Ltd,
6, Mangoe Lane, 2nd Floor, Kolkata-700001
Ph:- 033-2248 2248, Fax : 033-51410591

REGISTERED OFFICE AND WORKS

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

DIRECTORS' REPORT

Dear Members,

Your Directors have immense pleasure in presenting the 34th 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, 2015.

1. FINANCIAL HIGHLIGHTS

PARTICULARS	2014-2015	2013-2014
Sales	736.45	702.45
Profit Before Interest, Depreciation & Tax (PBDIT)	86.90	86.18
Less : Interest & Finance Charges	31.39	31.62
Profit Before Depreciation & Tax (PBIT)	55.51	54.55
Less : Depreciation	3.74	3.87
Profit Before Tax (PBT)	51.77	50.68
Less : Provision for Current Tax /Deferred Tax	18.01	17.58
Profit After Tax (PAT)	33.76	33.10

2. DIVIDEND

In view of the adequate profits earned by the Company, 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, 2015

3. BUSINESS AND OPERATIONS REVIEW

During the year under review, your Company has achieved gross sales of Rs.736.45 crores as compared to Rs 702.45 crores in the previous year. In terms of productivity, the Company has achieved a growth of approx. 15% vis a vis previous year, however, the growth could not be reflected into monetary terms because of lower LME during last two quarters of the financial year.

The Company achieved a positive growth on the basis of diversified portfolio of product offering range and non-dependence on any particular industrial segment. The company has visualized the need of a forward integration to enable it to move up in the value addition chain and to meet the changing requirements of its customers. The ongoing capex would further provide your Company to serve varied product requirements of its customers and shall be able to provide material in the form of end use products like terminals, connectors to electrical and automobile sector customers, coin blanks to Mint, cups for defense establishments along with conventional strips, foils and coils of different alloys being produced by the company. The Current capex cost of Rs 110.00 crores has been funded by way of long term funds from financial institutions and internal accruals. The equipment and machineries are being procured from the best equipment manufacturers across the world.

The work on the proposed greenfield project is underway. The Company is also proposing to issue securities through QIP for an amount not exceeding Rs. 300 crores to meet its long term requirement.

4. DIRECTORS

In pursuance with the provisions of Companies Act, 2013, Shri R N Pattanayak, Whole Time Director of the Company who retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. 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 ensuing Annual General Meeting.

The Board of the Company is constituted in accordance with the provisions of Companies Act, 2013 and rules made there under and revised clause 49 of the listing agreement. During the year, Shri Rishabh Saraf, Non Executive Non Independent Director and Mr. S.L.Mohan, Independent Director have joined the board of the company.

None of the directors of the Company resigned from the board of the Company during the year under review.

5. POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The policy of the Company on the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters under section 178(3) of the Companies Act, 2013 has been provided in the Corporate Governance Report which forms part of this Report.

Further the policy also indicates the manner of the performance evaluation of the Independent directors, board and committees and other Independent directors which includes criteria for performance evaluation of Non Independent directors and Executive directors.

The statement pursuant to the provisions of the Companies Act, 2013 and revised clause 49 of the listing agreement indicating the manner in which formal annual evaluation of the Directors, the Board and the Board level Committees are given in the report on Corporate Governance, which forms part of this Annual Report.

The company has received necessary declaration from each independent director under section 149(7) of the Companies Act, 2013 that he/ she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

6. AUDITORS AND AUDITORS REPORT

M/s. Shwetank Joshi & Associates, Chartered Accountants, 66, Ezra Street, Kolkata-700001, Statutory Auditors of the Company, hold office till the conclusion of the ensuing 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.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditor's report does not contain any qualifications, reservations or adverse remarks or disclaimers.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review

7. COST AUDITOR

The Board of your Company has appointed M/s SS Chug & Co., Cost Accountants, registration no. 101595 for conducting the audit of cost records of the Company for the financial year 2015-16.

8. SECRETARIAL AUDITORS

The Board of your Company has appointed M/s A. Upadhyaya & Associates, Company Secretaries, registration no. 4729 for conducting the secretarial audit of the Company for the financial year 2015-16. The secretarial auditor's report for the financial year 2014-15 does not contain any qualifications, reservations or adverse remarks or disclaimers.

9. NUMBER OF MEETINGS OF THE BOARD

During the year under review, there were total 6 (Six) meetings of the Board were convened and held, the details of which are given in the Report on Corporate Governance, which is a forming part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and revised clause 49 of the Listing Agreement.

Audit Committee

The Composition and function of Audit Committee of the Board of Directors of the Company is disclosed in the Report on Corporate Governance, which is forming part of this report.

10. VIGIL MECHANISM

The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the listing agreement for directors and employees to report their genuine concerns. The objective of the policy is to create a window for any person who observes an unethical behavior, actual or suspected fraud or violation of Company's code of conduct. Protected disclosures can be made by the whistle blower through an email or phone or a letter to the chairman of the audit committee. The policy can be assessed from the Company's website www.arcotech.in.

11. SUBSIDIARY

As on 31st March, 2015 the Company is having only one subsidiary with a name Arcotech International, Hongkong. However, the Company has not yet commenced its economic activities.

12. DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 134(3)(C) OF THE COMPANIES ACT, 2013

The Board of Directors hereby confirms, in terms of Section 134(5) of the Companies Act, 2013:

- 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 made 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, 2013 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.
- e) That the Directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and are operating effectively.
- f) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

13. EXTRACT OF ANNUAL RETURN

In accordance with the provisions of section 134(3)(a) of the Companies Act, 2013 an extract of the Annual Return in Form MGT-9 is given as Annexure-B of this report.

14. FIXED DEPOSITS

During the Year under review, your Company has not accepted any fresh deposit within the meaning of Section 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014

15. 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 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure - 'A' -Form 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 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as Annexure - 'A' -Form B.

C. Particulars of Employees

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Persons) Rules, 2014, as amended, regarding employees is given in the Annexure to the Directors' Report.

Disclosures regarding ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are as under :-

Managerial Remuneration:

- i) The Ratio of the remuneration of Directors to the Median remuneration of the employees of the Company for the year 2014-15:
 - Non Executive & Independent: **1.64:1**
 - Executive Director : Mr. RN Pattanayak - **11.04:1**
- ii) The percentage increase in remuneration of each Director, CS in the financial year:
There was no increase in the remuneration of any of the Director or CS during the financial year.

- iii) The percentage increase in the median remuneration of employees in the financial year: **11.69%**
- iv) The number of permanent employees on the rolls of Company: **222 employees**
- v) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company: **The remuneration of the two KMP's in the Company i.e, the Whole time Director and CS remain unchanged.**
- vi) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate of previous year.

Particulars	As at 31st March, 2015	As at 31st March, 2014	Variation(%)
Closing Share Price	342.60	176.30	94.33
Market Capitalization (Rs in Crores) (Market Value per share *No. of Outstanding Shares)	719.46	370.23	94.33
P/E ratio (Market Value per share/EPS)	21.32	10.81	97.41

- vii) average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : **There has been no increase in the remuneration of KMP's during the financial year.**
- viii) Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company:

	WTD	CS
Remuneration in FY 15 (Rs in Cr.)	0.30	0.10
Revenue (Rs in Cr.)	655.79	
Remuneration as % of revenue	0.045%	0.015%
Profit before Tax (PBT) (Rs in Cr.)	51.52	
Remuneration (as % of PBT)	0.58%	0.19%

- ix) the key parameters for any variable component of remuneration availed by the Directors: **There is no such variable component**
- x) The ratio of the remuneration of the highest paid director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year: **NONE**
- xi) The Remuneration is as per the remuneration policy of the Company.

16. CORPORATE GOVERNANCE

The report on Corporate Governance and the Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to the report on Corporate Governance.

17. RISK MANAGEMENT POLICY

The company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the board of directors of the company.

The company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by statutory as well as internal auditors.

18. CORPORATE SOCIAL RESPONSIBILITY

The Company has duly formulated CSR policy in place. The Company has been committed towards the society at large. A separate note on the policy is a part of this report. Policy can be assessed from the Company Website www.arcotech.in.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The company has not given any loan, guarantee or investments under section 186 of the Companies Act, 2013

20. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

21. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Scenario & Future Challenges

During the year, Industrial Output of the economy has been sluggish; primarily because of higher interest rates in macroeconomic concerns. However, your Company's approach of diversification of customer base has helped it to maintain steady growth.

(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 nurture, enhance and retain 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.

22. 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. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth. Directors also take this opportunity to thank all Investors, Banker, Clients, Vendors, Companies, Government authorities and Stock Exchange(s) for their continued support.

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

**(Arvind Kumar Saraf)
Chairman
DIN : 00057323**

Place : New Delhi
Date : 8th August, 2015

A) ANNEXURE TO BOARD REPORT

The remuneration of Whole Time Director (Executive Director) for the financial year ended 31st March 2015.

S. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Late Employment
1	Shri. R N Pattanayak	55	Whole Time Director	3000000	1806000	29	18.12.2006	Business

ANNEXURE - 'A'

Information under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2015.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

- i. New HMI has been installed with PLC and VFD in Break down mill for consuming low energy.
- ii. Replacement of Conventional lighting system with the installation of LED lights.
- iii. New LNTORE Drive installed in 2 Hi mill resulting into lower consumption of energy.
- iv. High density New Bailing Press installed and commissioned resulting into lower consumption of energy.

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.
- iii. New Power Distribution system is being installed to reduce power consumption of the mills.

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 2014-2015	Previous Year 2013-2014
1. Electricity		
(a) Purchased (MWH)		
(i) Units	14217.66	18799.86
(ii) Total Amount ('000')	111172.396	139027.434
(iii) Rate per unit (Rs.)	7.82	7.40
(b) Own Generation		
(i) Through diesel generator		
Units (MWH)	114.497	158.393
Units per Ltr of diesel	2.15	2.16
Cost/ Unit (Rs.)	25.25	23.19
(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 2014-2015 (Unit)	Previous Year 2013-2014 (Unit)
1. Copper & Brass				
- Electricity		-	0.86	1.29
- Coal/ FO /Others		NA		NA

FORM-B

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Research and Development (R&D)

- (a) Specific areas in which R&D was carried out by the Company
- Pickling line has been re-engineered to meet the specific customer requirement and to achieve internationally acceptable quality parameter.
 - Study was conducted to do Casting and Hot Rolling of ETP Copper
- (b) Benefits derived as a result of the above R&D
- Capable to do Casting and Hot Rolling of ETP Copper to meet customized requirement of customers.
 - Productivity has been increased.
- (c) Future plan of action :
- Up gradation of 4Hi Intermediate Mill.
 - 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. 918.77 Lacs |
| - Earned | : | Rs. 596.96 Lacs |

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L34300HR1981PLC012151
2.	Registration Date	13.08.1981
3.	Name of the Company	ARCOTECH LIMITED
4.	Category/Sub-category of the Company	LIMITED COMPANY HAVING SHARE CAPITAL
5.	Address of the Registered office & contact details	181, SECTOR-3, INDUSTRIAL GROWTH CENTRE, BAWAL-123501, DISTRICT- REWARI, HARYANA
6.	Whether listed company	LISTED
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001 Ph:- 033-2248 2248, Fax : 51410591

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturer of Copper and Copper based alloys semis	7409110,7410110,74092100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

Sl. No.	Name and Address of the Company	CIN No	Holding/subsidiary/ Associate	% of share held	Section
1	Arcotech International Limited	NA	Subsidiary	100%	2(87)(ii)

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

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-April-2014)				No. of Shares held at the end of the year (As on 31-March-2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	3576004	0	3576004	17.0286	3476004	0	3476004	16.5524	-2.7964
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	11368732	0	11368732	54.1368	11468732	0	11468732	54.6130	0.8796
e) Banks/Fi									
f) Any other									
Sub-total (A)(1)	14944736	0	14944736	71.1654	14944736	0	14944736	71.1654	0.0000
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	14944736	0	14944736	71.1654	14944736	0	14944736	71.1654	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	6580	37420	44000	0.2095	6580	37420	44000	0.2095	0.0000
b) Banks/FI	0	6900	6900	0.0329	0	6900	6900	0.0329	0.0000
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs	2052994	0	2052994	9.7762	2042994	0	2042994	9.7285	-0.4871
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	2059574	44320	2103894	10.0186	2049574	44320	2093894	9.9709	-0.4753
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3383446	145220	3528666	16.8032	3494615	95180	3589795	17.0943	1.7324
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	163832	202801	366633	1.7459	131555	179161	310716	1.4796	-15.2515
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	51250	0	51250	0.2440	15188	0	15188	0.0723	-70.3649
c) Others (Specify)									
Non Resident Indians	276	0	276	0.0013	1197	0	1197	0.0057	333.6957
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals									
Clearing Members	4545	0	4545	0.0216	44474	0	44474	0.2118	878.5259
Trusts									
Foreign Bodies-D R									
Sub-total(B)(2):-	3603349	348021	3951370	18.8160	3687029	274341	3961370	18.8637	0.2531
Total Public Shareholding (B)=(B)(1)+ (B)(2)	5662923	392341	6055264	28.8346	5736603	318661	6055264	28.8346	0.0000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	20607659	392341	21000000	100.0000	20681339	318661	21000000	100.0000	0.0000

b) Shareholding of Promoter

S N.	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2014]			Shareholding at the end of the year [As on 31/03/2015]			%Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sidhant Distributors Private Limited	4813940	22.9235	0.0000	4813940	22.9235	0.0000	0.0000
2	Vasudha Commercial Private Limited	3773920	17.9710	0.0000	3773920	17.9710	0.0000	0.0000
3	Arvind Saraf	1519750	7.2369	0.0000	1419750	6.7607	0.0000	-6.5800
4	Nucleus Insurance Risk Manager Pvt. Ltd.	997280	4.7490	0.0000	997280	4.7490	0.0000	0.0000
5	Rishabh Saraf	772485	3.6785	0.0000	772485	3.6785	0.0000	0.0000
6	Atashi Singhania	760000	3.6190	0.0000	760000	3.6190	0.0000	0.0000
7	Siddhivinayak Stocks and Traders Private Limited	691007	3.2905	0.0000	691007	3.2905	0.0000	0.0000
8	Renu Saraf	523769	2.4941	0.0000	523769	2.4941	0.0000	0.0000
9	Trust Insurance Risk managers Pvt. Ltd.	500000	2.3810	0.0000	500000	2.3810	0.0000	0.0000
10	Arcotech Info Pvt. Ltd.	424065	2.0194	0.0000	424065	2.0194	0.0000	0.0000
11	Sarathi Infrastructure Pvt. Ltd.	148520	0.7072	0.0000	248520	1.1834	0.0000	67.3310
12	Jeevan Vihar Properties Pvt Ltd	20000	0.0952	0.0000	20000	0.0952	0.0000	0.0000
	Total	14944736	71.1654	0.0000	14944736	71.1654	0.0000	0.0000

c) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No	Name	Shareholding at the beginning [01/04/14]/end of the year [31/03/2015]		Cumulative Shareholding during the year [01/04/14 to 31/03/2015]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14944736	71.1654		
	Date wise Increase/ Decrease in Promoters shareholding during the year specifying the reasons for increase/decrease	100000#			
	At the end of the year	14944736	71.1654		

Interse transfer among promoters.

d) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name	Shareholding at the beginning [01/04/14]/end of the year [31/03/2015]		Cumulative Shareholding during the year [01/04/14 to 31/03/2015]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Her Clothing Pvt Ltd	1250000	5.9524	1250000	5.9524
2	Eos Multistrategy Fund Ltd	1025000	4.8810	1025000	4.8810
3	Ares Diversified	1027994	4.8952	1017994	4.8476
4	Cloast Trade And Services Private Limited	836029	3.9811	800029	3.8097
5	Clarion Dealing Private Limited	966162	4.6008	966162	4.6008
6	F M S Securities Limited	91997	0.4381	157259	0.7489
7	Nihon Sales Private Limited	90000	0.4286	90947	0.4331
8	Century Finvest Pvt Ltd	59930	0.2854	71331	0.3397
9	Globe Capital Market Limited *	8698	0.0414	55734	0.2654
10	Lloyds Equities & Debentures Ltd *	41660	0.1984	41660	0.1984
11	Religare Finvest Ltd. #	60000	0.2857	11145	0.0531
12	BDA Coal And Coke Resources Ltd #	50000	0.2381	0	0.0000

* Not in the list of Top 10 shareholders as on 01/04/2014. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2015

Ceased to be in the list of Top 10 shareholders as on 31/03/2015. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01/04/2014.

e) Shareholding of Directors and Key Managerial Personnel:

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Arvind K Saraf	1519750	7.2369	1419750	6.7607
2.	R N Pattanayak	100	0.00	100	0.00

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

(In Cr.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	16.86	7.19	-	24.05
ii) Interest due but not paid	0.19	-	-	0.19
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	17.05	7.19	-	24.24
Change in Indebtedness during the financial year				
* Addition	0.41	1.00	-	+1.41
* Reduction	(-) 5.89	(-) 7.19	-	(-) 13.08
Net Change	(-) 5.48	(-) 6.19	-	(-) 11.67
Indebtedness at the end of the financial year				
i) Principal Amount	11.35	1.00	-	12.35
ii) Interest due but not paid	0.12	0.69	-	0.81
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11.47	1.69	-	13.16

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(in lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Mr. Radha Nath Pattanayak	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18.06	18.06
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	11.94	11.94
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	30.00	30.00
	Ceiling as per the Act	84.00	84.00

B. REMUNERATION TO OTHER DIRECTORS

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. R D Tayal	Mr. Suresh Thakur	Mr. S L Mohan	Mrs. Sonia Dube	
1	Independent Directors					
	Fee for attending board committee meetings	108000	108000	36000	36000	288000
	Commission					
	Others, please specify					
	Total (1)	108000	108000	36000	36000	288000
2	Other Non-Executive Directors	Mr. Maninder Kohli				
	Fee for attending board committee meetings	72000	-	-	-	72000
	Commission					
	Others, please specify					
	Total (2)	72000	-	-	-	72000
	Total (B)=(1+2)	180000	108000	36000	36000	360000
	Total Managerial Remuneration					360000
	Overall Ceiling as per the Act					NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1010500	-	1010500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	34400	-	34400
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	NIL	1044900	NIL	1044900

D. REMUNERATION TO OTHER DIRECTORS

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(As prescribed under Section 135 of the Companies Act, 2013 and The Companies (Corporate Social Responsibility Policy) Rules 2014)

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company's website and the web-link for the same is <http://www.arcotech.in>. The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact on the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Company aims to promote literacy among the disadvantaged people. It promises to undertake measures to eradicate hunger, poverty and malnutrition as well as to improve sanitation, health and hygiene. The CSR activities would be pursued through various initiatives undertaken by the Company or through Arcotech Foundation (AF).

Arcotech Foundation (AF) is proposed to be set up as a Public Trust in 2015 to carry out the Corporate Social Responsibility initiatives of the Company.

2. The Composition of the CSR Committee: Shri Arvind K Saraf (Chairman), Shri RN Pattanayak and Shri Shri Suresh Thakur.

3. Average net profit of the Company for last three financial years: ₹3483 Lacs

4. Prescribed CSR Expenditure (2% of the said profits as stated in item 3 above): ₹69.66 Lacs

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year (2014-15): ₹11.51 Lacs

(b) Amount unspent, if any: ₹58.15 Lacs

(c) Manner in which the amount spent during the financial year is detailed in below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered/ cl. no. Sch-vii of CA-2013	Projects or programs (1) Local area or other Specify (2) The State district and where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1	Social Welfare	Cl(viii)	Haryana Haryana	21000 300000	Implementing Agency Implementing Agency	321000	Implementing Agency Implementing Agency
2	Sports	Cl(viii)	Maharashtra New Delhi	20000 500000	Direct Implementing Agency	520000	Direct Implementing Agency
3	Child Welfare	Cl(iii)	Haryana West Bengal	15000 225000	Implementing Agency Implementing Agency	240000	Implementing Agency Implementing Agency
4	Animal Welfare	Cl(iv)	Rajasthan	70000	Implementing Agency	70000	Implementing Agency
	TOTAL					1151000	

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

The Company has been working on identifying the projects for carrying out CSR activities, however, this has been taken more time than estimated. The Company is now working on establishment of its own trust through which all CSR activities shall be undertaken. The expenditures under CSR activities shall be accounted for as an when incurred.

7. The CSR Committee of the Board of Directors hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

NOMINATION & REMUNERATION POLICY**1. INTRODUCTION**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company

2. OBJECTIVE AND PURPOSE OF THE POLICY

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.3 To devise a policy on Board diversity; and
- 2.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has reconstituted the "Nomination and Remuneration Committee" of the Board on 12 August, 2014. This is in line with the requirements under the New Act.

The Board has authority to reconstitute this Committee from time to time.

4. APPOINTMENT CRITERIA AND QUALIFICATION

The Board has authority to reconstitute this Committee from time to time:

- 4.1 The committee shall identify and ascertain the integrity, qualification, expertise of the person for appointment as director, KMP or senior management level and recommend to the board his / her appointment.
- 4.2 A person to be appointed as director, KMP or in senior management should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment to. The committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned person.
- 4.3 A person, to be appointed as director should possess impeccable reputation for integrity, deep expertise and insights in sectors/ areas relevant to the company, ability to contribute to the company's growth and complementary skills in relation to the other Board members.

5. REMOVAL OF DIRECTOR OR KMP

Due to any of the reasons of disqualification mentioned in the Companies Act, 2013 rules made thereunder or under any other applicable Act, rules and regulations, the committee may recommend to the board with reason recorded in writing the removal of a director or KMP subject to the provisions and compliance of the said Act, rules and regulations

6. RETIREMENT OF DIRECTOR OR KMP

The Whole Time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the companies act, 2013 and the prevailing policy of the company. The board will have the discretion to retain the Whole Time Director, KMP, senior management personnel in the same position/ remuneration or otherwise, even after attaining the age of retirement, for the benefit of the company

7. REMUNERATION OF NON EXECUTIVE DIRECTORS

Non-executive Directors (NED) are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them.

8. REMUNERATION OF WHOLE TIME DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR EXECUTIVES

The following elements are taken into consideration for determining the Remuneration of Executive Director, KMP and Senior Executives:

8.1 The remuneration policy reflects a balance between the interests of company's main stakeholders as well as a balance between the Company's short term and long term strategy. As a result, the structure of the remuneration package for the Directors, KMP and Senior Executives is designed to balance short term operational performance with the medium and long term objective of creating sustainable value within the Company, while taking into account the interests of its stakeholders. Company strives for a high performance in the field of sustainability and aims to maintain a good balance between economic gain, respect for people and concern for the environment.

8.2 In designing and setting the levels of remuneration for the Directors, KMP and Senior Executives, the Committee also takes into provisions of the Corporate Governance regulations, societal and market trends and the interests of stakeholders.

8.3 The remuneration and commission to be paid to the Whole Time Director/Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

8.4 Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

9. REMUNERATION OF OTHER EMPLOYEES

Remuneration of middle and lower level employees of the Company consists mostly of fixed pay which is reviewed on an annual basis. Increase in the remuneration of employees is affected based on an annual review taking into account performance of the employee and the performance of the Company also.

10. TERMS OF APPOINTMENT

Term of Whole Time Director/Managing Director is generally for a period of 3 years and renewed for similar periods from time to time. However, the Board reserves the right to increase/decrease the period as it may deem fit. However, Company also employs contractual employees as 'consultants' for shorter periods on need basis.

11. LOANS

There is no system of granting of loans to Directors, KMP and employees of the Company

12. POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee.

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
Arcotech Limited.

I, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arcotech Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, the Company has, during the audit period ended on 31st march 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Arcotech Limited ("The Company") for the period ended on 31st March 2015 to the extent applicable to the Company according to the provisions of:
 - I. The Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 (the Act) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - g. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
 - h. The Memorandum and Articles of Association.
- VI. The Company has complied with other Laws as applicable to the Industry as per the undertaking given by the Company:
 1. The Air (Prevention and Control of Pollution) Act, 1981
 2. The Environment (Protection) Act, 1986
 3. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
 4. Employees' State Insurance Act, 1948

5. Equal Remuneration Act, 1976
6. The Factories Act, 1948
7. The Industrial Employment (Standing Orders) Act, 1946
8. Maternity Benefit Act, 1961
9. Legal Metrology Act, 2009
10. The Minimum Wages Act, 1948
11. The Payment of Wages Act, 1936
12. The Water (Prevention and Control of Pollution) Act 1974

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

The Listing Agreements entered into by the Company with the BSE Limited, National Stock Exchange of India Limited.

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

2. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:
 - a) Maintenance of various statutory registers and documents and making necessary entries therein;
 - b) Closure of the Register of Members.
 - c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 - d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
 - e) Notice of Board meetings and Committee meetings of Directors;
 - f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 - g) The 33rd Annual General Meeting held on 20th September 2014;
 - h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
 - j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
 - k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
 - l) Appointment and remuneration of Auditors and Cost Auditors;
 - m) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
 - n) Declaration and payment of dividends;
 - o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;
 - p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
 - q) Investment of the Company's funds including investments and loans to others;

- r) form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - s) Directors' report;
 - t) Contracts, common seal, registered office and publication of name of the Company; and
 - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. I further report that:
- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - II. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - III. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
 - IV. The Company has obtained all necessary approvals under the various provisions of the Act; and
 - V. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against on the Company, its Directors and Officers.
 - VI. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has not required to complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable as the Company not of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
7. I further report that:
- a. the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited and ;
 - b. the Company has complied with the provisions of the Securities and Exchange Board of India(Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
 - c. the Company has complied with the provisions of the Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
8. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

- (i) Public/Right/Preferential issue of shares / debentures/ sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations

No specific non compliances / observations / audit qualification, reservation or adverse remarks were observed.

We further report that the company has:

Gross amount required to be spent by the Company as per section 135 of Companies Act, 2013 during the year is Rs.69.66 Lacs and amount spent during the year on the activities mentioned in Schedule VII of the Companies Act, 2013 is Rs.11.51 Lacs, the justification of the difference amount shall be reported in the Annual Report 2014-15.

Place: New Delhi
Date: 30.07.2015

For A. Upadhyaya & Associates
Company Secretaries

Abhimanyu Upadhyaya
(Prop.)
M.No. 5921
C.P. No. 4729

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

We believe that it is imperative for us to manage our business affairs in the fair and transparent manner with a firm commitment to our values. For us, Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our Corporate Governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders.

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. A report on the implementation of the Code of Corporate Governance as per Clause 49 of the Listing Agreement is given below:

2. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties.

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 Eight (8) Directors comprising One Executive Director, Three Non-Executive-non-independent Director and Four independent Directors including One Women Independent Director.

Sl.	Name	DIN	Attendance		Number of other Directorship and Committee Membership/Chairmanship ³		
			Board Meetings held in FY 2014-15	Last AGM	Other Directorships ²	Total Committee Memberships	Total Committee Chairmanships
1	Sh.Arvind Kumar Saraf Chairman & Promoter	00057323	6	Yes	19	Nil	Nil
2	Sh. Radha Nath Pattanayak Whole Time Director - Executive	01189370	6	Yes	6	2	Nil
3	Sh. R D Tayal Independent	00021148	6	Yes	2	Nil	2
4	Sh. Sham Lal Mohan ¹ Independent	00028126	3	No	4	1	1
5	Sh. Maninder Kohli Non-Independent	01173387	6	Yes	3	Nil	Nil
6	Sh. Suresh Thakur Independent	00702975	5	Yes	4	1	Nil
7	Smt. Sonia Dube Independent Women Director	01994475	3	Yes	0	2	Nil
8	Sh. Rishabh Saraf ⁴ Non Executive Director	02103953	0	No	16	0	Nil

¹ Appointed as an Additional Director of the Company in Independent capacity with effect from 20.09.2014

² The Directorships, held by Directors as mentioned above, include all directorship including Alternate Directorships and Directorships in foreign companies, Companies registered under Section 8 of the Companies Act, 2013 and Private limited companies.

³ Represents Chairmanships/ Memberships of Audit Committee and Shareholders Relationship Committee of Indian Limited Companies

⁴ Appointed as an Additional Director of the Company as Non-Executive Director capacity with effect from 08.08.2015

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

Sl. No.	Dates of Board Meeting	Number of Directors Present
1	07.05.2014	5
2	12.08.2014	6
3	20.09.2014	6
4	13.11.2014	7
5	09.02.2015	6
6	21.03.2015	5

b) **Board Committees**

The Board has constituted its following Permanent Committees:-

- a) **Audit Committee** comprising of three Independent Directors and one executive Director. Shri R D Tayal, Non-Executive Independent Director is the Chairman of the committee. Smt Prigya, Company Secretary acted as a Secretary to the committee. She resigned on 02.06.2015.

Name of Director	Category
Shri Rameshwar Dayal Tayal	Independent Director
Shri Suresh Thakur	Independent Director
Shri Radha Nath Pattanayak	Executive Director
Smt. Sonia Dube	Independent Director

Terms of Reference of Audit Committee

Terms of reference of Audit Committee are in accordance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange(s), which, inter alia, include:-

- Recommendation for appointment, remuneration and terms of appointment of auditor of the company
- Review and monitor the auditor's independence and performance and effectiveness of audit process
- Examination of financial statement and auditor's report thereon,
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter corporate loans and investments
- Valuation of undertaking or assets of the company, wherever it is necessary
- Evaluation of internal financial controls and risk management
- Monitoring the end use of funds raised through public offers and related matters
- Review the adequacy and compliance of internal control systems.
- Review of Internal Audit Reports.
- Adequacy of financial disclosures

AUDIT COMMITTEE MEETINGS HELD IN FY 2014-2015		
Date of Meeting	Committee Members	Attendance
07.05.2014	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Radha Nath Pattanayak	Yes
	Shri. Maninder Kohli	Yes
12.08.2014	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Radha Nath Pattanayak	Yes
	Shri. Maninder Kohli@	Yes
	Shri. Suresh Thakur#	Yes
13.11.2014	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Suresh Thakur	Yes
	Shri. Radha Nath Pattanayak	Yes
	Smt. Sonia Dube*	Yes
09.02.2015	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Suresh Thakur	Yes
	Shri. Radha Nath Pattanayak	Yes
	Smt. Sonia Dube	No

@ Resigned from Committee with effect from 12.08.2014

Appointed in Committee with effect from 12.08.2014

* Appointed in Committee with effect from 13.11.2014

- b) **Nomination and Remuneration Committee** re-constituted on 08.08.2015 comprising of three non executive-independent Directors . Shri Rameshwar Dayal Tayal, Independent Director is the chairman of the committee.

Name of Director	Category
Shri. Rameshwar Dayal Tayal	Independent Director
Shri. S. L. Mohan	Independent Director
Shri. Suresh Thakur	Independent Director

Terms of Reference of Nomination and Remuneration Committee

Terms of reference of Nomination and Remuneration Committee are in accordance with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchange(s), which, inter alia, include:-

- The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors
- The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.
- The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Nomination and Remuneration Committee Meetings held in FY 2014-2015		
Members	Date & Attendance	
Shri Rameshwar Dayal Tayal	09.02.2015	Yes
Shri Maninder Kohli		Yes
Shri. Suresh Thakur		Yes

- c) **Stakeholders Relationship Committee** re-constituted on 08.08.2015 comprising of two Non-Executive Independent Director and one Executive Director and one Non Executive Director. Shri Rameshwar Dayal Tayal, Independent Director is the chairman of the committee.

Name of Director	Category
Shri Rameshwar Dayal Tayal	Independent Director
Smt Sonia Dube	Independent Director
Shri Radha Nath Pattanayak	Executive Director
Shri Rishabh Saraf	Non-Executive Director

Sl. No.	Date of Committee Meeting	Number of Directors Present	Sl. No.	Date of Committee Meeting	Number of Committee Meeting
1	10-04-14	2	16	04-12-14	3
2	24-04-14	2	17	11-12-14	3
3	22-05-14	2	18	18-12-14	3
4	05-06-14	2	19	31-12-14	3
5	19-06-14	2	20	08-01-15	3
6	10-07-14	2	21	15-01-15	3
7	24-07-14	2	22	22-01-15	3
8	14-08-14	2	23	29-01-15	3
9	28-08-14	2	24	09-02-15	2
10	04-09-14	2	25	19-02-15	3
11	11-09-14	2	26	26-02-15	3
12	16-10-14	2	27	05-03-15	3
13	30-10-14	2	28	12-03-15	2
14	07-11-14	2	29	26-03-15	2
15	20-11-14	3			

No share transfer was pending as on 31.03.2015.

Smt. Prigya Company Secretary was the Compliance Officer of the Company. She resigned on 02.06.2015.

- d) **Corporate Social Responsibility Committee** re-constituted on 08.08.2015 comprising of one Non-Executive Non-Independent Director, One Executive Director and one 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	Independent Director
Shri. Maninder Kohli	Non Executive, Non Independent Director

- e) **Risk management Committee** 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.
- f) **Share Transfer Committee** constituted on 08.08.15 comprising of two non executive director and one executive director. Shri Arvind Kumar Saraf, Non-Executive Non-Independent Director is the Chairman of the Committee.
- g) **Committee of Directors (Strategic Business & Administrative Committee)** constituted on 08.08.15 comprising of two non executive director, one executive director and one convenor of the committee. Shri Arvind Kumar Saraf, Non-Executive Non-Independent Director is the Chairman of the Committee.

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

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

A. Non-Executive Directors

Sitting Fees- Non-executive Directors (NED) except Mr. Arvind Kumar Saraf and Rishabh Saraf are remunerated by way of Sitting Fee for each meeting of the Board/ Committees of the Board attended by them.

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 16th December, 2015. The renewed term shall be valid from 01.10.2015 to 30.09.2018, if approved in the AGM of the Company scheduled to be held on 28th September,2015.

The detailed policy of the company on the nomination and remuneration is annexed to director's report.

4) Code of Conduct for Directors and Senior Management

The Company has a well adopted and accepted 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 2014-15.

-Sd/-

R. N. Pattanayak
Whole Time Director
DIN NO. 01189370

5) General Meetings

A. Annual General Meetings

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

Relating to	Place	Date & Time
2011-2012	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	29 th September, 2012 at 10.30 A.M
2012-2013	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	28 th September, 2013 at 10.30 A.M
2013-2014	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	20 th September, 2014 at 11.00 A.M

There was not any resolution passed through postal ballot at the last Annual General Meeting

Following special resolution are proposed to be passed in the ensuring AGM through Postal Ballot:-

1. Approval to issue security through QIP not exceeding Rs 300.00 Crores.
2. Providing security u/s 180(1)(a) of the Companies Act, 2013 in connection with the borrowings of the Company.
3. Authority to borrow upto Rs. 2000/-crores (Rupees Two Thousand Crores only)over and above the aggregate of the paid up capital and free reserves of the Company, under section 180(1)(c).

In compliance with Clause 35B of the Listing Agreement & Sec 108 and other applicable provisions of the Companies Act,2013 read with related rules, the company provides e-voting facility to all its members to enable them to cast votes electronically.

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

Financial Year	Date of AGM	Particulars
2011-2012	29 th 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 th September, 2013	NIL
2013-2014	20 th September, 2014	a) Vary in terms and conditions of Appointment of Shri Radha Nath Pattanayak b) Alteration of Object Clause c) Approval of Article of Association

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 2014-15

6) Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, the independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. All the independent directors of the company shall strive to be present at such meeting.

The company's Independent Directors met on 9th February, 2015 without the presence of non-independent directors and members of the management.

7) Vigil Mechanism and Whistle Blower Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and the revised clause 49 of the Listing Agreement, the Company has a Whistle-Blower Policy for establishing a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics policy. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We affirm that no employee of the Company was denied access to the Audit Committee.

8) Board Evaluation

One of the key functions of the board is to monitor and review the board evaluation framework. The board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of executive/ non-executive/ independent directors.

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation

9) Disclosures

- (a) 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.
- (b) 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.
- (c) It is affirmed that no personnel has been denied access to the audit committee.
- (d) 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 governance are also being complied to a large extent as specified in this report.

10) Secretarial Audit

Pursuant to section 204 of the Companies Act, 2013 and rules thereunder, the Board of Directors of the company appointed Mr. Abhimanyu Upadhyaya, Company Secretary in practice, to conduct Secretarial Audit of records and documents of the company. The Secretarial Audit Report confirms that the company has complied with all the applicable provisions of the Companies Act, 2013, Depositories Act, 1996, Listing Agreement with Stock Exchange and all the regulations and guidelines of Securities Exchange Board of India (SEBI), as applicable to the company. The audit also covers the reconciliation on a quarterly basis, the total admitted capital with NSDL and CDSL, and the total issued and listed capital. The audit has confirmed that the total issued/ paid up capital is in agreement with the aggregate total number of shares in physical forms and the total number of dematerialized shares held with NSDL and CDSL. Further, the company voluntarily adheres to the various Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI). The Secretarial Audit Report forms a part of Annual Report

11) Means of Communication:

- | | | |
|--|---|--|
| (a) Quarterly Results | : | Through Intimation to Stock Exchange. |
| (b) Newspaper wherein results normally published | : | Times Group |
| (c) Website, where results displayed | : | www.arcotech.in, www.bseindia.com and www.nseindia.com |
| (d) Shareholder's Grievances/ Complaint | : | Correspondence through Emails/ Courier/ Registered Letters |

12) General Shareholder Information

Annual General Meeting

- Date and Time

28th September, 2015 at 11.00 A.M.

- Venue

At the Registered Office of the company

Address for Correspondence :

181, Sector-3, Industrial Growth Centre,

Plant Location & Registered Office

Bawal, District Rewari, Haryana-123501

Corporate Office

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

Phone No. : 29523251

Fax No. : 29523020

Financial Calendar (Tentative)

Results for the Quarter ended :-

- 30th Sept, 2015 : Second week of November, 2015

- 31st Dec, 2015 : Second week of February, 2016

- Annual Audited Results for 2015-2016 : May, 2016

- AGM for the year 2015-2016 : September, 2016

Book Closure Date

Monday, 21st September, 2015 to Monday, 28th September, 2015
(both days inclusive)

Listing details

Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)

The Stock Code is 532914.

Registrars and Transfer Agents

Maheshwari Datamatics Pvt Ltd,

6, Mangoe Lane, 2nd Floor, Kolkata-700001

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

Dividend

Dividend of Re. 1/- per share on equity shares at the face value of Rs. 10/- each for the financial year ended 31st March, 2015

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 31.03.2015, 20681339 equity shares of Rs 10/- (Ten) Each were dematted, this comes to 98.4826% of the total shareholding.

Demat ISIN Number

INE574I01027

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

NIL

Designated Email ID for investor grievance

In terms of clause 47(f) of the listing agreement, the designated email address for investor complaint is investors@arcotech.in

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 2014-15 are as under :-

Monthly Highs and Lows and Volume Traded at the BSE, 2014-15

Months	High (Rs.)	Low (Rs.)	Volume
April,2014	278.30	169.90	2,73,261
May,2014	270.40	242.00	2,58,509
June,2014	309.00	252.00	1,92,533
July,2014	338.00	302.00	2,06,789
August,2014	402.00	332.00	2,41,309
September,2014	382.00	360.10	3,44,993
October,2014	413.00	362.00	2,41,665
November,2014	390.00	366.50	2,66,045
December,2014	375.35	349.40	7,85,068
January,2015	361.90	323.75	7,29,631
February,2015	351.20	335.50	7,06,542
March,2015	355.00	328.60	8,53,686

13) Distribution of Equity Shareholding as on 31st March, 2015

No. of Equity Shares Held	Holders	%age	Amount (Rs.)	%age	No. of Shares
Upto 500	6669	98.1313	2221350	1.0578	222135
501 to 1000	50	.7357	417150	.1986	41715
1001 to 2000	21	.3090	324280	.1544	32428
2001 to 3000	3	.0441	88000	.0419	8800
3001 to 4000	5	.0736	183980	.0876	18398
4001 to 5000	4	.0589	180960	.0862	18096
5001 to 10000	10	.1471	681600	.3246	68160
10001 and above	34	.5003	205902680	98.0489	20590268

14) Details of Equity Shareholders holding more than 1% of the shares as at 31.03.2015

No. of Equity SharesHeld	No. of Shares Held	% of Shareholding
Her Clothing Pvt Ltd	1250000	5.9524
EOS Multi Strategy Fund Ltd	1025000	4.8810
Ares Diversified	1017994	4.8476
Clarion Dealing P Ltd	966162	4.6008
Cloast Trade And Services Private Limited	800029	3.8097
Total	5059185	24.0914

For and on behalf of the Board

Place : New Delhi
Date : 08.08.2015

(Arvind K Saraf)
Chairman
DIN NO.00057323

CERTIFICATE FROM PRATICING COMPANY SECRETARY PURSUANT TO CLAUSE 49 OF THE 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, 2015 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.

Place: New Delhi
Date: 08.08.2015

For A. Upadhyaya & Associates
Company Secretaries

Abhimanyu Upadhyaya(Prop.)
M.No. 5921
C.P. No. 4729

CEO/CFO CERTIFICATION

We, R N Pattanayak, Whole Time Director and Amit Sharma, Chief Financial Officer of the Company, responsible for the finance function hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2015 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 our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we 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 we have taken or propose to take to rectify these deficiencies.
- d) We 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 : 08.08.2015

Whole Time Director

Chief Financial Officer

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, 2015, 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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2015, and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
SHWETANK JOSHI
PROPRIETOR
Membership Number : 52238

Place: New Delhi
Date: 29.05.2015

ANNEXURE TO THE INDEPENDENT AUDITORS REPORT

The Annexure referred to in our Independent Auditors Report to the members of the Company on the financial statements for the year ended March 31, 2015, we report that:

- 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.
- 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 not granted any loan secured or unsecured to companies, firms and/or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- 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. The company has not accepted any fresh deposits from the public during the year.
- VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 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.
- VII. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is generally regular in depositing the statutory dues including provident Fund, employees state insurance, income tax, value added 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 31.03.2015 for a period of more than six months from the date they become payable except Income Tax payable for A/Y 2014-15 amounting to Rs.10,62,25,628/- and Service Tax amounting to Rs. 3,69,931/-.

- c. According to the information and explanations given to us, there are no dues relating to income tax, value added tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess as at March 31,2015, which have not been deposited on account of any dispute.
- VIII. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- IX. 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.
- X. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by the others from banks or financial institutions.
- XI. According to the information and explanations given to us, the term loans were used for the purpose it has been taken.
- XII. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

Sd/-
SHWETANK JOSHI
PROPRIETOR
Membership Number : 52238
Place: New Delhi
Date: 29.05.2015

BALANCE SHEET AS AT 31ST MARCH, 2015

PARTICULARS	NOTE NO.	AS AT 31.03.2015	AS AT 31.03.2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	21,00,00,000	21,00,00,000
(b) Reserves and Surplus	2	1,45,77,97,566	1,14,55,12,733
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	6,72,36,313	10,95,29,881
(b) Deferred tax liabilities (Net)	4	11,27,56,021	9,18,27,300
(4) Current Liabilities			
(a) Short-term borrowings	5	1,92,12,48,598	1,97,48,02,630
(b) Trade payables	6	96,84,16,866	80,06,38,257
(c) Other current liabilities	7	17,07,02,874	13,42,32,319
(d) Short-term provisions	8	29,18,54,678	13,66,77,882
Total		5,20,00,12,916	4,60,32,21,002
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	92,61,81,829	87,47,63,348
(ii) Capital work-in-progress		10,93,67,661	-
(b) Non-current investments	10	69,700	69,700
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	11	56,39,649	48,43,099
(e) Other non-current assets	12	1,44,49,015	35,98,291
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	13	1,92,64,26,606	1,72,43,84,166
(c) Trade receivables	14	1,76,78,45,493	1,67,95,69,806
(d) Cash and cash equivalents	15	20,81,31,993	16,29,70,149
(e) Short-term loans and advances	16	24,19,00,970	15,30,22,444
Total		5,20,00,12,916	4,60,32,21,002
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
DIN No. : 00057323

Maninder Kohli
Director
DIN No. : 01173387

R. D. Tayal
Director
DIN No. : 00021148

Suresh Thakur
Director
DIN No. : 00702975

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. N. Pattanayak
Whole Time Director
DIN No. : 01189370

Amit Sharma
Chief Financial Officer

Prigya Gupta
Company Secretary
M.No: 31749

Place : New Delhi
Date : 29.05.2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
Revenue from Operations			
Gross Sales	17	7,36,45,08,079	7,02,44,59,152
Less : Excise duty		80,65,41,950	77,49,67,355
Net Sales		6,55,79,66,129	6,24,94,91,797
Other Income	18	31,37,853	22,46,135
Total Revenue		6,56,11,03,982	6,25,17,37,932
Expenditure:			
a. Increase/Decrease in Finished Goods, Stock in Trade and Work-in Progress	19	(26,13,52,734)	(40,50,66,927)
b. Cost of Materials Consumed	20	5,60,58,22,027	5,38,50,28,288
c. Power and Fuel		11,33,82,499	14,00,63,786
d. Employees Cost	21	8,43,43,540	7,89,87,738
e. Depreciation	9	3,74,28,108	3,86,64,994
f. Other Expenditure	22	16,62,99,535	20,42,68,328
Total Expenditure		5,74,59,22,975	5,44,19,46,207
Profit from Operations before Other Income, Finance Cost & Exceptional Items		81,51,81,007	80,97,91,725
Other Income	18	1,63,84,725	1,33,56,411
Profit before Finance Cost & Exceptional Items		83,15,65,732	82,31,48,136
Finance Cost	23	31,38,88,800	31,63,58,561
Profit after Finance Cost but before exceptional items		51,76,76,932	50,67,89,575
Exceptional items		-	-
Profit (+)/Loss (-) from Ordinary Activities before tax		51,76,76,932	50,67,89,575
Provision for Tax			
- Current Tax		15,43,66,481	10,62,25,628
+ Mat Credit Entitlement		-	-
- Mat Credit Availed		10,54,411	3,26,94,752
- Deferred Tax		2,09,28,722	3,55,33,098
- Expenses in respect of earlier years		37,67,375	13,41,710
Net profit (+)/Loss (-) from Ordinary Activities after tax		33,75,59,943	33,09,94,387
Extraordinary Items (net of Tax Expense)		-	-
Net Profit (+)/Loss (-) for the period		33,75,59,943	33,09,94,387
Earning Per Share-Basic	24	16.07	15.76
'-Diluted		16.07	15.76
Notes on Accounts and Significant Accounting policies	25		

Notes on Accounts referred to above form an Integral part of this Statement of Profit & Loss Account.
As per our report of even date attached.

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. Saraf
Chairman
DIN No.: 00057323

Maninder Kohli
Director
DIN No.: 01173387

R. D. Tayal
Director
DIN No.: 00021148

Suresh Thakur
Director
DIN No.: 00702975

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. N. Pattanayak
Whole Time Director
DIN No.: 01189370

Amit Sharma
Chief Financial Officer

Prigya Gupta
Company Secretary
M.No: 31749

Place : New Delhi
Date : 29.05.2015

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015 AS PER LISTING AGREEMENT

(Rupees in Lacs)

Particulars	2014-2015	2013-2014
A) Net Profit before Tax & Extra-Ordinary Items	5176.77	5067.90
- Adjustment for :-		
- Depreciation	374.28	386.65
- Interest	3138.89	3163.59
Operating Profit before Working Capital Charges	8689.94	8618.13
- Adjustment for :-		
- Trade & Other Receivable	(882.76)	(4200.53)
- Inventory	(2020.42)	(6200.26)
- Trade Payable	3058.72	8972.26
Cash Generated from Operations	8845.48	7189.60
- Interest Paid	(3138.89)	(3163.59)
- Direct Taxes Paid	(1591.88)	(1402.62)
Net Cash Generated before Extra Ordinary Items	4114.71	2623.39
- Extra Ordinary Items :-	-	-
- Reconciliation & Settlement	-	-
Net Cash from Operating Activities	4114.71	2623.39
B) Cash Flow from Investing Activities		
- Purchase / Sale of Fixed Assets	(888.47)	(2215.29)
- Increase / Decrease in Loans & Advances	(1005.26)	204.27
- Increase / Decrease in Capital Work in Progress	(1093.68)	168.74
- Increase / Decrease in Investment	-	-
Net Cash Used in Investing Activities	(2987.40)	(1842.28)
C) Cash Flow from Financing Activities		
- Increase in Share Capital	0.00	100.00
- Increase in Share Premium Reserve	0.00	410.00
- Increase / Decrease Share Application Money	0.00	(510.00)
- Increase / Repayment / Relief's of Long Term Borrowing	(422.94)	206.39
- Dividend and Dividend Distribution Tax	(252.75)	(245.69)
Net Cash used in Financing Activities	(675.69)	(39.30)
- Net Increase / Decrease in Cash & Cash Equivalents	451.62	741.81
D) Cash & Cash Equivalents		
- Opening Balance	1629.70	887.89
- Closing Balance	2081.32	1629.70

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. Saraf
Chairman
DIN No.: 00057323

Maninder Kohli
Director
DIN No.: 01173387

R. D. Tayal
Director
DIN No.: 00021148

Suresh Thakur
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SHWETANK JOSHI
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R. N. Pattanayak
Whole Time Director
DIN No.: 01189370

Amit Sharma
Chief Financial Officer

Prigya Gupta
Company Secretary
M.No: 31749

Place : New Delhi
Date : 29.05.2015

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
1. SHARE CAPITAL		
Authorised	35,00,00,000	35,00,00,000
3,50,00,000 (Previous Year 3,50,00,000) Equity Share of Rs.10/- each (Previous Year Rs.10/- each)		
Issued, Subscribed and Paid-up	21,00,00,000	21,00,00,000
2,10,00,000 (Previous Year 2,10,00,000) Equity Share of Rs.10/- each (Previous Year Rs.10/- each)		
1.1 Reconciliation of outstanding shares at the beginning and at the end of the reporting period		
Nos of Shares		
Shares as at the beginning of the year	2,10,00,000	2,00,00,000
Add: Shares issued during reporting period	0	10,00,000
Shares as at the end of the year	2,10,00,000	2,10,00,000
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.		
1.2 Details of shareholders holding more than 5% shares in the company		
	As At 31.03.2015	As At 31.03.2014
	Nos of Shares	% holding
	Nos of Shares	%holding
Arvind k Saraf	1419750	6.76
Sidhant Distributors P Ltd	4813940	22.92
Vasudha commercial P Ltd	3773920	17.97
Her Clothing P Ltd	1250000	5.95
2. RESERVE AND SURPLUS		
a) SECURITIES PREMIUM RESERVE		
Opening Balance	4,10,00,000	-
Addition during the year	-	4,10,00,000
Closing Balance (a)	4,10,00,000	4,10,00,000
b) SURPLUS		
Opening Surplus in statement of Profit & Loss	1,10,45,12,733	79,80,87,296
Addition during the year	33,75,59,943	33,09,94,387
Less: Proposed Dividend	2,10,00,000	2,10,00,000
Less: Dividend Distribution Tax	42,75,110	35,68,950
Closing Surplus in statement of Profit & Loss (b)	1,41,67,97,566	1,10,45,12,733
Total Reserves and Surplus (a+b)	1,45,77,97,566	1,14,55,12,733

PARTICULARS	AS AT 31.03.2015		AS AT 31.03.2014	
3. LONG TERM BOROWING				
	Non Current		Current	
	AS AT	AS AT	AS AT	AS AT
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
a) SECURED LOANS- FROM BANKS				
Term Loans	6,09,05,072	10,63,10,308	4,45,00,000	5,80,00,000
Vehicle Loans	63,31,241	32,19,573	18,06,487	10,85,341
Total (a)	<u>6,72,36,313</u>	<u>10,95,29,881</u>		

- 3.1 Term loan-I of Rs 14.00 Crores was taken during the FY 2009-10 and carries interest @ BR+3.75% (revised in FY13-14) repayable in quarterly installments of Rs 70.00 Lacs. The entire term loan has since been repaid.
- 3.2 Term loan-II of Rs 15.00 Crores was sanctioned during the FY 2012-13 and carries interest @ BR+3.75% (revised in FY 13-14) repayable in quarterly installments of Rs 75.00 lacs.
- 3.3 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.
- 3.4 Current Maturities of Long Term Loans have been considered as Other Current Liabilites in Note No. 7

4. DEFFERED TAX

Deferred Tax Liability on account of

i) Depreciation for the year (11,47,91,159) (9,33,70,988)

Deferred Tax Assets on account of

i) Other Employee Benefits 20,35,137 15,43,688

Net Deferred Tax Assets/ (Liability) (11,27,56,021) (9,18,27,300)

5. SHORT TERM BOROWINGS

SECURED BORROWING

Working Capital Limits

From Banks 1,91,12,48,598 1,90,28,52,630

UNSECURED LOANS

From Corporate 1,00,00,000 7,19,50,000

Total 1,92,12,48,598 1,97,48,02,630

- 5.1 The working capital limits are repayable on demand and carries interest @ BR+3.75%.
- 5.2 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.
- 5.3 Unsecured Loan of FY13-14 has been repaid fully. The Unsecured Loan of the Current year carries interest @15% p.a repayable within August, 2015.

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
6. TRADE PAYABLES		
Creditors for Raw Material and Stores	96,84,16,866	80,06,38,257
Total	96,84,16,866	80,06,38,257
7. OTHER CURRENT LIABILITIES		
Creditors for Capital Goods	5,38,25,453	3,47,26,972
Expenses Payable	4,53,01,324	3,64,43,999
Statutory Dues	2,30,98,372	28,07,773
Unclaimed Dividend	2,49,310	-
Advance from Customers	19,21,927	11,68,234
Long term Loan- Current Maturities (Ref Note No. 3)	4,45,00,000	5,80,00,000
Vehicle Loan- Current Maturities (Ref Note No. 3)	18,06,487	10,85,341
Total	17,07,02,874	13,42,32,319
8. SHORT TERM PROVISIONS		
Provision for Gratuity	47,49,086	34,26,146
Provision for Leave Benefit	12,38,373	11,15,448
Provision for Proposed Dividend	2,10,00,000	2,10,00,000
Provision for Dividend Distribution Tax	42,75,110	35,68,950
Provision for Taxation (Ref Note No. 25(2)(iv))	26,05,92,109	10,75,67,338
Total	29,18,54,678	13,66,77,882

8.1 Provision for leaves and Gratuity include current maturity amount of Rs 3,00,342/- (previous year Rs NIL/-)

9. FIXED ASSETS

COST OR VALUATION	Land	Buildings	Plant & Machinery	Furniture	Office Equipment	Vehicles	Total
Gross Value as at 1 April 2013	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
Gross Value as at 31 March 2014	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
Additions		2,50,35,530	5,71,22,743	2,72,769	4,29,406	59,86,141	8,88,46,589
Disposals				-			-
Gross Value as at 31 March 2015	2,63,45,488	16,31,27,043	1,16,31,35,180	1,47,58,242	40,32,339	2,03,91,612	1,39,17,89,904
DEPRECIATION							
At 1 April 2014	-	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
At 31 March 2014	-	1,89,30,578	39,25,64,802	84,57,610	18,94,212	63,32,765	42,81,79,967
Charge for the year		44,00,595	2,94,09,934	7,95,298	5,38,993	22,83,288	3,74,28,108
Disposals							-
At 31 March 2015	-	2,33,31,173	42,19,74,736	92,52,908	24,33,205	86,16,053	46,56,08,075
Net Block as at 31 March 2015	2,63,45,488	13,97,95,870	74,11,60,444	55,05,334	15,99,134	1,17,75,559	92,61,81,829
Previous Year	2,63,45,488	11,91,60,935	71,34,47,635	60,27,863	17,08,721	80,72,706	

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
10. NON CURRENT INVESTMENTS		
Investment in Subsidiary (Unquoted)	69,700	69,700
Arcotech International Ltd- Hongkong -10000 Equity Shares of HKD 1 per share		
Total	<u>69,700</u>	<u>69,700</u>
10.1 The Company had incorporated a subsidiary in Hongkong. The subsidiary has not commenced its operations as yet.		
11. LONG TERM LOANS & ADVANCES		
Loans & Advances to Related Party (Ref Note No. 25(2))	5,71,253	97,253
Deposits considered good	50,68,396	47,45,846
Total	<u>56,39,649</u>	<u>48,43,099</u>
12. OTHER NON CURRENT ASSETS		
Fixed Deposits	1,44,49,015	35,98,291
Total	<u>1,44,49,015</u>	<u>35,98,291</u>
12.1 Fixed deposits have been used as margin money for availment of Non Fund Based limits from Banks.		
13. INVENTORIES		
(As taken, valued and certified by the Management)		
Raw Materials	56,76,00,141	56,01,88,067
Finished Goods	42,12,93,826	45,00,06,292
Semi-Finished Goods	90,78,70,800	61,78,05,600
Stores, Spares & Packing Materials	2,96,61,839	9,63,84,207
Total	<u>1,92,64,26,606</u>	<u>1,72,43,84,166</u>
14. TRADE RECEIVABLES		
Unsecured and considered good		
Over Six Months	72,22,510	68,56,637
Others	1,76,06,22,983	1,67,27,13,169
Total	<u>1,76,78,45,493</u>	<u>1,67,95,69,806</u>
15. CASH & CASH EQUIVALENTS		
Cash and Cash Equivalent	16,31,129	1,48,928
Balance with Banks	6,61,801	6,63,738
Unclaimed Dividend Account	2,49,310	-
Fixed Deposits with Banks (with original maturity of less than 12 months)	20,55,89,754	16,21,57,483
Total	<u>20,81,31,993</u>	<u>16,29,70,149</u>
15.1 Fixed deposits have been used as margin money for availment of Non Fund Based limits from Banks.		

ARCOTECH LTD.

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PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014	
16. SHORT TERM LOANS & ADVANCES			
Unsecured and Considered Good			
Security Deposits	16,47,523	17,80,523	
MAT Credit Entitlement	-	10,54,411	
Advances recoverable in cash or kind	24,02,53,447	15,01,87,510	
Total	<u>24,19,00,970</u>	<u>15,30,22,444</u>	
17. REVENUE FROM OPERATIONS			
Sale of Non Ferrous Semis	7,32,51,99,119	7,00,27,38,222	
Job Work- Non Ferrous Semis	3,93,08,960	2,17,20,930	
Total	<u>7,36,45,08,079</u>	<u>7,02,44,59,152</u>	
18. OTHER INCOME			
OPERATING			
Insurance Claims Received	-	2,40,549	
Miscellaneous Sales	25,67,295	8,57,074	
Custom Duty - Draw Back (Export Sales)	5,70,558	11,48,512	
TOTAL (A)	<u>31,37,853</u>	<u>22,46,135</u>	
NON OPERATING			
Interest on Fixed Deposits	1,45,41,242	1,28,97,707	
Interest on Debtors	2,75,582	1,03,898	
Interest on Security Deposit-DHBN	10,28,188	1,94,450	
Sundry Liabilities Written Off	1,87,127	-	
Income on Forex Differences (Net)	2,35,036	1,60,356	
Damages Claim from Debtors	1,17,550	-	
TOTAL (B)	<u>1,63,84,725</u>	<u>1,33,56,411</u>	
18.1 TDS on interest income Rs. 15,43,962/- (Previous year Rs. 608064/-)			
19. (INCREASE)/ DECREASE IN INVENTORIES			
	AS AT 31.03.2015	AS AT 31.03.2014	(Increase)/ Decrease
Closing Stock			
- Finished	42,12,93,826	45,00,06,292	(2,87,12,466)
- Semi Finished	90,78,70,800	61,78,05,600	29,00,65,200
Total (A)	<u>1,32,91,64,626</u>	<u>1,06,78,11,892</u>	<u>26,13,52,734</u>
Opening Stock			
- 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
Total (B)	<u>1,06,78,11,892</u>	<u>66,27,44,965</u>	<u>40,50,66,927</u>
Net Increase / Decrease (A - B)	<u>26,13,52,734</u>	<u>40,50,66,927</u>	<u>(14,37,14,193)</u>

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
20. COST OF RAW MATERIAL & COMPONENTS CONSUMED		
A. CONSUMPTION OF RAW MATERIAL		
Opening Stock	56,01,88,067	38,38,90,177
Add: Purchases	5,54,96,68,387	5,48,95,46,872
	6,10,98,56,454	5,87,34,37,049
Less: Closing Stock	56,76,00,141	56,01,88,067
Consumption (A)	5,54,22,56,313	5,31,32,48,982
B. CONSUMPTION OF CONSUMABLE		
Opening Stock	9,63,84,207	5,77,22,988
Add: Purchases	5,42,66,641	12,18,09,225
	15,06,50,848	17,95,32,213
Less: Closing Stock	2,96,61,839	9,63,84,207
Less: Consumable Capitalised	5,74,23,295	1,13,68,700
Consumption (B)	6,35,65,714	7,17,79,306
Total Consumption (A + B)	5,60,58,22,027	5,38,50,28,288
21. EMPLOYEE COST		
Salary & Wages (Including Allowances)	7,16,36,653	6,69,76,554
Directors Remuneration (including reimbursements)	30,00,000	30,00,000
Contribution towards ESI & EDLI	12,31,197	13,23,726
Contribution towards EPF & FPF	19,01,549	13,34,151
Contribution towards L.W.F	1,04,869	1,12,207
Gratuity	20,62,032	11,00,526
Leave Pay	6,06,751	2,48,613
Staff Welfare	38,00,489	48,91,961
TOTAL	8,43,43,540	7,89,87,738

PARTICULARS	AS AT 31.03.2015	AS AT 31.03.2014
22. OTHER EXPENSES		
Repair & Maintenance		
-For Building	10,45,243	5,44,401
-For Machinery	28,04,929	43,47,647
-For Others	11,22,484	3,48,680
Rent, Rates and Taxes	17,88,766	16,83,427
Insurance	24,08,395	35,68,653
Corporate Social Responsibility	11,51,000	-
Legal & Professional Charges	1,35,82,041	64,01,809
Purchase Procurement Expenses	1,55,16,149	2,38,63,835
Selling & Distribution Expenses	51,33,542	2,76,30,226
Transportation Charges	2,02,40,996	1,95,29,819
Miscellaneous & Administrative Expenses	1,32,26,993	3,54,13,780
Travelling & Conveyance -Directors (Including Foreign Travel Rs3592588/-Previous Year Rs.6079604/-)	45,59,716	75,15,046
Travelling & Conveyance -Others (including Foreign Travel Rs 316482/- Previous Year - Rs 393697/-)	41,73,233	36,50,913
Bad Debts	-	57,28,707
Sundry Balance Written Off	-	9,02,520
Loss on Sales of Fixed Assets	-	20,959
Payment to Auditors		
- For Statutory Audit	7,00,000	6,00,000
- For Tax Audit	60,000	50,000
- For Internal Audit	40,000	40,000
- For Cost Audit	84,180	-
Bank Charges and Commission	7,86,61,868	6,24,27,906
TOTAL	16,62,99,535	20,42,68,328
22.1 Miscellaneous expenses exceeding 1% of revenue or Rs 1,00,000/- whichever is higher is NIL		
23. FINANCE COST		
Interest on		
- Working Capital Loan	26,56,37,877	23,17,85,754
- Term Loan	1,79,42,495	2,69,37,638
- Interest on Letter of Credit	2,33,50,243	5,76,35,169
- Interest on Unsecured Loan	69,58,185	-
TOTAL	31,38,88,800	31,63,58,561
24. EARNING PER SHARE		
Basic		
Profit/(Loss) after tax	33,75,59,943	33,09,94,387
Nos of Equity Shares	2,10,00,000	2,10,00,000
EPS- Basic	16.07	15.76
Diluted		
Profit/(Loss) after tax	33,75,59,943	33,09,94,387
Nos of Equity Shares	2,10,00,000	2,10,00,000
EPS- Diluted	16.07	15.76

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 in conformity with accounting principals generally accepted in India and comply with the provision of Companies Act, 2013 and Accounting Standards issued by the Institute of Chartered Accountants of India.

(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 based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

(iii) Pursuant to enactment of Companies Act, 2013 the company has applied the estimated useful life of assets as specified in Schedule II of the Act, as a result depreciation during the year is lower by Rs. 97,83,274/-

(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. 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. Arco Infoways Pvt Ltd.(erstwhile Nucleus Insurance Risk Managers Pvt Ltd.)
 13. Arco IT Solutions Pvt Ltd. (erstwhile 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 375000/- including reimbursements. ii) Advance given to Arcotech International Limited-100% subsidiary of Rs 571253/- (previous year Rs 97253/-).

- ii) The Company is Contingently Liable for an amount of Rs 12,31,51,500 (net of margin) towards Bank Guarantees.
- 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 | 15,54,20,892 |
| - Less: MAT Credit Availed | 10,54,411 |
| - Net Tax Payable Provided | 15,43,66,481 |
- v) Corporate Social Responsibility
- a) Gross amount required to be spent by the Company as per section 135 of Companies Act, 2013 during the year.
Rs 69.66 Lacs
- b) Amount spent during the year on the activities mentioned in Schedule VII of the Companies Act, 2013
Rs 11.51 Lacs
- vi) Information required under paragraph 5 of Part-II of Schedule III of the Companies Act, 2013 are annexed therewith as per Annexure-I
- vii) 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) 2014-15	Gratuity (Non Funded) 2014-15	Leave Encashment (Non Funded) 2013-14	Gratuity (Non Funded) 2013-14
Expenses recognized in the statement of Profit & Loss Account				
i) Current Service Cost	1,26,426	11,01,541	1,25,075	8,78,363
ii) Past Service Cost	-	-	-	-
iii) Interest Cost	94,153	3,27,009	93,782	2,61,779
iv) Expected return on plan assets	-	-	-	-
v) Actuarial (Gains)/ Losses	1,42,344	6,33,482	29,756	(39,616)
vi) Total Expense	3,62,923	20,62,032	2,48,613	11,00,526
Net Asset/ (Liability) recognized in the Balance Sheet as at year end				
i) Present Value at defined benefit obligation	12,38,373	47,49,085	11,15,448	34,26,146
ii) Fair value of plan assets	-	-	-	-
iii) Funded status [Surplus/ (Deficit)]	(12,38,373)	(47,49,085)	(11,15,448)	(34,26,146)
iv) Net Asset / (Liability)	(12,38,373)	(47,49,085)	(11,15,448)	(34,26,146)
Change in Obligation during the year				
i) Present Value at defined benefit obligation at the beginning of the year	11,15,448	34,26,146	9,68,596	23,91,165
ii) Current Service Cost	1,26,426	11,01,541	1,25,075	8,78,363
iii) Past Service Cost	-	-	-	-
iv) Interest Cost	94,153	3,27,009	93,782	2,61,779
v) Actuarial (Gains)/ Losses	1,42,344	6,33,482	29,756	(39,616)
vi) Payment Benefits	(2,39,998)	(7,39,093)	(1,01,761)	(65,545)
vii) Present Value at defined benefit obligation at the end of the year	12,38,373	47,49,085	11,15,448	34,26,146

Particulars	Leave Encashment (Non Funded) 2014-15	Gratuity (Non Funded) 2014-15	Leave Encashment (Non Funded) 2013-14	Gratuity (Non Funded) 2013-14
Change in the Assets during the year				
i) Fair value of the plan assets at the beginning of the year	-	-	-	-
ii) Expected return on plan assets	-	-	-	-
iii) Contributions by employer	2,39,998	7,39,093	1,01,761	65,545
iv) Actual Benefits paid	(2,39,998)	(7,39,093)	(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	-	-	-	-
Actuarial gain/ Loss Recognised				
i) Actuarial gain/(loss) for the period- Obligation	(1,42,344)	(6,33,482)	(29,756)	(39,616)
ii) Actuarial gain/(loss) for the period- Plan Assets	-	-	-	-
iii) Total (gain)/Loss for the period	(1,42,344)	6,33,482	29,756	39,616
iv) Actuarial (gain)/loss recognised in the period	(1,42,344)	6,33,482	29,756	39,616
v) Unrecognised actuarial (gains)/ losses at the end of period	-	-	-	-
vi) Experience Adjustment loss/ (gain)- Plan	-	-	-	-
vii) Experience Adjustment loss/ (gain)- Obligations	1,42,344	1,80,525	29,756	39,616
The major categories of plan assets as % of total plan	N.A		N.A	
i) Insurer Managed Funds	N.A		N.A	
Actuarial Assumptions				
ii) Discount Rate	8.00% P.A	8.00% 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, 2015 of Rs. 1901549 (previous year 1334151) has been included under the head Personnel Expenses (Note No. 21).

ANNEXURE-I

INFORMATION AS REQUIRED UNDER PARAGRAPHS 5 OF PART II OF SCHEDULE III OF THE COMPANIES ACT' 2013

I. CONSUMPTION OF RAW MATERIALS

	Value (Rs.)
Non-ferrous metals	5,54,22,56,313 (5,31,32,48,982)

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

	Percentage %	Value (Rs.)
Raw Materials :		
Imported	1.66 (6.65)	9,18,76,742 (35,35,21,968)
Indigenous (including materials purchased through canalised agencies)	98.34 (93.56)	5,45,03,79,571 (4,95,97,27,014)
Stores & Spares :		
Imported	- -1.29	- (9,28,696)
Indigenous	100.00 (100)	6,35,65,714 (7,08,50,610)

III. C.I.F VALUE OF IMPORTS

	2014-15	2013-14
Raw Materials	9,18,76,742	35,35,21,968
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

5,96,95,688 4,93,08,246

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. Saraf
Chairman
DIN : 00057323

Maninder Kohli
Director
DIN : 01173387

R. D. Tayal
Director
DIN : 00021148

Suresh Thakur
Director
DIN : 00702975

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. N. Pattanayak
Whole Time Director
DIN : 01189370

Amit Sharma
Chief Financial Officer

Prigya Gupta
Company Secretary
M.No: 31749

Place : New Delhi
Date : 29.05.2015

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