ARCOTECH LTD.

Regd. Office/Works : 181, Sector-3, Industrial Growth Centre
Bawal-123501, Distt. Rewari, Haryana, Ph.: 01284-264160 / 61, Fax: 01284-264022
CIN : L34300HR1981PLC012151

3 October, 2018

Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 **Fax No.** 022 2272 3121 **Scrip ID: ARCOTECH, Scrip Code: 532914**	**National Stock Exchange of India Limited** Exchange Plaza, Bandra Kurla Complex. Bandra(E), Mumbai-400051 **Fax No.** - 022-26598237/38 **Symbol: ARCOTECH, Series: EQ**

Sub: Submission of Annual Report under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Please find the enclosed **Annual Report for the financial year 2017-2018 to be submitted as per Regulation 34** of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Kindly take the same on records and acknowledge.

Yours truly,
FOR ARCOTECH LIMITED

ARCOTECH LTD. BAWAL HARYANA

KRISHAN KUMAR MISHRA
COMPANY SECRETARY
ENCL: A/A

37th Annual Report

2017-2018

ARCOTECH LIMITED

CORPORATE INFORMATION

CIN : L34300HR1981PLC012151

BOARD OF DIRECTORS

Sh. Arvind Kumar Saraf	:	Chairman & Promoter
Sh. Radha Nath Pattanayak	:	Whole Time Director
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

AUDITORS
M/S. Amit Joshi & Associates
Chartered Accountants
E-14/14 Basement, VasantVihar
New Delhi - 110057

REGISTRAR
Maheshwari Datamatics Pvt Ltd,
23, RN Mukherjee Road, 5th 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 37th 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, 2018.

1. FINANCIAL HIGHLIGHTS

(Rs. in Crores)

PARTICULARS	2017-2018	2016-2017
Sales	784.22	819.38
Profit Before Interest, Depreciation & Tax (PBDIT)	76.13	92.92
Less : Interest & Finance Charges	64.06	46.84
Profit Before Depreciation & Tax (PBIT)	12.07	46.08
Less : Depreciation	7.75	6.06
Profit Before Tax (PBT)	4.32	40.02
Less : Provision for Current Tax / Deferred Tax	0.41	13.61
Profit After Tax (PAT)	3.91	26.41

2. DIVIDEND

In view of the huge funds requirements for the smooth functioning of the company, your Directors do not recommend any Dividend for the year under review.

GENERAL RESERVES

There was no transfer to General Reserve during the year 2017-18.

3. BUSINESS AND OPERATIONS REVIEW

During the year under review, your Company has achieved sales of Rs. 784.22 crores with a EBIDTA of Rs. 76.13 Crores. Arcotech continues to be an innovative, process and system-oriented company. Arcotech in its efforts to further consolidate and expand its presence in the value added forward integrated products and added several OEM and tier 1 customers accross industries such as electrical, Automobiles, electronics and switchgear etc.

Addition of new equipment's, have further strengthen the forward integrated product and stamping Division and company continuous develop new products and added several prestigious customers during the year. Continuous effort by our engineers and R & D center resulted in Arcotech achieving approvals of products in quick time with several OEMS.

Arcotech is the only vertically integrated company having Raw Material, Tool Room, Tool Design, Product Design, Plating, Quality and Validation Testing and of course stamping at an integrated facility. In addition to its expertise in Copper & Copperalloy flat products the company has emerged as one stop solution provider for customized components. This gives Arcotech a unique and distinct advantage.

Millions of people everyday use material processed by Arcotech in various forms and by numerous manufacturers of Electronic, Electrical / Power Transmission, Switchgear, HT Cables, Auto Components, Radiators, Keys & Locks, Zippers, Sanitary fittings, Torches, Coins and many more.

Arcotech continuously upgrade technology and adopt in the latest developments in the industry and has a 24,000 MTPA production capacity to manufacture Copper and Cu alloys like Brass, Phosphor Bronze, Leaded Brass, Cupro Nickel in the form of strips, foils, sheets, ingots, rods, profiles, bus bars and forward integrated products such as terminals, connectors, coin blanks, key blanks etc.

Moreover it is the only company having all three casting systems facilities namely, DC Casting, Continuous Casting, Batch Mould Casting as well as extrusion / conforming lines. The company's integrated manufacturing facility comprises of melting & casting to rolling on advance 20HiMills to produce wide range of strips ranging from 0.035mm-12mm in thickness and from 4 mm to 406 mm in width with precise tolerances.

Arcotech continuously strive to increase the value addition by winding the product mix.

The company has over 200 Customers to whom the company is supplying its products consistently. Your company is proud to have leading companies of its field as its customers apart from prestigious orders from the Indian Mint and Indian Ordinance Factories.

4. DIRECTORS AND KEY MANEGERIAL PERSONNEL

In pursuance with the provisions of Companies Act, 2013, Shri Radha Nath Pattnayak, 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 Regulation 36 of SEBI (LODR) Regulations, 2015, 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 Regulation 17(1) of SEBI (LODR) Regulations, 2015.

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

Change in Key Managerial Personnel:

a) During the Year, Shri Akshaya Kumar Biswal was appointed as the Chief Financial Officer (KMP) of the Company w.e.f 27th November, 2017.

5. BOARD DIVERSITY AND POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

The Company believes that building a diverse and inclusive culture is integral to its success. A diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications, professional experience and knowledge of the Board members necessary for achieving sustainable and balanced development. Accordingly, the Board has adopted a policy on 'Nomination, Remuneration and Board Diversity', which sets out the criteria for determining qualifications, positive attributes and independence of a Director. The detailed policy is available on the Company's website at http://www.arcotech.in/New14/NOMINATION.pdf and http://www.arcotech.in/New14/Policy-on-Board-Diversity.pdf is also provided in the Corporate Governance Report which forms part of this Report.

Annual Board Evaluation and Familiarisation Programme for Independent Directors

The statement pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) SEBI(LODR) Regulations, 2015 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. A note on the familiarisation programme adopted by the Company is available at Company's website http://www.arcotech.in/New14/Familiarisation-programmes-for-Independent-Directors.pdf

Declaration by Independent Directors

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 Reg.16(1)(b) and Reg. 25 of SEBI (LODR) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

6. AUDITORS AND AUDITORS REPORT

The Auditors of the Company, M/s. Amit Joshi & Associates (FRN:004898N) Chartered Accountants hold office until the conclusion of 40th Annual General Meeting (AGM) of the Company subject to ratification of their appointment by the Members of the Company at every AGM.

The Auditors have confirmed their eligibility to the effect that ratification of their appointment, if made, would be within the prescribed limit under the Companies Act, 2013 and that they are not disqualified for ratification of their appointment. The Board of Directors on recommendation of the Audit Committee propose the ratification of appointment of M/s.Amit Joshi & Associates (FRN:004898N), Chartered Accountants, as Statutory Auditors of the Company at the forthcoming AGM.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and donot call for any further comments.

7. COST AUDITOR

The Board of your Company has appointed M/s S S Chug & Co., Cost Accountants, registration no. 101595 for conducting the audit of cost records of the Company for the financial year 2018-19.

8. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board of your Company has appointed M/s A. Upadhyaya & Associates, Company Secretaries, Certificate of Practice no. 4729 for conducting the secretarial audit of the Company for the financial year 2018-19. The secretarial auditor's report for the financial year 2017-18 is attached and self-explanatory and donot call for any further comments.

9. NUMBER OF MEETINGS OF THE BOARD

During the year under review, there were total 10 (Ten) 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 Reg.17(2) of SEBI (LODR)

Regulations, 2015.

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 a established 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 http://www.arcotech.in/New14/WHISTLEBLOWERPOLICY.pdf.

11. SUBSIDIARY

The Company has framed a policy for Determining material Subsidiaries. There is no subsidiary of the company as on 31st march, 2018.

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 fixed 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 Personnel) 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 2017-18:

- Executive Director: Mr. RN Pattanayak–18.52:1

ii) The percentage increase in remuneration of each Director, CFO and CS in the financial year:

There was no increase in the remuneration of any of the Director and CFO. Increase in remuneration of Company Secretary Shri Krishan Kumar Mishra by 43.11%.

iii) The percentage increase in the median remuneration of employees in the financial year:10.20%

iv) The number of permanent employees on the rolls of Company: 193 employees as on 31.03.2018

v) 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, 2018	As at 31st March, 2017	Variation (%)
Closing Share Price	33.50 (Face Value of Rs. 2)	104.90 (524.50 @Face Value of Rs. 10)	-68.06
Market Capitalization (Rs in Crores) (Market Value per share *No. of Outstanding Shares)	371.75	1101.45	-66.24
P/E ratio (Market Value per share/EPS)	90.54	41.69	117.17

vi) 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: Average salary increase of non-managerial employees is 9.98% average salary increase of managerial employees is 12.17%. there are no exceptional circumstances in increase in managerial remuneration.

vii) Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company:

	WTD	CFO*	CS
Remuneration in FY 18 (Rs in Cr.)	0.42	0.085	0.097
Revenue (Rs in Cr.)		763.97	
Remuneration as % of revenue	0.055%	0.011%	0.013%
Profit before Tax (PBT) (Rs in Cr.)		4.32	
Remuneration (as % of PBT)	9.72%	1.97%	2.24%
*a)During the Year, Shri Akshaya Kumar Biswal was appointed as the Chief Financial Officer (KMP) of the Company w.e.f 27th November, 2017.			

viii) The key parameters for any variable component of remuneration availed by the Directors: There is no such variable component

ix) 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

x) The Remuneration is as per the remuneration policy of the Company.

16. CORPORATE GOVERNANCE

A separate report on Board of Directors of the Company on Corporate Governance is included in the Annual Report and the Certificate from M / s A. Upadhyaya & Associates Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated in Schedule V of SEBI (LODR), Regulations, 2015 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 been committed towards the society at large. A separate note on the policy is a part of this report. The Company has duly formulated CSR policy in place. Policy can be assessed from the Company Website http://www.arcotech.in/New14/CSR.pdf.

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.

RELATED PARTY TRANSACTIONS

During the year, the Company had not entered into any arrangement / transaction with related parties which could be considered material in accordance with the Company's Policy on Related Party Transactions and accordingly, the disclosure of Related Party Transactions in Form AOC 2 is not applicable.

The Policy on the Related Party Transactions is available on the Company's website at http://www.arcotech.in/New14/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transaction.pdf.

Details of related party transactions have been disclosed in notes to the financial Statements.

21. MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Scenario & Future Challenges

During the year, Industrial Output of the economy has been sluggish; primarily because of Demonetization drive of government and higher interest rates in macroeconomic concerns. However, your Company's approach of diversification of customer base has helped it to maintain steady growth. During the year, a risk analysis assessment was conducted and no major risks were noticed, which may threaten the existence of the Company.

(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. The Company has taken initiative for safety of employees and implemented regular safety audit, imparted machine safety training, wearing protective equipment's.

(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. Independent Internal auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards.

(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 SEBI (LODR), Regulations, 2015.

(e) Opportunities and Threats

Government focus on Non-ferrous Industry and implementation of GST will give boost to nonferrous industry. However Govt. will have to take adequate steps to provide level playing field to Indian Non-ferrous Manufacturers by taking mitigant steps to nullify the impact of inverted duty effect.

22. DISCLOSURE AS PER THE SEXUAL HARRASMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and Matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual

Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the financial year 2017-18, no complaint was received under the policy.

23. INTERNAL FINANCIAL CONTROL

The Company has adequate internal control systems and procedures designed to effectively control the operations at Its corporate office, Head office and plants. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets. The Company has well designed Standard Operating Procedures.

Independent Internal Auditors conduct audit covering a wide range of operational matters and ensure compliance with specified standards. Planned periodic reviews are carried out by Internal Audit. The findings of Internal Audit are reviewed by the top management and by the Audit Committee of the Board of Directors.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements including the Financial Reporting System and Compliance to Accounting Policies and Procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the Internal Controls and Systems followed by the Company.

24. ACKNOWLEDGEMENT

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

Place: New Delhi

(Arvind Kumar Saraf)
Chairman
DIN: 00057323

Date: 06th August, 2018

A) ANNEXURE TO BOARD REPORT

The remuneration of Whole Time Director (Executive Director) for the financial year ended 31st March 2018.

S. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Last Employment
1	Shri. R N Pattanayak	58	Whole Time Director	42,00,000	42,00,000	32	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, 2018.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

i. Implementation of Roof Top Solar generation for Energy cost reduction (Under Consideration)

ii. Implemented 3 phase variable voltage drive controlled through PID for energy conservation in furnace.

iii. Provide blower shut off operation from remote side in BSC mill.

iv. Circuit modified to avoid re-start after resuming of power supply in BSC mill

v. Implemented automatic control for cooling tower fan as per required process water temperature resulting Into lowers 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. Implementations of variable 3 phase voltage drive system to Bell furnace.

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

		Current Year 2017-2018	Previous Year 2016-2017
(A)	Power and Fuel Consumption		
1.	Electricity		
(a)	Purchased(MWH)		
	(i)Units	8847767	11440740
	(ii) Total Amount	81399456	105369215
	(iii) Rate per unit (Rs.)	9.20	9.21
(b)	Own Generation		
	(i) Through dieselgenerator		
	Units (MWH)	109845	84028
	Total Amount	3148633	2038677
	Units per Liter of diesel	2.05	2.21
	Cost / Unit (Rs.)	28.66	24.26
	(ii) Through steam turbine generator	NIL-	NIL-
2.	Coal / Furnace Oil / Others	-NA-	-NA-

(B) Consumption per unit of Production

		Production Unit	Standards (If any)	Current Year 2017-2018 (Unit)	Previous Year 2016-2017 (Unit)
1.	Copper & Brass	(MT)		16406	19798
-	Electricity		–	539	577
-	Coal / FO / Others		NA	NA	NA

FORM-B

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Research and Development (R&D)

- Developed 3 phase AC variable voltage PID controller for Vaccum furnace for accurate temperature
- Developed auto speed synchronization to 2HI re coiler motor which helps the zero mechanical breakdown
- Provided screw down electronic control system in TRM-1 for gauge controlling.
- Automatic cut to length system implemented in existing CTL
- Automatic speed synchronization done with 2HI main mill and 2HI up coiler for easy Rolling.
- 2 HI automatic screw down system started for easy operation

(a) Specific areas in which R&D was carried out by the Company

- Robertson and BSC Mill has been re-engineered and installed HMI for auto dia compensation and user friendly operation to meet the specific customer requirement and to achieve internationally acceptable quality parameter.
- Study was conducted to do Soft Slitting of ETP Copper.

(b) Benefits derived as a result of the above R&D

- Capable to do Hot Rolling of Nickel Brass to meet customized requirement of customers.
- Productivity has been increased

(c) Future plan of action :

- New Base for Bell Annealing - 1st will be installed.
- 2nd PSA plant will be commissioned.

(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:

Efforts, in brief, made towards technology commissioned	:	Technological up gradation of various equipments have been undertaken.
Benefits derived as a result of the above efforts.	:	Efficient consumption of electricity and lower Production cost due to increase in production.
Technology imported during the last five years.	:	DC Caster, Continuous Casting Line & Pin hole Detector20Hi Mill, Robertson Mill Coreless furnace consists of several imported mechanical, electronic components.

3. Total Foreign exchange earnings and outgo :

Activities relating to export initiatives taken to increase exports, development of new export markets for products and export plans.	:	Company is constantly extends repeat from export customers based in Europe, middle east Asia and USA. Company has in the last financial year added two large customers in USA & Italy. Company has also participated in Multiple Expo in USA, UK, Germany, Thailand, Shri Lanka etc.to further increase export sales of the Company.
Total foreign exchange used and earned. (equivalent to Rupees)	:	
- Used (on cash basis)	:	Rs. 763.04 Lacs
- Earned	:	Rs 1899.00 Lacs

ANNEXURE-B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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, 23, R.N Mukherjee Road, 5th Floor,Kolkata - 700001 Ph:- 033-2248 2248, Fax : 033-22484787

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	Manufacture of non-ferrous Metals n.e.c.	24209	100%

II. 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)

S.No	Names and Address of the Comany	CIN No	Holding/subsidiary /Associate	% of share held	Section
--------------NOT APPLICABLE-----------------					

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-2017)				No. of Shares held at the end of the year (As on 31-March-2018)				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
A. Promoters									
(1) Indian									
a) Individual / HUF	2736004	0	2736004	13.0286	13306367	0	13306367	12.6727	-0.3559
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.	13008761	0	13008761	61.9465	62459805	0	62459805	59.4855	-2.461
e) Banks / Fi									
f) Any other									
Sub-total (A)(1)	15744765	0	15744765	74.9751	75766172	0	75766172	72.1582	-2.8169
(2) Foreign									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
Sub-total (A)(2)	0	0	0	0.000	0	0	0	0.0000	0.0000
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	15744765	0	15744765	74.9751	75766172	0	75766172	72.1582	-2.8169
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	6580	26920	33500	0.1595	32900	129200	162100	0.1544	-0.0051
b) Banks / FI	45053	6900	51953	0.2474	150031	34500	184531	0.1757	-0.0717
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs	2012994	0	2012994	9.5857	0	0	0	0	-9.5857
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total(B)(1):-	2089400	33820	2123220	10.1106	182931	163700	346631	0.3301	-9.7805
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1763778	95160	1858938	8.8521	2567777	472800	3040577	2.8958	-5.9563
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	416780	165140	581920	2.771	19329520	768400	20097920	19.1409	16.3699
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	232000	0	232000	1.1048	2487849	0	2487849	2.3694	1.2646
c) Others (Specify)									
Non Resident Indians	1728	860	2588	0.0123	624199	0	624199	0.5945	0.5822
Qualified Foreign Investor									
Custodian of Enemy Property									
Foreign Nationals	0	0	0	0.0000	280	0	280	0.0003	0.0003
Clearing Members	376577	0	376577	1.7932	2634807	0	2634807	2.5093	0.7161
Trusts									
Foreign Bodies-D R									
NBFCs registered with RBI	79992	0	79992	0.3809	1565	0	1565	0.0015	-0.3794
Sub-total(B)(2):-	2870855	261160	3132015	14.9143	27645997	1241200	28887197	27.5117	12.5974
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4960255	294980	5255235	25.0249	27828928	1404900	29233828	27.8418	2.8169
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	20705020	294980	21000000	100.0000	103595100	1404900	105000000	100.0000	0.0000

b) Shareholding of Promoter

S N.	Shareholder's Name	Shareholding at the beginning of the year [As on 01/04/2017]			Shareholding at the end of the year [As on 31/03/2018]			%Change in share
		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	holding during the year
1	Sidhant Distributors Pvt. Ltd.	4813940	22.9235	0.0000	23785700	22.6530	99.9608	-0.2705
2	Vasudha Commercial Pvt. Ltd.	4198920	19.9949	0.0000	18694600	17.8044	0.0000	-2.1905
3	Arvind Kumar Saraf	804750	3.8321	0.0000	3525097	3.3572	0.0000	-0.4749
4	Arco Infoway Pvt. Ltd.	997280	4.7490	99.7714	4986400	4.7490	99.7714	0.0000
5	Rishabh Saraf	772485	3.6785	0.0000	3862425	3.6785	95.7947	0.0000
6	Atashi Singhania	760000	3.6190	0.0000	3800000	3.6190	0.0000	0.0000
7	Siddhivinayak Stockist and Traders Pvt. Ltd.	766007	3.6477	0.0000	3830035	3.6477	0.0000	0.0000
8	Renu Saraf	398769	1.8989	0.0000	2118845	2.0179	99.1106	0.1190
9	Arco IT Solutions Pvt. Ltd.	500000	2.3810	61.0000	2500000	2.3810	61.0000	0.0000
10	Arcotech Info Ltd.	424065	2.0194	0.0000	2120325	2.0194	0.0000	0.0000
11	Sarathi Infrastructure Pvt. Ltd.	248520	1.1834	0.0000	1242600	1.1834	98.9198	0.0000
12	JeevanVihar Properties Pvt. Ltd	20000	0.0952	0.0000	100000	0.0952	0.0000	0.0000
13	Cloast Trade and Services Pvt. Ltd	800029	3.8097	0.0000	4000145	3.8097	0.0000	0.0000
14	Hiland Enclave Pvt. Ltd	240000	1.1429	0.0000	1200000	1.1429	0.0000	0.0000
	Total	15744765	74.9751	160.7714	75766172	72.1582	49.2377	-2.8169

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

		Shareholding at the beginning [01/04/17]/end of the year [31/03/2018]		Cumulative Shareholding during the year [01/04/17 to 31/03/2018]	
Sl No	Name	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Jeevan Vihar Properties Pvt Ltd				
	01-04-17	20000	0.0952		
	30/06/2017 - Transfer	80000	0.0762	100000	0.0952
	31-03-18	100000	0.0952	100000	0.0952
2	VASUDHA COMMERCIAL PRIVATE LIMITED				
	01-04-17	4198920	19.9949		
	30/06/2017 - Transfer	16795680	15.9959	20994600	19.9949
	19/01/2018 - Transfer	-1000000	0.9524	19994600	19.0425
	26/01/2018 - Transfer	-300000	0.2857	19694600	18.7568
	30/03/2018 - Transfer	-1000000	0.9524	18694600	17.8044
	31-03-18	18694600	17.8044	18694600	17.8044
3	CLOAST TRADE AND SERVICES PRIVATE LIMITED				
	01-04-17	800029	3.8097		
	30/06/2017 - Transfer	3200116	3.0477	4000145	3.8097
	31-03-18	4000145	3.8097	4000145	3.8097
4	ARCO INFOWAY PRIVATE LIMITED				
	01-04-17	997280	4.7490		
	30/06/2017 - Transfer	3989120	3.7992	4986400	4.7490
	31-03-18	4986400	4.7490	4986400	4.7490
5	HILAND ENCLAVE PRIVATE LIMITED				
	01-04-17	240000	1.1429		
	30/06/2017 - Transfer	960000	0.9143	1200000	1.1429
	31-03-18	1200000	1.1429	1200000	1.1429
6	ARCO IT SOLUTIONS PRIVATE LIMITED				
	01-04-17	500000	2.3810		
	30/06/2017 - Transfer	2000000	1.9048	2500000	2.3810
	31-03-18	2500000	2.3810	2500000	2.3810
7	ARCOTECH INFO LIMITED				
	01-04-17	424065	2.0194		
	30/06/2017 - Transfer	1696260	1.6155	2120325	2.0194
	31-03-18	2120325	2.0194	2120325	2.0194
8	SIDHANT DISTRIBUTORS PRIVATE LIMITED				
	01-04-17	4813940	22.9235		
	30/06/2017 - Transfer	19255760	18.3388	24069700	22.9235

Sl No	Name	Shareholding at the beginning [01/04/17]/end of the year [31/03/2018] No. of shares	% of total shares of the company	Cumulative Shareholding during the year [01/04/17 to 31/03/2018] No. of shares	% of total shares of the company
	20/10/2017 - Transfer	-665557	0.6339	23404143	22.2897
	08/12/2017 - Transfer	-15395823	14.6627	8008320	7.6270
	08/12/2017 - Transfer	7387503	7.0357	15395823	14.6627
	15/12/2017 - Transfer	-7387503	7.0357	8008320	7.6270
	15/12/2017 - Transfer	7387503	7.0357	15395823	14.6627
	22/12/2017 - Transfer	-7387503	7.0357	8008320	7.6270
	22/12/2017 - Transfer	7387503	7.0357	15395823	14.6627
	29/12/2017 - Transfer	8389877	7.9904	23785700	22.6530
	31-03-18	23785700	22.653	23785700	22.653
9	SIDDHIVINAYAK STOCKIST & TRADERS PRIVATE LIMITED				
	01-04-17	766007	3.6477		
	30/06/2017 - Transfer	3064028	2.9181	3830035	3.6477
	31-03-18	3830035	3.6477	3830035	3.6477
10	SARATHI INFRASTRUCTURE PRIVATE LIMITED				
	01-04-17	248520	1.1834		
	30/06/2017 - Transfer	994080	0.9467	1242600	1.1834
	31-03-18	1242600	1.1834	1242600	1.1834
11	ARVIND KUMAR SARAF				
	01-04-17	804750	3.8321		
	30/06/2017 - Transfer	3219000	3.0657	4023750	3.8321
	06/10/2017 - Transfer	-850000	0.8095	3173750	3.0226
	13/10/2017 - Transfer	351347	0.3346	3525097	3.3572
	31-03-18	3525097	3.3572	3525097	3.3572
12	RENU SARAF				
	01-04-17	398769	1.8989		
	30/06/2017 - Transfer	1595076	1.5191	1993845	1.8989
	29/12/2017 - Transfer	125000	0.1190	2118845	2.0179
	31-03-18	2118845	2.0179	2118845	2.0179
13	Atashi Singhania				
	01-04-17	760000	3.6190		
	30/06/2017 - Transfer	3040000	2.8952	3800000	3.6190
	31-03-18	3800000	3.6190	3800000	3.6190
14	Rishabh Saraf				
	01-04-17	772485	3.6785		
	30/06/2017 - Transfer	3089940	2.9428	3862425	3.6785
	31-03-18	3862425	3.6785	3862425	3.6785

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

Sl No	Name	Shareholding at the beginning [01/04/17] /end of the year [31/03/2018] No. of shares	% of total shares of the company	Cumulative Shareholding during the year [01/04/17 to 31/03/2018] No. of shares	% of total shares of the company
1	PULKIT.N.SEKHSARIA	205000	0.9762	1025000	0.9762
2	SHILPA STOCK BROKER PVT LTD*	40512	0.1929	763335	0.7270
3	CHHAGAN LAL *	0	0.0000	706761	0.6731
4	SHARE INDIA SECURITIES LIMITED *	0	0.0000	700000	0.6667
5	KARVY STOCK BROKING LIMITED *	3630	0.0173	323672	0.3083
6	EDELWEISS CUSTODIAL SERVICES LIMITED *	229	0.0011	230901	0.2199
7	LLOYDS EQUITIES & DEBENTURES LTD. *	41660	0.1984	41660	0.1984
8	IL And FS Securities Services Limited *	84455	0.4022	193256	0.1841
9	RAKESH MANGILAL BOTHRA *	0	0.0000	144362	0.1375
10	SMC GLOBAL SECURITIES LIMITED *	1414	0.0067	143537	0.1367

* Not in the list of Top 10 shareholders as on 01/04/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/03/2018.

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 Kumar Saraf	804750	3.83	3525097	3.3572
2.	R N Pattanayak	100	0.00	500	0.0004
3	Rishabh Saraf	772485	3.67	3862425	3.6785

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	90.16	18.87	-	109.03
ii) Interest due but not paid	4.62	0.34	-	4.96
iii)Interest accrued but not due			-	-
Total (i+ii+iii)	94.78	19.21	-	113.99
Change in Indebtedness during the financial year				
* Addition	-	71.38	-	71.38
* Reduction	(32.02)	(27.13)	-	(59.15)
Net Change	(32.02)	44.25	-	12.23
Indebtedness at the end of the financial year				
i) Principal Amount	62.76	63.46	-	126.22
ii) Interest due but not paid	2.75	1.04	-	3.79
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	65.51	64.50	-	130.01

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	30.00	30.00
	(b) Value of perquisites u / s 17(2) Income-tax Act, 1961	12.00	12.00
	(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)	42.00	42.00
	Ceiling as per the Act	5% of Net Profit	5% of Net Profit

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	185000	245000	205000	60000	695000
	Commission					
	Others, please specify					
	Total (1)	185000	245000	205000	60000	695000
2	Other Non-Executive Directors	Mr. Maninder Kohli				
	Fee for attending board committee meetings	120000	-	-	-	120000
	Commission					
	Others, please specify					
	Total (2)	120000	-	-	-	12000
	Total (B)=(1+2)	305000	245000	205000	60000	815000
	Total Managerial Remuneration					815000
	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	-	971919	855237	1827156
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(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	-	971919	855237	1827156

* During the Year, Shri Akshaya Kumar Biswal was appointed as the Chief Financial Officer (KMP) of the Company w.e.f 27th November, 2017.

D. DETAILS OF PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
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/New14/CSR.pdf. 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) has been set up as a Public Trust 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, Shri Suresh Thakur and Shri Maninder Kohli.
3. Average net profit of the Company for last three financial years: `4932.11 Lacs
4. Prescribed CSR Expenditure (2% of the said profits as stated in item 3 above): `98.64 Lacs
5. Details of CSR spent during the financial year:
   (a) Total amount spent for the financial year (2017-18): ` 31.11 Lacs
   (b) Amount unspent, if any: `188.93 Lacs (inclusive of FY2015-16,2016-17)
   (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 Specifiy (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)	New Delhi	2500000	Implementing Agency	2500000	Implementing Agency
2	Child Welfare	Cl(viii)	Rewari,Harayana	11000	Implementing Agency	11000	Implementing Agency
3	Promoting Sports & Games Activities	Cl(viii)	New Delhi	600000	Direct Expenditure	600000	Direct
	TOTAL			31,11,000		31,11,000	

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; The Company has established 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 8 August, 2015. 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. 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 Regulation 19 of SEBI (LODR) Regulations, 2015.

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

[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]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

To,
The Members
ARCOTECH LIMITED
CIN: L34300HR1981PLC012151
181, Industrial growth Centre, Sector 3,
Bawal Dist. Rewari, Haryana-123501

We have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by ARCOTECH LIMITED (hereinafter referred as 'the Company'), having its Registered Office at 181, Industrial growth Centre, Sector 3, Bawal, Dist.Rewari, Haryana-123501.Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31stMarch, 2018, 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by ARCOTECH LIMITED ("the Company") for the financial year ended on March 31, 2018 according to the provisions of:

I. The Companies Act, 2013 ('the Act') and the rules made hereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under.

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI ACT"):-

   (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not applicable as the Company has not issued any further share capital during the period under review];

   (b) 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 Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   (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 (Share Based employee Benefits) Regulations,2014;[Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review]

VI. Laws are not specifically applicable to the industry to which the Company belongs as identified by the management. Further the management has identified and confirmed that the following law applicable to the Company:

   Taxation Laws- Income Tax Act, 1961; Service Tax Act, 1994; the Customs Act, 1962; Central Sales Tax Act, 1956; Central Excise Act, 1944.and respectively Goods & Service Act 2017.

   Environment Laws-The Environment (Protection) Act, 1986; Air (Prevention and Control of Pollution) Act, 1981; Water (Prevention and Control of Pollution) Act, 1974;

Labour Laws- Employees State Insurance Act, 1948; Employees Provident Fund And Misc. Provisions Act, 1952; Factories Act, 1948; Payment of Wages Act,1948; Minimum Wages Act, 1948; Industrial Disputes Act, 1947; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Employees Compensation Act, 1923; Contract Labour (Regulation and Abolition) Act,

For the compliances of above Laws, our examination and reporting is based on the documents, records and files as produced and shown to us and the information and explanations as provided to us, by the officers and management of the company and to the best of our judgment and understanding of the applicability of the different enactments upon the Company, are adequate systems and processes exist in the Company to monitor and ensure compliance above law.

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

1. Secretarial Standards with respect to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India. However the stricter applicability of the Secretarial Standards is to be observed by the company.

2. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)Regulations,2015

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

   We further report that, there were no event / actions in pursuance of:

   a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations,2008;
   b) The Securities and Exchange Board of India (Delisting of Equity Shares)Regulations,2009 and
   c) The Securities and Exchange Board of India (Buy Back of securities), Regulation, 1998, requiring compliances thereof by the Company during the financial year.

We further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. As per the information furnished, adequate notice(s) were given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally Seven days in advance to all Directors 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.

We further report that:

The Company has a duly constituted Corporate Social Responsibility Committee in accordance to Section 135 (1) of the Act. However total amount required to be spent by the Company as per section 135 of Companies Act, 2013 during the year is Rs. 98.64 lakhs and amount spent during the year on the activities mentioned in Schedule VII of the Companies Act, 2013 is Rs. 31.11 lakhs. The justification of the difference amount shall be reported in the Annual Report 2017-18.

The minutes of the Annual General Meeting, Board Meetings and Committee Meetings of the Board were duly signed by the Chairman. All the decisions of the Board were unanimously passed and no dissenting views have been recorded in the Minutes of the Board. Further Company could fill the vacancy of Chief Financial Officer (Key Managerial Personnel) with lapse of Six Months.

As per the Annual Report of the Company, the Company has generally made all the disclosures as required by the Act and the Listing Agreement with the Stock Exchange.

As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies ('ROC') within the stipulated time. Further, the company is recommended to take utmost care while filling the forms with MCA.

We further report that during the audit period the Company has sub division of shares from face value of Rs.10 to Rs. 2 each as per applicable law, rules, regulations & SEBI guidelines.

Place: New Delhi
Date: 6th August 2018

For A. Upadhyaya & Associates
Company Secretaries

CS Abhimanyu Upadhyaya
(Prop.)
FCS 5921

C.P. No. 4729

Note: This report is to be read with 'Annexure I' attached herewith and forms and integral part of this report.

ANNEXURE I

To,
The Members
ARCOTECH LIMITED
CIN: L34300HR1981PLC012151
181, Industrial growth Centre, Sector 3,
Bawal Dist. Rewari, Haryana-123501

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi
Date: 6th August 2018

For A. Upadhyaya & Associates
Company Secretaries

CS Abhimanyu Upadhyaya
(Prop.)
FCS 5921
C.P. No. 4729

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance stands for responsible and transparent management and corporate control oriented towards a sustainable increase in value. Corporate Governance ensures fairness, transparency and integrity of the management. It further inspires and strengthens investor's confidence and commitment to the Company. These principles apply to all corporate functions and are an essential foundation for sustainable corporate success. We are convinced that good corporate governance enhances the confidence placed in our Company by our shareholders, business partners, employees and the financial markets.

Governance Structure

The Company's governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

Board of Directors - The Board plays a key role in ensuring that the Company runs on sound business practices and that its resources are utilized for creating sustainable and optimum growth. The Board operates within the framework of a well-defined responsibility format which enables it to discharge its fiduciary duties of safeguarding the interest of the Company.

Committees of Board - To provide a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee. Each of these Committees has been mandated to operate within a given framework.

Management Structure - Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly comprises of the Chief Financial Officer, Chief General Manager, General Managers (HOD), Company Secretary and others Operational Head.
Shri Akshaya Kumar Biswal was appointed as the Chief Financial Officer (KMP) of the Company w.e.f 27th November, 2017.

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 Regulation 17 of SEBI (LODR) Regulations, 2015 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[2]			Relationship with other Directors	No. of Shares and convertible Instrument held by non Executive directors
			Board Meetings held in FY 2017-18	Last AGM	Other Director ships[1]	Total Committee Memberships	Total Committee Chairmanships		
1	Sh. Arvind Kumar Saraf Chairman & Promoter	00057323	10	Yes	17	Nil	Nil	Father of Sh. Rishabh Saraf	3525097
2	Sh. Radha Nath Pattanayak Whole Time Director - Executive	01189370	10	Yes	7	4	Nil	Nil	–
3	Sh. R D Tayal Independent Director	00021148	5	Yes	3	Nil	3	Nil	–
4	Sh. Sham Lal Mohan, Independent Director	00028126	7	Yes	6	2	Nil	Nil	–
5	Sh. Maninder Kohli Non-Independent Director	01173387	4	Yes	3	2	Nil	Nil	–
6	Sh. Suresh Thakur Independent Director	00702975	10	Yes	4	3	Nil	Nil	–
7	Smt. Sonia Dube Independent Women Director	01994475	2	NO	0	2	Nil	Nil	–
8	Sh. Rishabh Saraf, Non-Executive Director	02103953	9	Yes	14	1	Nil	Son of Sh. Arvind Kumar Saraf	3862425

1 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.

2 Represents Chairmanships / Memberships of Audit Committee and Stakeholders Relationship Committee of Indian Limited Companies.

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

Sl. No.	Dates of Board Meeting	Number of Directors Present
1	09.05.2017	6
2	29.05.2017	6
3	10.06.2017	4
4	24.06.2017	4
5	10.07.2017	7
6	20.07.2017	4
7	11.09.2017	7
8	29.09.2017	6
9	11.12.2017	6
10	14.02.2018	7

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. Mr. Krishan Kumar Mishra Company Secretary is Secretary to the committee.

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 regulation 18 of SEBI (LODR) Regulations, 2015 and Part C of Schedule II of the SEBI (LODR), Regulations, 2015 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 of Internal Audit Reports.
- Adequacy of financial disclosures

AUDIT COMMITTEE MEETINGS HELD IN FY 2017-2018		
Date of Meeting	Committee Members	Attendance
29.05.2017	Shri. Rameshwar Dayal Tayal	No
	Shri. Radha Nath Pattanayak	Yes
	Shri. Suresh Thakur	Yes
	Smt. Sonia Dube	Yes
20.07.2017	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Radha Nath Pattanayak	Yes
	Shri. Suresh Thakur	Yes
11.09.2017	Smt. Sonia Dube	No
	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Suresh Thakur	Yes
	Shri. Radha Nath Pattanayak	Yes
11.12.2017	Smt. Sonia Dube	No
	Shri. Rameshwar Dayal Tayal	Yes
	Shri. Suresh Thakur	Yes
	Shri. Radha Nath Pattanayak	Yes
	Smt. Sonia Dube	No
	Shri Rameshwar Dayal Tayal	Yes
14.02.2018	Shri. Suresh Thakur	Yes
	Shri. Radha Nath Pattanayak	Yes
	Smt. Sonia Dube	No

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

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria.

The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior

Management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (LODR) Regulation 2015 as well as section 178 of the Companies Act, 2013.

Nomination and Remuneration Committee Meetings held in FY 2017-2018		
Members	Date & Attendance	
Shri Rameshwar Dayal Tayal	11.12.2017	Yes
Shri S L Mohan	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
1	14.02.2018	3

No share transfer was pending as on 31.03.2018.

Investor Complaints

Particulars	Year ended (31.03.2018)
Pending at the beginning of the year	NIL
Received during the year	5
Disposed of during the year	5
Remaining unresolved at the end of the year	NIL

Warning against Insider Trading

Comprehensive guidelines advising and cautioning the management, staff and other relevant business associates on the procedure to be followed while dealing with the securities of the Company have been issued are implemented.

d) Corporate Social Responsibility Committee re-constituted on 08.08.2015 comprising of Two 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 Two 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-non Independent directors 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	30.00	12.00	42.00

(*) His present term of the contract is upto 30th September, 2018.

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

4) Annual Compliance with the Code of Conduct for Board of Directors and Senior Management Personnel

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2018 from all the Board Members and Senior Management Personnel.

-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
2014-2015	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	28th September, 2015 at 11.00 A.M
2015-2016	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	28th September, 2016 at 11.00 A.M
2016-2017	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	29th September, 2017 at 11.00 A.M

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

Financial Year	Date of AGM	Particulars
2014-2015	28th September, 2015	a) Re-Appointment of Shri Radha Nath Pattanayak as Whole Time Director of Company for a period of three years.
2015-2016	28th September, 2016	Nil
2016-2017	29th September, 2017	Nil

All the ordinary resolutions as set out in the respective AGM notices were duly passed by the members. In compliance with Regulation 44 of SEBI (LODR), Regulations, 2015 & Section 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.

B. Extra Ordinary General Meeting

Relating to	Place	Date & Time	Special Resolution(s)
2017-2018	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari,Haryana	10th June, 2017 at 11.30 A.M	NIL

6) Meetings of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder, and Regulation 25 (3) of SEBI (LODR) Regulations, 2015, 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 14th February, 2018 without the presence of non-independent directors and members of the management.

Familiarisation programme for Independent Director

Letter of Appointment(s) are issued to independent Directors setting out in details, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction program including the presentation from the chairman and Whole Time director on the Company's Manufacturing, Marketing, Finance and other important aspects. The web link for the Familiaration programmes of independent Directors is http://www.arcotech.in/New14/Familiarisation-programmes-for-Independent-Directors.pdf

7) Vigil Mechanism and Whistle Blower Mechanism

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulations 22 of SEBI (LODR), Regulations, 2015, 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) The Company has announced Whistle Blower policy. All the personnel of the Company have the access to the Audit Committee.

(d) The Company is complying with all mandatory requirements of corporate governance as specified in SEBI (LODR) Regulations, 2015. Non mandatory requirements of corporate governance are also being complied to a large extent as specified in this report.

(e) The Company has framed a Material Subsidiary policy and the same is placed on the Company's website http://www.arcotech.in/New14/Policy-for-Determining-Material-Subsidiaries.pdf

(f) The Company has framed related party transaction policy and is placed on the Company website http://www.arcotech.in/New14/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transaction.pdf

(g) During the financial year ended 31st March, 2018 the Company did not engage in commodity hedging activities.

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 and self-explanatory.

11) Means of Communication:

(a)	Quarterly Results	:	Through Intimation to Stock Exchange.
(b)	Newspaper wherein results normally published	:	Jansatta, Financial Express
(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	27th September, 2018 at 11.00 A.M.
-Venue	At the Registered Office of the company
Address for Correspondence : Plant Location & Registered Office	181, Sector-3, Industrial Growth Centre, Bawal, District Rewari, Haryana-123501
Corporate Office	F-701A, Lado Sarai, New Delhi-110030 Phone No. : 011-29523251 Fax No. : 011-29523020
Financial Year	1st April, 2017 to 31st March, 2018
Financial Calendar (Tentative)	Results for the Quarter ended :-
	- 30th Sept, 2018 : Second week of November, 2018
	- 31st Dec, 2018 : Second week of February, 2019
	- Annual Audited Results for 2018-2019 : May, 2019
	- AGM for the year 2018-2019 : September, 2019
Book Closure Date	Friday, 21st September, 2018 to Thursday, 27th September, 2018 (both days inclusive)
Listing details	Bombay Stock Exchange (BSE) & National Stock Exchange (NSE)
	The Stock Code is 532914 & ARCOTECH and demat ISIN no. is INE574I01035. The Listing fees as applicable have been paid within prescribed time period.

Registrars and Transfer Agents	Maheshwari Datamatics Pvt Ltd, 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 Ph:- 033-2248 2248, Fax : 033-51410591
Share Transfer System	The company has entered into Tri-partite Agreement with both NSDL & CDSL. However, Equity shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 15 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 31.03.2018, a total of 103595100 equity shares of Rs 2 / - (Two) forming 98.66% of the share capital stands dematerialized. Company has designate CDSL as a Designated Depository. Pursuant to Stock Split of shares, as approved by shareholders in the EGM held on 10th June, 2017, the face value of shares have been reduced from Rs 10/- per share to Rs.2/- Per Share
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 Regulation 46 of SEBI (LODR) Regulations, 2015 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 2017-18 are as under :-

Monthly Highs and Lows and Volume Traded at the BSE, 2017-18

Months	High (Rs.)	Low (Rs.)	Volume
April,2017	550.00*	465.00*	710069
May,2017	492.90*	326.00*	832788
June,2017	424.80*	79.20	3953475
July,2017	105.25	68.00	8295920
August,2017	104.70	81.10	4140473
September,2017	103.20	77.30	1314900
October,2017	123.45	48.20	7762954
November,2017	59.50	45.65	2853410
December,2017	62.15	50.20	4531432
January,2018	59.00	46.25	4763215
February,2018	49.75	39.00	1023594
March,2018	48.05	33.00	2341484

*Prices-Pre Split of Shares

13) Distribution of Equity Shareholding as on 31st March, 2018

No. of Equity Shares Held	Holders	%age	Amount (Rs.)	%age	No. of Shares
Upto 5000	31191	94.8660	23705140	11.2882	4449315
5001 to 10000	983	2.9898	7374968	3.5119	3247890
10001 to 20000	415	1.2622	6284248	2.9925	3345738
20001 to 30000	110	0.3346	2697282	1.2844	1875214
30001 to 40000	55	0.1673	2021118	0.9624	1070684
40001 to 50000	26	0.07911	198470	0.5707	1551213
50001 to 100000	51	0.1551	3611388	1.7197	3142124
100001 and above	48	0.1460	163107386	77.6702	86317822

14) Details of Equity Shareholders holding more than 1% of the shares as at 31.03.2018

No. of Equity Shares Held	No. of Shares Held	% of Shareholding
Ares Diversified	1017994	4.8476
EOS Multi Strategy Fund Ltd.	995000	4.7381
Avtar Instalments Pvt. Ltd.	437586	2.0837
A Financial Securities Ltd.	319328	1.5206
Total	2769908	13.1900

15) There has been no instance of non-compliance of any requirement of Corporate Governance Report.

16) ADOPTION OF NON-MANDATORY REQUIREMENT

A. The Board: The Company has non-executive Chairperson, he may be entitled to maintain a chairperson's office at the listed company expense and also allowed reimbursement of expenses incurred in performance of his duties.

B. Shareholder Rights: Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

C. Audit Qualifications: During the year under review, there was no audit qualification in the Auditors Report on the Company's financial Statements.

D. Separate posts of Chairman and CEO: The Company has only chairman.

E. Reporting of Internal Auditor: Internal Auditor reporting their findings on the internal audit to the Audit Committee Members.

17) The Company has fully complied with the applicable requirement specified in Reg. 17 to 27 and clause (b) to (m) of sub Regulation (2) of Regulation 46.

18) Disclosure of Accounting Treatment

The Company has followed the Treatment laid down in the Ind AS prescribed by the Institute of Chartered Accountants of India; in preparation of financial Statements. There are no audit qualifications in the Company's financial statements for the Year under review.

19) Demat Suspense Account/Unclaimed Suspense Account

During the Year Company has not been dealing with Securities issued pursuant to the public issue or any other issue, physical or otherwise, which remain unclaimed and / or are lying in the escrow Account. There was no need to Create the Demat Suspense Account / Unclaimed Suspense account.

For and on behalf of the Board

Place : New Delhi
Date : 6th August, 2018

Arvind Kumar Saraf
Chairman
DIN NO.00057323

COMPLIANCE CERTIFICATE

To,

The Members of Arcotech Limited,

We have examined the Compliance of conditions of Corporate Governance by Arcotech Limited ('the Company') for the year ended on 31st March, 2018 as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 pursuant to the Listing Agreement of the said company with the stock exchanges 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 the provisions as specified in Chapter IV of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock exchanges.

We further state that this certificate 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: 6th August, 2018

For A. Upadhyaya & Associates
Company Secretaries

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Arcotech Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Arcotech Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 Company Act,2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 provision of the Act and the Rules made there under.

We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March,2018, and its profit (financial performance including other comprehensive income),its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and the predecessor auditor respectively whose report for the year ended 31st March 2017 and 31st March

2016 dated 29th May 2017 and 30th May 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms

of Section 143 (11) of the Act, we give in “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

      i. The Company has disclosed the impact of pending litigations on its financial position - Refer note no. 33 to the financial statements.

      ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

I ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection fund by the Company.

For Amit Joshi & Associates
Chartered Accountants
FRN No. 004898N

(Sanjay Joshi)
Partner
M. No. 084687

Place : New Delhi
Date : 29.05.2018

Annexure 'A' to the Auditor's Report on the accounts of Arcotech Limited for the year ended March 31, 2018 as required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013

(I) a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Fixed assets have been physically verified by the management at reasonable intervals during the year and there is a programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material.

c. According to the information and explanations given by the management, the title deeds of the immovable properties are held in the name of the company.

(ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies have been noticed on such physical verification.

(iii) The company has not granted any loans, secured or unsecured to companies, firms,limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act,2013. Consequently clauses (iii)(a),(iii)(b) and (iii)(c) of paragraph 3 of the order are not applicable.

(iv) In respect of loans, investments, guarantees and security, wherever applicable, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.

(v) The Company has not accepted deposits during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Consequently, this clause of paragraph 3 of the order is not applicable.

(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 records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sale tax, service tax, duty of customs, duty of excise, value added tax,cess and other material statutory dues with the appropriate authorities except in few cases where there is a delay in deposit.There are no arrears of undisputed statutory dues as at March 31, 2018 which were outstanding for a period of more than six months from the date they became payable except income tax amounting to Rs. 3431.34 lacs.

b. The dues outstanding in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute are as follows :

Name of the Statue	Nature of dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand	152.03	AY 2013-14	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	1151.97	AY 2014-15	CIT (Appeals), New Delhi

(viii) According to the records of the company and the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to any bank or financial institution. Further the company does not have any debentures and loan from government.

(ix) a. According to the records of the company and the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Consequently, this clause of paragraph 3 of the order is not applicable.

b. According to the information and explanations given to us, term loans raised during the year were applied for the purpose for which those are raised.

(x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the company by its officers or employees noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanation given to us, we report that the managerial remuneration has been paid / provided in accordance with requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Companies Act, 2013.

(xii) The company is not a Nidhi Company. Consequently, clause 3(xii) of paragraph 3 of the order is not applicable.

(xiii) According to the records of the company and the information and explanations given to us, all transactions with related parties during the year are in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the records of the company and the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Consequently, clause 3(xiv) of paragraph 3 of the order is not applicable.

(xv) According to the records of the company and the information and explanations given to us, the company has not entered into any non cash transactions with directors or persons connected with him.Consequently; clause 3(xv) of paragraph 3 of the order is not applicable.

(xvi) According to the records of the company and the information and explanations given to us, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For Amit Joshi & Associates
Chartered Accountants
FRN No. 004898N

(Sanjay Joshi)
Partner
M. No. 084687

Place: New Delhi
Date: 29.05.2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ARCOTECH LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of Arcotech Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operate effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Amit Joshi & Associates
Chartered Accountants
FRN : 004898N

Sanjay Joshi
(Partner)
M. No. 084687

Place : New Delhi
Date :29.05.2018

Balance Sheet as at March 31,2018

(In Lacs,INR)

Particulars	Note No.	As at March 31,2018	As at March 31,2017	As at April 01,2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	18,615.61	13,922.22	11,920.62
Capital work-in-progress		-	1,438.02	4,762.25
Financial assets				
Investments	3	30.86	13.80	5.00
Other financial assets	4	48.19	48.19	48.19
Other non-current assets	5	694.36	958.53	565.64
Subtotal		19,389.02	16,380.76	17,301.70
Current assets				
Inventories	6	19,975.23	22,435.17	20,554.34
Financial assets				
Trade receivables	7	28,851.91	24,512.82	23,897.84
Cash and cash equivalents	8	12.22	8.28	7.41
Other bank balances	9	2,150.57	2,152.02	2,180.53
Other current financial assets	10	18.35	28.62	72.53
Other current assets	11	7,531.02	8,260.57	6,748.85
Subtotal		58,539.30	57,397.48	53,461.50
Total Assets		77,928.32	73,778.24	70,763.20
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	2,100.00	2,100.00	2,100.00
Other equity	13	20,601.70	20,589.59	18,234.28
Total equity		22,701.70	22,689.59	20,334.28
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	14	7,536.06	6,838.18	8,396.41
Provisions	15	177.18	172.60	61.69
Deferred tax liabilities (Net)	16	1,934.25	1,893.15	1,714.56
Sub total		9,647.49	8,903.93	10,172.66
Current liabilities				
Financial Liabilities				
Borrowings	17	22,945.82	19,521.18	20,619.95
Trade payables	18	11,309.16	12,079.55	10,930.91
Other financial liabilities	19	6,431.98	5,501.10	5,470.71
Other current liabilities	20	190.86	409.38	338.56
Provisions	21	1,269.97	714.22	3.18
Current tax liabilities (net)	22	3,431.34	3,959.29	2,892.95
Sub total		45,579.13	42,184.72	40,256.26
Total Equity and Liabilities		77,928.32	73,778.24	70,763.20
Summary of significant accounting policies	1			

The accompanying notes are an integral part of these financial statements

As per our report of even date

For and on behalf of the board

For Amit Joshi & Associates	A.K.Saraf	R.N.Pattanayak	S.L.Mohan
Chartered Accountants	Chairman	Whole Time Director	Director
FRN: 004898N	DIN :00057323	DIN:01189370	DIN:00028126
Sanjay Joshi	Rishabh Saraf	R.D.Tayal	Suresh Thakur
Partner	Director	Director	Director
Membership No.084687	DIN:02103953	DIN :00021148	DIN:00702975
	Krishan Kumar Mishra	Akshaya Kumar Biswal	
Place:New Delhi	Company Secretary	Chief Financial Officer	
Date:29.05.2018	M.No: ACS 25496		

Statement of Profit and Loss for the year ended March 31,2018

(In Lacs,INR)

Particulars	Note No.	Year ended March 31,2018	Year ended March 31,2017
Revenue from Operations	23	78,422.11	81,938.31
Other Income	24	425.92	343.84
Total Income		78,848.03	82,282.15
Expenses:			
Cost of raw materials & components consumed	25	63,904.63	62,141.22
"Changes in inventories of finished goods, stock-in -trade and work-in-progress"	26	1,820.68	(1,961.23)
Excise duty on sale of goods		2,024.81	8,562.63
Employee benefits expense	27	884.86	972.92
Finance costs	28	6,406.19	5,378.71
Depreciation	2	775.87	604.77
Other expenses	29	2,598.59	2,525.78
Total expenses		78,415.63	78,224.80
Profit/(Loss) before exceptional items and tax		432.40	4,057.35
Exceptional Items		-	-
Profit / (Loss) before tax		432.40	4,057.35
Tax expense:			
Current tax		224.36	1,149.20
Deferred tax		41.12	176.90
MAT credit entitlement		(224.36)	-
Total tax expense		41.12	1,326.10
Profit after tax		391.28	2,731.25
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Re-measurement gain / (loss) on defined benefit plans		(0.05)	4.88
Income tax effect		0.01	(1.69)
Net other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods		(0.04)	3.19
Other comprehensive income/(expense) for the year, net of tax		(0.04)	3.19
"Total comprehensive income for the year, net of tax (comprising Profit (Loss) and Other Comprehensive Income for the period)"		391.24	2,734.44
Earnings per equity share :	30		
(1) Basic		0.37	2.60
(2) Diluted		0.37	2.60
(Nominal value per share Rs. 2)			

As per our report of even date

For and on behalf of the board

For Amit Joshi & Associates Chartered Accountants FRN: 004898N	A.K.Saraf Chairman DIN :00057323	R.N.Pattanayak Whole Time Director DIN:01189370	S.L.Mohan Director DIN:00028126
Sanjay Joshi Partner Membership No.084687	Rishabh Saraf Director DIN:02103953	R.D.Tayal Director DIN :00021148	Suresh Thakur Director DIN:00702975
Place:New Delhi Date:29.05.2018	Krishan Kumar Mishra Company Secretary M.No: ACS 25496	Akshaya Kumar Biswal Chief Financial Officer	

Statement of Cash Flow for the year ended March 31, 2018

(In Lacs,INR)

Particulars	As at March 31,2018	As at March 31,2017
Cash flow from operating activities:		
Profit before tax	432.40	4,057.35
Non cash adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortization	775.87	604.77
Finance costs	6,406.19	5,378.71
Interest Income	(135.09)	(158.45)
Unrealised foreign exchange fluctuation (net)	(5.16)	(0.42)
Mark to market ('MTM') of financial instruments	(0.55)	(0.38)
Bad debts / advances written off	37.79	4.72
Provision for doubtful debts	37.50	-
Gain on sale of PPE	(13.65)	-
	7,102.90	5,828.95
Movement in working capital :		
Inventories	2,459.95	(1,880.83)
Trade receivable	(4,409.22)	(619.28)
Other bank balances	1.44	28.52
Current and non-current financial assets	10.27	43.91
Other current and non-current assets	993.73	(1,904.62)
Current and non-current financial liabilities	523.31	(2,024.87)
Other current and non-current liabilities	(218.52)	70.82
Current and non-current provisions	10.28	115.83
Trade payable	(770.39)	1,148.64
	(1,399.15)	(5,021.88)
Cash generated From operations	6,136.14	4,864.41
Direct taxes paid (net of refunds)	(527.96)	(82.85)
Net cash flow used in operating activities (A)	5,608.18	4,781.56
Cash flow from investing activities		
Purchase of property, plant and equipment	(5,482.97)	(2,606.37)
Proceeds from sale of property, plant and equipment	27.36	-
(Increase) / decrease in CWIP	1,438.02	3,324.24
(Increase) / decrease in investments	(16.51)	(8.42)
Interest received	135.09	158.45
Net cash used in investing activities (B)	(3,899.01)	867.90
Cash flow from financing activities		
Net proceeds / (repayment) of non current borrowings	1,222.78	0.58
Net proceeds / (repayment) of current borrowings	3,424.65	(1,098.77)
Interest paid	(5,973.53)	(4,171.27)
Dividend paid	(315.00)	(315.00)
Tax on dividend paid	(64.13)	(64.13)
Net cash used in financing activities (C)	(1,705.23)	(5,648.59)
Net change in cash & cash equivalents (A + B + C)	3.94	0.87
Cash and cash equivalents at the beginning of year	8.28	7.41
Cash and cash equivalents at the end of year	12.22	8.28
Components of cash and cash equivalents		
Cash in hand	4.02	1.93
Balance with banks	8.20	6.35
Total cash & cash equivalents (refer note no 8)	12.22	8.28
The accompanying notes are an integral part of these financial statements		

As per our report of even date

For and on behalf of the board

For Amit Joshi & Associates Chartered Accountants FRN: 004898N	A.K.Saraf Chairman DIN :00057323	R.N.Pattanayak Whole Time Director DIN:01189370	S.L.Mohan Director DIN:00028126
Sanjay Joshi Partner Membership No.084687	Rishabh Saraf Director DIN:02103953	R.D.Tayal Director DIN :00021148	Suresh Thakur Director DIN:00702975
Place:New Delhi Date:29.05.2018	Krishan Kumar Mishra Company Secretary M.No: ACS 25496	Akshaya Kumar Biswal Chief Financial Officer	

Statement of changes in equity for the year ended March 31,2018

(In Lacs,INR)

a) Equity share capital

Equity shares of Rs 2 each issued, subscribed and fully paid	Number of shares	Amount
As at 1 April 2016	2,10,00,000	2,100.00
Changes in equity share capital	-	-
As at 31 March 2017	2,10,00,000	2,100.00
Changes in equity share capital	8,40,00,000	-
As at 31 March 2018	10,50,00,000	2,100.00

b) Other equity

	Retained earnings	Securities Premium	Total
Balance as at 1 April 2016	17,824..28	410.00	18,234.28
Add : Profit for the year	2731.25	-	2731.25
Other comprehensive income (net of tax)	3.19	-	3.19
Total comprehensive income for the year	2734.44	-	2734.44
Less : Dividends paid			
- Final dividend for the FY 2015-16	315.00	-	315.00
- Dividend distribution tax	64.13	-	64.13
Balance as at March 31,2017	20,179.59	410.00	20,589.59
Add : Profit for the year	391.28	-	391.28
Other comprehensive income (net of tax)	(0.04)	-	(0.04)
Total comprehensive income for the year	391.24	-	391.24
Less : Dividends paid			
- Final dividend for the FY 2016-17	315.00	-	315.00
- Dividend distribution tax	64.13	-	64.13
Balance as at March 31,2018	20,191.70	410.00	20601.70

As per our report of even date

For and on behalf of the board

For Amit Joshi & Associates
Chartered Accountants
FRN: 004898N

Sanjay Joshi
Partner
Membership No.084687

Place:New Delhi
Date:29.05.2018

A.K.Saraf
Chairman
DIN :00057323

R.N.Pattanayak
Whole Time Director
DIN:01189370

S.L.Mohan
Director
DIN:00028126

Rishabh Saraf
Director
DIN:02103953

R.D.Tayal
Director
DIN :00021148

Suresh Thakur
Director
DIN:00702975

Krishan Kumar Mishra
Company Secretary
M.No: ACS 25496

Akshaya Kumar Biswal
Chief Financial Officer

Notes to Financial Statements for the year ended March 31, 2018

1. Summary of Significant accounting policies

a) Corporate information:

Arcotech Limited ('the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at 181, Sector - 3, Industrial Growth Centre, Bawal-123501. Dist. Rewari, Haryana, India. The Company is principally engaged in the business of manufacturing non-ferrous semis.

b) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended thereafter.

For all the periods up to and including the year ended March 31, 2017 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first, the Company has prepared in accordance with Ind AS. Refer to note no. 41 for information on first time adoption of Ind AS.

The financial statements are prepared on a historical cost basis, except for the following assets and liabilities:

- certain financial assets and financial liabilities which have been measured at fair value.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and noncurrent classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurements

The Company measures financial instruments at fair value on initial recognition and at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i. Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii. Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii. Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

Disclosures for valuation methods, significant estimates and assumptions (refer note no.39)

Financial instruments (including those carried at amortised cost) (refer note no.39)

d) Property, plant and equipment

Items of Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of an item of Property, plant and equipment comprises its purchase price, including import duties and other non refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition for its intended use and any trade discount and rebates are deducted in arriving at purchase price. Cost of the assets also includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use incurred up to that date. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

The Company identifies and determines cost of each component/ part of Property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the Property, plant and equipment and has useful life that is materially different from that of the remaining asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income / other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

Cost of Items of Property, plant and equipment not ready for intended use as on the balance sheet date, is disclosed as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Capital Advance under Other non current assets.

Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed under Schedule II to the Act or as per technical assessment. The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which is asset is ready to use / (disposed of). Freehold land is not depreciated.

e) Inventories

- Inventories of raw materials, stores & consumables are valued at cost on FIFO basis.
- Inventories of work in process are valued at lower of cost and net realizable value.
- Inventories of finished goods are valued at cost or market value whichever is lower.
- Saleable dust and scrap are valued at estimated realizable value.

Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale.

f) Foreign currencies

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

g) Revenue recognition

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at fair value of the consideration received or receivable, inclusive of excise duty and net off GST / sales tax / value added tax, trade discounts, returns and allowances, price difference adjustments, volume discounts, liquidated damages and special discounts passed on to customers.

Dividend income from investments is recognised when the right to receive payment is established.

h) Retirement and other employee benefits

Gratuity and Leave encashment, which are defined benefit plan, are accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

The eligible employees of the Company receive benefits from a provident fund, which is defined contribution retirement plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

i) Income tax

Income tax expense comprises current tax and deferred tax during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') credit is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

j) Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Impairment of non financial assets

The Company tests for impairments at the close of the accounting period if and only if there are indications that suggest a possible reduction in the recoverable value of an asset. If the recoverable value of an asset, i.e. the net realizable value or the economic value in use of a cash generating unit, is lower than the carrying amount of the asset the difference is provided for as impairment. However, if subsequently the position reverses and the recoverable amount becomes higher than the then carrying value, the provision to the extent of the then difference is reversed, but not higher than the amount provided for.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, demand deposits with banks & other short-term highly liquid investments with original maturities of three months or less which is subject to insignificant risk of change in value.

n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

For all subsequent measurements financial assets are classified in following categories:

A) Debt instruments

i. Debt instruments at amortised cost: The debt instrument is at amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

   After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees for cost that are an integral part of the EIR. This category generally applies to trade and other receivables.

ii. Debt instruments fair value through OCI (FVOCI): A debt instrument is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has not classified any financial assets under this category.

iii. Debt instruments at fair value through profit and loss (FVTPL): Debt instruments not classified as

amortised cost or FVOCI are classified as FVTPL. The Company has not classified any financial assets under this category.

B) Equity instruments

Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI the subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends are recognized in OCI. There is no recycling of the amount from OCI to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity.

The Company has not classified any financial assets under this category.

C) De- recognition

A financial asset (or wherever applicable, a part of the financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flow from the assets have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full to a third party under a pass through arrangement and either a) the Company has transferred substantially all risks and rewards of the asset or b) has transferred control of the asset.

D) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized costs eg deposits, trade receivables, and bank balances.

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines

that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

Impairment loss allowance including ECL or reversal recognized during the period is recognized as income / expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The impairment loss is presented as an allowance in the Balance Sheet as a reduction from the net carrying amount of the trade receivable, deposits respectively.

Financial Liability

All financial liabilities are initially recognised at fair value. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdraft.

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of Profit and Loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using the EIR method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of the EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments and

financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Notes to Financial Statements for the year ended March 31,2018

2 PROPERTY, PLANT & EQUIPMENT (In Lacs,INR)

Particulars	Land	Buildings	Plant & Machinery	Furniture	Office Equipment	Vehicles	Total
COST							
Gross Value as at 01 April 2016	263.45	1,770.50	14,620.32	148.02	40.89	203.92	17,047.10
Additions	-	-	2,606.37	-	-	-	2,606.37
Disposals	-	-	-	-	-	-	-
Gross Value as at 31 March 2017	263.45	1,770.50	17,226.69	148.02	40.89	203.92	19653.47
Additions	-	-	5,480.75	2.21	-	-	5,482.97
Disposals	-	-	-	-0	-	47.56	47.56
Gross Value as at 31 March 2018	263.45	1,770.50	22,707.45	150.24	40.89	156.35	25,088.87
DEPRECIATION							
As at 01 April 2016	-	288.00	4,593.35	100.68	30.24	114.21	5,126.48
Charge for the year		55.67	506.97	8.16	5.93	28.05	604.78
Disposals	-	-	-	-	-	-	-
At 31 March 2017	-	343.67	5100.32	108.83	36.17	142.27	5,731.25
Charge for the year		55.67	686.59	6.32	2.06	25.23	775.87
Disposals	-	-	-	-	-	33.86	33.86
At 31 March 2018	-	399.34	5,786.91	115.15	38.23	133.64	6,473.26
NET BLOCK							
As at 31 March 2018	263.45	1,371.16	16,920.54	35.09	2.66	22.71	18,615.61
As at 31 March 2017	263.45	1,426.83	12,126.37	39.19	4.72	61.65	13,922.22
As at 1st April 2016	263.45	1,482.50	10,026.97	47.35	10.65	89.70	11,920.62

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
3	Non-Current Investments			
	Bank deposits	19.92	3.42	-
	Investments in mutual funds (Fair value through profit & loss) "(100000.00 units @Rs.10.00 / - ,Previous year: 10922.60 units @Rs.45.7629 / -)"	10.94	10.38	5.00
	Total	30.86	13.80	5.00
4	Other non-current financial assets			
	Unsecured,considered good			
	Security deposits	48.19	48.19	48.19
		48.19	48.19	48.19
5	Other non-current assets			
	Capital advances	694.36	958.53	565.64
	Total	694.36	958.53	565.64

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
6	Inventories (As taken,valued & certified by the management)			
	Raw materials	6,421.00	7038.85	7,140.22
	Work-in-progress	10,775.74	11,140.85	9,935.91
	Finished goods	2,627.46	4,083.03	3326.74
	Stores,spares & packing materials	151.03	172.44	151.47
	Total	19,975.23	22,435.17	20,554.34
7	Trade Receivables (carried at amortised cost)			
	Trade receivables	28,851.91	24,512.82	23,897.84
	Total	28,851.91	24,512.82	23,897.84
	Breakup of Trade Receivables			
	Secured, considered good	-	-	-
	Unsecured,considered good	28,851.91	24,512.82	23897.84
	Unsecured,considered doubtful	37.50	-	-
	Impairment allowance (allowance for bad and doubtful debts)			
	Less: Provision for doubtful debts	37.50	-	-
	Total	28,851.91	24,512.82	23,897.84

There are no dues due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or member.

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
8	Cash and cash equivalents (carried at amortised cost)			
	Cash in hand	4.02	1.93	3.95
	Balances with banks			
	In current accounts	8.20	6.35	3.46
	Total	12.22	8.28	7.41
9	Other Bank balances (carried at amortised cost)			
	Unpaid dividend account (restricted)	11.46	8.31	5.13
	Bank deposits with original maturity greater than 3 but less than 12 months*	2,139.11	2,143.71	2,175.40
	Total	2,150.57	2,152.02	2,180.53

* Fixed deposits have been used as margin money for availment of non fund based limits from banks.

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
10	Other current financial assets (carried at amortised cost)			
	Security Deposits	9.01	14.61	29.61
	Other receivables	9.34	14.01	42.92
	Total	18.35	28.62	72.53

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
11	Other current assets			
	Unsecured, considered good			
	Advance to suppliers	6,311.54	7,462.11	5,534.75
	Prepaid expenses	18.64	8.84	15.80
	Balances with statutory / government authorities	1200.84	789.62	1,198.30
	Total	7,531.02	8,260.57	6,748.85

12	Equity Share capital			
a.	Authorised, issued, subscribed and paid-up share capital and par value per share			
	Authorised share capital			
	175,000,000 (previous year 3,50,00,000) equity shares of Rs.2 / - each (previous year Rs.10 / - each)	3,500.00	3,500.00	3,500.00
	Issued, subscribed and paid up share capital			
	10,50,00,000 (previous year 2,10,00,000) equity shares of Rs.2 / - each (previous year Rs.10 / - each)	2,100.00	2,100.00	2,100.00
	Total	2,100.00	2,100.00	2,100.00
b.	Reconciliation of number of equity shares outstanding at the beginning of the year and at the end of year:			
	Number of shares outstanding at the beginning of year	2,10,00,000	2,10,00,000	2,10,00,000
	Number of shares increased due to sub division of shares	8,40,00,000	-	-
	Number of shares outstanding at the end of year	10,50,00,000	2,10,00,000	2,10,00,000

c. Details of shareholders holding more than 5% shares in the company :

	As at March 31,2018		As at March 31,2017	
	No. of shares held	% held	No. of shares held	% held
Sidhant distributors pvt ltd	2,37,85,700	22.65%	48,13,940	22.92%
Vasudha commercial pvt ltd	1,86,94,600	17.80%	41,98,920	19.99%

d. Rights, preferences and restrictions attached to shares

The company has only one class of equity shares having par value of Rs. 2 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in the proportion to their shareholding.

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
13	Other Equity			
	Retained earnings	20191.70	20179.59	17824.28
	Securities Premium	410.00	410.00	410.00
	Total	20,601.70	20,589.59	18,234.28
a)	Retained earnings			
	Balance as per previous financial statements as at April 1	20,179.59	17,824.28	
	Add : Profit for the year	391.28	2731.25	
	Items of other comprehensive income recognised directly in retained earnings			
	- Remeasurments of post employment benefit obligations, net of tax	(0.04)	3.19	
	Less: Appropriations			
	Final dividends paid for FY 2015-16	-	315.00	
	Dividend distribution tax	-	64.13	
	Final dividends paid for FY 2016-17	315.00	-	
	Dividend distribution tax	64.13	-	
	Closing balance as at March 31	20,191.70	20,179.59	
	Retained earnings comprises prior and current year's undistributed earnings after tax.			
b)	Securities Premium			
	Balance as per previous financial statements as at April 1	410.00	410.00	
	Add/Less : Movement during the year	-	-	
	Closing balance as at March 31	410.00	410.00	

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act.

		As at March 31, 2018		As at March 31, 2017		As at April 01,2016	
		Non current	Current	Non current	Current	Non current	Current
14	Borrowings (carried at amortised cost)						
	Secured Term Loans						
	From Banks & Financial Institutions						
	Term loan-PNB	-	-	75.90	300.00	382.38	300.00
	Term loan-IFCI	2,711.16	3,564.71	5,633.05	2,970.59	7,977.82	1,782.35
	Others - vehicles loan	-	-	17.08	19.21	36.21	23.65
	Total (a)	2,711.16	3,564.71	5,726.03	3,289.80	8,396.41	2,106.00
	Unsecured Term Loans						
	From Banks & Financial Institutions						
	IFCI venture capital funds ltd.	618.44	625.00	1,112.15	375.00	-	-
	JM financial products limited	4,206.46	-	-	-	-	-
	Total (b)	4,824.90	625.00	1112.15	375.00	-	-
	Total (a) + (b)	7536.06	4,189.71	6,838.18	3,664.80	8,396.41	2,106.00

14.1 Term loan-PNB of Rs 15.00 Crores was sanctioned during the FY 2012-13 and carried interest @ BR+2.75% repayable in quarterly installments of Rs 75.00 lacs which has been repaid in full.

14.2 Term loan-IFCI of Rs 101.00 Crores was sanctioned during the FY 2014-15 and carries interest @ BR+2.80% repayable in quarterly installments of Rs 5.94 crores.

14.3 Term Loans from IFCI & PNB are / were secured by first charge ranking pari passu on the entire immovable and movable fixed assets of the company i.e. land, building, plant and machinery and other fixed assets; second charge ranking pari passu on the current assets of the company and personal guarantee of promoter director.

14.4 Unsecured loan-JM financial products ltd of Rs 45.00 crores was sanctioned during the FY 2017-18 and carries interest @ 12.75 % p.a. repayble in quarterly instalments of Rs 2.81 crores from December 2019.

14.5 Vehicle loans were secured against hypothecation of vehicles carrying interest ranging from 6.35% to 10.31% p.a. and tenure of repayment between 36 to 60 months ending in the year 2017 and 2020 but the same has been fully repaid during the year.

14.6 Unsecured loan from IFCI venture capital funds ltd carries interest @ BR+1.55% and is repayable in quarterly installment of Rs.1.25 crores , commencing from August 2017 against personal guarantee of promoter director.

14.7 Current maturities of long term loans have been considered as other current financial liabilities in note no. 19

(In Lacs,INR)

		As at March 31, 2018		As at March 31, 2017		As at April 01,2016	
		Non current	Current	Non current	Current	Non current	Current
15	Provisions - Long term						
	Provision for employee benefits:						
	Provision for gratuity	58.55	7.30	57.94	2.46	50.98	2.37
	Provision for leave benefit	11.72	1.67	10.95	0.76	10.71	0.81
	Other provisions:						
	Provision for decommisioning liability	106.91	-	103.71	-	-	-
	Provision for statutory dues	-	1,261.00	-	711.00	-	-
	Total	177.18	1269.97	172.60	714.22	61.69	3.18

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
16	Income taxes			
a)	Deferred tax liabilities (net)			
	Deferred tax liability on account of :			
	Depreciation for the year	(2,475.47)	(1,876.55)	(1,688.87)
	Other timing differences	(40.59)	(41.62)	(48.39)
	Total deferred tax liability	(2,516.06)	(1918.17)	(1,737.26)
	Deferred tax assets on account of :			
	Other employee benefits	26.20	24.96	22.45
	On unused tax losses	543.20	-	-
	Other timing differences	12.41	0.06	0.25
	Total deferred tax asset	581.81	25.02	22.70
	Net deferred tax assets/ (liability)	(1,934.25)	(1,893.15)	(1,714.56)

b) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31,2017

(In Lacs,INR)

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax	432.40	4,057.35
At India's statutory Income tax rate	21.34%	34.61%
Tax at full rate	92.27	1,404.17
Adjustments:		
Depreciation	-	(371.75)
CSR expenditure	-	20.03
Provision for dimunition in assets value	8.00	-
Other deductible items	124.09	(165.48)
Other non deductible items	41.12	439.12
MAT credit entitlement	(224.36)	-
Total	41.13	1,326.10
Income tax expenses reported in the Statement of Profit and Loss for the current year	41.13	1,326.10
Deferred tax		
Reconciliation of deferred tax liabilities (net):		
Opening balances as at April 1	1,893.15	1,714.56
Tax income during the year recognised in	41.12	176.90
Tax income during the year recognised in OCI	(0.01)	1.69
Closing balance as at March 31	1,934.25	1,893.15

The Company offsets the tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year March 31, 2018 , the Company has paid dividend to its shareholders. This has resulted in payment of Dividend distribution tax ('DDT') to the taxation authorities. The Company believes that DDT represents additional payment to taxation authorities on behalf of the shareholders. Hence DDT paid is charged to equity.

17 Borrowings

Secured			
Working capital loan from bank	2,2,050.05	1,9121.18	20,219.95
Unsecured			
From corporates	895.77	400.00	400.00
Total	22,945.82	19,521.18	20,619.95

17.01 The working capital limit from banks are repayable on demand and carry interest @ BR+2.25%. These are secured by way of first charge ranking pari passu on entire current assets existing as well as future i.e.raw materials, finished goods, semi finished goods, stores and receivables, second pari passu charge on all immovable and movable fixed assets of the company and personal guarantee of promoter director.

17.02 The unsecured loans carry interest ranging from 12% to 15% per annum and repayable within one year. Previous year loans carry interest @ 12% to 15% per annum which have been re-paid / rolled over.

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017	As at April 01,2016
18	Trade payables			
	Creditors for raw material and stores	11,309.16	12,079.55	10,930.91
	Total	11,309.16	12,079.55	10,930.91
19	Other current financial liabilities			
	Current maturities of long term debt (refer note 14)	4189.71	3664.80	2106.00
	Unpaid dividends	11.46	8.31	5.13
	Creditors for capital goods	1184.69	838.63	2940.25
	Expenses payable	1046.12	989.36	419.33
	Total	6,431.98	5,501.10	5,470.71
20	Other current liabilities			
	Statutory dues	154.16	49.97	320.93
	Advance from customers	36.70	359.41	17.63
	Total	190.86	409.38	338.56
21	Provisions-Current			
	Provision for employee benefits:			
	Provision for gratuity (refer note 15)	7.30	2.46	2.37
	Provision for leave Benefit (refer note 15)	1.67	0.76	0.81
	Other Provisions:			
	Provision for statutory dues (refer note 15)	1,261.00	711.00	-
	Total	1,269.97	714.22	3.18
22	Current tax liabilities (net)			
	Provision for taxation (net of taxes)	3,431.34	3959.29	2892.95
	Total	3431.34	3959.29	2892.95

		As at March 31, 2018	As at March 31, 2017
23	Revenue from operations		
	Sale of non ferrous semis (including excise duty)	78,350.72	81,706.12
	Other operating revenue		
	Job work- non ferrous semis	54.15	232.19
	Miscellaneous sales - operating	17.24	-
	Total	78422.11	81938.31

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017
24	Other Income		
	Interest on fixed deposits	135.09	154.16
	Interest on debtors	145.62	0.06
	Interest on security deposit	-	4.28
	Gain on forex differences	9.33	0.64
	Insurance claim received	5.00	2.15
	Profit on sale of PPE	13.65	-
	Custom duty - draw back (export sales)	116.68	-
	Miscellaneous income	-	182.17
	Fair value gain / (loss) on financial instruments at fair value through profit & loss	0.55	0.38
	Total	425.92	343.84
25	Cost of raw materials & components consumed		
	Consumption of raw material		
	Inventory at the year beginning	7,038.85	7,140.22
	Add : Purchases	62,975.79	61,589.81
	Less : Inventory at the year end	6,421.00	7,038.85
	Subtotal (A)	63,593.64	61,691.18
	Consumption of consumables		
	Inventory at the year beginning	172.44	151.47
	Add : Purchases	289.58	488.72
	Less : Inventory at the year end	151.03	172.44
	Less : Consumables capitalised	-	17.71
	Subtotal (B)	310.99	450.04
	Total (A + B)	63,904.63	62,141.22
26	Changes in inventories of finished goods, stock-in -trade and work-in-progress		
	Inventories at the year end (refer note no 6)		
	Finished goods	2,627.46	4,083.03
	Work-in-progress	10,775.74	11,140.85
	Subtotal (A)	13,403.20	15,223.88
	Inventory at the year beginning (refer note no 6)		
	Finished goods	4083.03	3,326.74
	Work-in-progress	1,1140.85	9,935.91
	Sub total (B)	1,5223.88	13,262.65
	Increase / (Decrease) (A - B)	(1,820.68)	1,961.23
27	Employee benefits expense		
	Salaries and wages (including allowances)	788.32	862.45
	Directors remumeration (including reimbursements)	42.00	30.00
	Contribution towards EPF & FPF	12.00	13.27
	Contribution towards ESI & EDLI	9.66	6.81
	Contribution towards LWF	0.47	0.52
	Gratuity expenses	15.95	16.76
	Leave pay	2.10	7.86
	Staff welfare expenses	14.35	35.25
	Total	884.86	972.92

(In Lacs,INR)

		As at March 31, 2018	As at March 31, 2017
28	Finance costs		
	Interest on working capital loan	2,921.06	2,638.06
	Interest on unsecured loan	675.10	260.21
	Interest on term loan	1,190.48	870.48
	Other interest	1,542.92	1,587.88
	Unwinding of discount and effect of changes in discount rate on provisions and liabilities	76.63	22.08
	Total	6,406.19	5,378.71
29	Other expenses		
	Power & fuel	845.48	1089.71
	Bank charges and commission	785.88	772.68
	Repair & maintenance		
	For building	3.61	0.85
	For machinery	14.52	24.52
	For others	3.06	3.81
	Insurance	32.57	26.10
	Legal & professional charges	147.35	52.47
	Rent, rates and taxes	19.83	24.14
	Travelling & conveyance - Directors (including foreign travel Rs 26,66,256; Previous year Rs 45,93,318)	36.81	56.06
	Travelling & conveyance - Others (including foreign travel Rs 2,61,105; Previous year - Rs 75,243)	42.77	62.65
	Purchase procurement expenses	7.05	3.72
	Transportation charges	129.35	124.62
	Selling & distribution expenses	172.95	70.11
	Payment to auditors		
	For statutory audit	7.50	7.50
	For tax audit	0.75	0.75
	For taxation matters	-	0.45
	For internal audit, stock audit & due diligence	0.40	1.17
	For cost audit	0.35	0.35
	Foreign exchange difference	4.17	0.22
	Sundry balance written off	37.79	4.72
	Corporate social responsibility	31.11	57.88
	Miscellaneous & administrative expenses	237.79	141.30
	Impairment allowance on debtors	37.50	-
	Total	2598.59	2525.78
30	Earning per share (EPS)		
	The numbers used in calculating basic and diluted earnings are stated below :		
	Profit for the year after taxation (in lacs))	391.28	2,731.25
	Weighted average number of shares outstanding during the year	10,50,00,000	10,50,00,000
	Earnings per share (Basic and Diluted) (Rs.)	0.37	2.60
	Face value per share (Rs. 2 per share)	2.00	2.00

Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. 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.

(In Lacs,INR)

31 Related Party Disclosures

a) Name of the related party and nature of relationship,where control exists

Name of related party	Nature of relationship
Sidhant distributors pvt ltd	Shareholder

There were no transactions with the related party during the year.

b) Name of the related party and nature of relationship,where there are transactions

:Key management personnel

Mr. R N Pattanayak	Whole time director
Mr. Krishan Kumar Mishra	Company secretary
Mr. Akshaya Kumar Biswal (appointed w.e.f 27.11.2017)	Chief financial officer
Mr. Amit Sharma (resigned w.e.f 13.02.2017)	Chief financial officer

Remuneration paid to key management personnel as per details below

Name of related party	Nature of relationship	March 31,2018	March 31,2017
Mr. R N Pattanayak	Whole time director	42.00	30.00
Mr. Krishan Kumar Mishra	Company secretary	9.72	6.91
Mr. Akshaya Kumar Biswal	Chief financial officer	8.55	-
Mr. Amit Sharma	Chief financial officer	-	11.81

32 Segment information

The company operates within India and does not have operations in economic environment with different risk and returns. As the company's business activity falls within a single operating segment of manufacturing of " non-ferrous semis" the financial statements are reflective of the information required by Ind As 108 operating segment.

33 Contingent liabilities

Claims against the company not acknowledged as debts in respect of:

	Particulars	March 31,2018	March 31,2017
a)	Income tax demand	1240.38 lacs	1241.01 lacs
b)	Guarantees issued by bank	6309.00 lacs	9324.44 lacs
c)	Bonds given by company in favour of custom authorities	138.16 lacs	89.51 lacs

34 As per the information available with the Company, no transaction have been entered with suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, no disclosure are made as required under the said Act.

The Company has compiled this information based on intimations received from the suppliers of their status as Micro or Small Enterprises and / or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006.

35 Corporate Social Responsibility

		March 31,2018	March 31,2017
a)	Gross amount required to be spent by the Company as per section 135 of CA, 2013 during the year	98.64 lacs	105.75 lacs
b)	Amount spent during the year on the activities mentioned in Schedule VII of the CA, 2013	31.11 lacs	57.88 lacs

36 Previous years figures have been recast, re-classified, re-grouped wherever considered necessary.

(In Lacs,INR)

37 Figures in these financial statements are in lacs unless otherwise stated.

38 Financial risk management

Company's business activities are exposed to a variety of financial risks, namely credit risk, interest risk, liquidity risk, market risk.

a) Credit risk

Credit risk is the risk that counter party will not meet its obligation under financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables, other receivables, deposits with banks.

Credit risk management for trade receivables

The customer credit risk is managed subject to the company's established policy, procedure and controls relating to customer credit risk management. In order to contain the business risk, prior to acceptance of an order from a customer, the creditworthiness of the customer is ensured through scrutiny of its financials, if required, market reports, past experience and other factors. The Company remains vigilant and regularly assesses the financial position of customers during execution of contracts with a view to limit risks of delays and default. In view of the industry practice, credit risks from receivables are well contained on an overall basis.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets as disclosed in note 7

Provision for expected credit losses

Basis as explained above, apart from specific provisioning against impairment on an individual basis for major customers, the Company provides for expected credit losses (ECL) for other receivables based on historical data of losses, current conditions and forecasts and future economic conditions, including loss of time value of money due to delays. In view of the business model of the Company and the prescribed commercial terms, the determination of provision for expected credit loss is determined for the total trade receivables outstanding as on the reporting date. Considering all such factors, ECL for trade receivables as at year end worked out as follows:

Particulars	March 31,2018	March 31, 2017	April 1, 2016
Gross receivables	28,927.20	24,512.82	23,897.84
Impairment loss recognised	37.50	-	-
Amounts written off	37.79	-	-
Balance as at the end of the year	28,851.91	24,512.82	23897.84
Other receivables, deposits with banks			

The management does not expect any losses from non-performance of the above assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note no 8,9,10.

b) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations

The break-up of cash and cash equivalents, deposits and investments is as below.

Particulars	March 31,2018	March 31, 2017	April 1, 2016
Cash and cash equivalents	12.22	8.28	7.41
Bank balances other than cash and cash equivalents	2,150.57	2,152.02	2,180.53
Total	2,162.79	2,160.30	2187.94

(In Lacs,INR)

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date:

Financial liabilities (31 March 2018)	On demand	Less than 12 months	1-5 years	Total
Trade payables	-	11,309.16	-	11,309.16
Borrowings	-	27,135.53	7536.06	34,671.60
Other financial liabilities	-	2,242.27	-	2,242.27
Total financial liabilities	-	40686.96	7536.06	48223.02

Financial liabilities (31 March 2017)	On demand	Less than 12 months	1-5 years	Total
Trade payables	-	12,079.55	-	12079.55
Borrowings	-	23,185.98	6,838.18	30,024.17
Other financial liabilities	-	1,836.30	-	1836.30
Total financial liabilities	-	37,101.83	6,838.18	43,940.02

Financial liabilities (1 April 2016)	On demand	Less than 12 months	1-5 years	Total
Trade payables	-	10,930.91	-	10,930.91
Borrowings	-	22,725.94	8,396.41	31,122.35
Other financial liabilities	-	3,364.71	-	3,364.71
Total financial liabilities	-	37,021.57	8,396.41	45,417.98

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: Foreign currency rate risk, Interest rate risk, and other price risk.

Foreign currency risk:

The Company is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

The Company is not exposed to significant foreign currency risk as at the respective reporting dates.

Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to the risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

The company's interest rate risk arises due to debt obligation and restricted deposit with bank. The exposure to interest risk is between 11% to 15% p.a. and in relation to restricted deposits is between 6% to 7%. These deposits are earnest money deposit issued by bank on behalf of the company. Restriction on such deposits is realized on the expiry of terms of respective arrangements.

The Company is not exposed to significant interest rate risk as at the respective reporting dates.

Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds. The price risk arises due to uncertainties about the future market.values of these investments"

The Company is not exposed to significant price risk as at the respective reporting dates.

d) Capital management

The Company's objectives when managing capital is to provide maximum returns to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company manages its capital structure and makes adjustments in light of changes in economic conditions.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.Total capital is calculated as equity as shown in the balance sheet plus all other equity reserves attributable to equity holders of the Company.

(In Lacs,INR)

Particulars	March 31,2018	March 31, 2017	April 1, 2016
Borrowings	34,671.60	30,024.17	31,122.35
Less: Cash and cash equivalents	12.22	8.28	7.41
Net debt	34,659.38	30,015.88	31,114.94
Equity	22,701.70	22,689.59	20,334.28
Gearing Ratio (times)	1.53	1.32	1.53

39 Fair value measurements

(i) Financial instruments by category

Particulars	March 31,2018			March 31,2017			April 1,2016		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments	10.94	-	19.92	10.38	-	3.42	5.00	-	0
Trade receivables	-	-	28,851.91	-	-	24,512.82	-	-	23,897.84
Cash and bank balances	-	-	2,162.79	-	-	2,160.30	-	-	2,187.94609
Other receivables	-	-	66.54	-	-	76.81	-	-	120.72
Total financial assets	10.94	-	31,101.16	10.3827-	26,753.34	5.00	-	26,206.51	
Financial liabilities									
Borrowings	-	-	34,671.60	-	-	30,024.17	-	-	31,122.35
Trade payables	-	-	11,309.16	-	-	12,079.55	-	-	10930.91
Other payables	-	-	2,242.27	-	-	1,836.30	-	-	3,364.71
Total financial liabilities	-	-	48,223.02	-	-	43,940.01	-	-	45,417.98

The management assessed that cash and cash equivalents, trade receivables, trade payables and other financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

(ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

	Note no.	Level 1	Level 2	Level 3	Total
As at 31 March 2018					
Financial assets					
- Investments in mutual funds (unquoted) at FVTPL	3	10.94	10.94	10.94	10.94
As at 31 March 2017					
Financial assets					
- Investments in mutual funds (unquoted) at FVTPL	3	10.38	10.38	10.38	10.38
As at 1 April 2016					
Financial assets					
- Investments in mutual funds (unquoted) at FVTPL	3	5.00	5.00	5.00	5.00

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(In Lacs,INR)

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the mutual funds is determined using daily NAV as declared for the particular scheme by the Asset Management Company. The fair value estimates are included in Level 2.

40 Employee Benefit Plans

1 Defined benefits plans

The Company has a defined benefit gratuity plan . The Company's defined benefit gratuity plan is a final salary plan for employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

Risk exposure:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

Salary Increases: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

Investment Risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

Mortality & disability: Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Withdrawals: Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Disclosure as per Ind AS - 19

The following tables set out the status of the gratuity and leave encahment plan.

Particulars	March 31,2018		March 31,2017	
	Gratuity (Non funded)	Leave encashment (Non funded)	Gratuity (Non funded)	Leave encashment (Non funded)
Change in defined benefit obligation				
Defined benefit obligation at beginning of year	60.41	11.71	53.35	11.52
Current service cost	11.61	1.28	12.49	6.99
Interest expense	4.35	0.82	4.27	0.87
Benefit payments from employer	(8.64)	(2.34)	(9.18)	(3.31)
Remeasurements - Due to financial assumptions	(0.79)	(0.30)	4.65	(0.95)
Remeasurements - Due to experience adjustments	(1.08)	2.22	(5.17)	(5.31)
Defined benefit obligation at end of year	65.85	13.39	60.41	11.71
Change in fair value of plan assets				
Fair value of plan assets at beginning of year	-	-	-	-
Interest income	-	-	-	-
Employer contributions	-	-	-	-
Employer direct benefit payments	8.64	2.34	9.18	3.31
Employer direct settlement payments	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Benefit payments from employer	(8.64)	(2.34)	(9.18)	(3.31)
Settlement payments from plan assets	-	-	-	-
Settlement payments from employer	-	-	-	-

Particulars	March 31,2018 Gratuity (Non funded)	March 31,2018 Leave encashment (Non funded)	March 31,2017 Gratuity (Non funded)	March 31,2017 Leave encashment (Non funded)
Others	-	-	-	-
Fair value of plan assets at end of year	-	-	-	-
Present value of defined benefit obligation at the end of the year	65.85	13.39	60.41	11.71
Fair value of plan assets at the end of the year	-	-	-	-
Net liability recognised in the balance sheet	(65.85)	(13.39)	(60.41)	(11.71)
Expenses recognised in statement of profit and loss				
Current service cost	11.61	1.29	12.49	6.99
Interest expense	4.35	0.82	4.27	0.87
Defined benefit cost included in P & L	15.95	2.10	16.76	7.86
Re-measurement gains / (losses) in OCI				
Remeasurements - Due to demographic assumptions	-	-	-	-
Remeasurements - Due to financial assumptions	(0.79)	(0.30)	(4.65)	(0.95)
Remeasurements - Due to experience adjustments	(1.08)	2.22	(5.17)	(5.31)
Return on plan assets (greater) less than discount rate	-	-	-	-
Total expenses routed through OCI	(1.87)	1.91	(0.52)	(4.36)
Net Defined Benefit Liability / (Asset) reconciliation				
Net defined benefit liability/(asset) at beginning of year	60.41	11.71	53.35	11.52
Defined benefit cost included in P & L	15.95	2.10	16.76	7.86
Total remeasurements included in OCI	(1.87)	1.91	(0.52)	(4.36)
Employer direct benefit payments	(8.64)	(2.34)	(9.18)	(3.31)
Net defined benefit liability / (asset) at end of year	65.85	13.39	60.41	11.71
Actuarial assumptions				
Discount rate	7.75%	7.75%	7.50%	7.50%
Salary increase	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	N / A	N / A	7.50	7.50
Mortality table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Disability rate	5% of mortality rate	5% of mortality rate	5% of mortality rate	5% of mortality rate
Retirement age	58 years	58 years	65 years	65 years
Withdrawal rates, based on age (per annum)				
Upto 25 Years	8.00%	8.00%	8.00%	8.00%
26 to 30 Years	7.00%	7.00%	7.00%	7.00%
31 to 35 Years	6.00%	6.00%	6.00%	6.00%
36 to 40 Years	5.00%	5.00%	5.00%	5.00%
41 to 45 Years	4,00%	4,00%	4,00%	4,00%
46 to 50 Years	3.00%	3.00%	3.00%	3.00%
51 to 55 Years	2.00%	2.00%	2.00%	2.00%
Above 56 Years	1.00%	1.00%	1.00%	1.00%

Sensitivity Analysis

Discount rate, salary escalation rate and withdrawal rate are significant actuarial assumptions. The change in the present value of defined benefit obligation for a change of 100 basis points from the assumed assumption is given below

Gratuity sensitivity analysis :

Particulars	March 31,2018 (Up by 1%)	March 31,2018 (Down by 1%)	March 31,2017 (Up by 1%)	March 31,2017 (Down by 1%)
Salary escalation	72.50	60.08	71.18	51.32
Withdrawal rates	66.50	65.09	61.07	59.86
Discount rates	60.42	72.19	51.51	71.12

Leave encashment sensitivity analysis :

Particulars	March 31,2018		March 31,2017	
	(Up by 1%)	(Down by 1%)	(Up by 1%)	(Down by 1%)
Salary escalation	14.75	12.21	13.92	9.86
Withdrawal rates	13.57	13.18	11.84	11.61
Discount rates	12.28	14.69	9.90	13.91

2 Defined contribution plans

The Company makes contribution towards provident fund and employees' state insurance plan scheme for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost, as specified in the rules of the schemes, to these defined contribution schemes.

The Company has recognised for contributions to these plans in the statement of profit and loss as under :

Particulars	March 31, 2018	March 31, 2017
Company's contribution to provident fund	12.00	13.27
Company's contribution to employee state insurance	9.66	6.81
Total	21.66	20.08

41 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements that comply with Ind AS applicable for the year ending March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017.In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

Ind AS 101 allows first-time adopters certain exemptions/ exceptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Estimates: An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Classification and measurement of financial assets: The classification of financial assets to be measured at amortised cost or fair value through other Profit & loss is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

Reconciliation of equity as at April 1, 2016 and March 31,2017 (In Lacs,INR)

Particulars	Note No.	31st March 2017 Previous GAAP	31st March 2017 Transitional effect of Ind AS	31st March 2017 Ind AS	01-Apr-16 Previous GAAP	01-Apr-16 Transitional effect of Ind AS	01-Apr-16 Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	a	13,999.13	(76.92)	13,922.22	11,951.56	(30.94)	11,920.62
Capital work-in-progress	a	1,438.02	-	1,438.02	4,824.13	(61.88)	4,762.25
Financial assets							
Investments		13.80	-	13.80	5.00	-	5.00
Other financial assets		48.19	-	48.19	48.19	-	48.19
Other non-current assets	b	958.53	-	958.53	565.64	-	565.64
Subtotal		16,457.67	(76.92)	16,380.76	17,394.51	(92.82)	17,301.70
Current assets							
Inventories		22,435.17	-	22,435.17	20,554.34	-	20,554.34
Financial assets							
Trade receivables		24,512.82	-	24,512.82	23,897.84	-	23,897.84
Cash and cash equivalents		8.28	-	8.28	7.41	-	7.41
Other bank balances		2,152.02	-	2,152.02	2,180.53	-	2,180.53
Other current financial assets		28.62	-	28.62	72.53	-	72.53
Other current assets		8,260.55	-	8,260.57	6,748.84	-	6,748.85
Subtotal		57,397.47	-	57,397.48	53,461.50	-	53,461.50
Total Assets		73,855.15	(76.92)	73,778.24	70,856.01	(92.82)	70,763.20
EQUITY AND LIABILITIES							
Equity							
Equity share capital		2,100.00	-	2,100.00	2,100.00	-	2,100.00
Other equity		20,487.66	101.93	20,589.59	17,846.30	387.98	18,234.28
Total equity		22,587.66	101.93	22,689.59	19,946.30	387.98	20,334.28
LIABILITIES							
Non-current liabilities							
Financial Liabilities							
Borrowings	a	6,958.26	(120.08)	6,838.18	8,535.51	(139.10)	8,396.41
Provisions		172.60	-	172.60	61.69	-	61.69
Deferred tax liabilities (Net)	c	1,888.92	4.23	1,893.15	1,677.13	37.43	1,714.56
Sub total		9,019.79	(115.85)	8,903.93	10,274.34	(101.67)	10,172.66
Current liabilities							
Financial Liabilities							
Borrowings		19,521.18	-	19,521.18	20,619.95	-	20,619.95
Trade payables		12,079.55	-	12,079.55	10,930.91	-	10,930.91
Other financial liabilities		5,501.10	-	5,501.10	5,470.71	-	5,470.71
Other current liabilities		409.36	-	409.38	338.56	-	338.56
Provisions	d	714.22	-	714.22	382.30	(379.13)	3.18
Current tax liabilities (net)		4,022.29	(63.00)	3,959.29	2,892.95	-	2,892.95
Sub total		42,247.71	(63.00)	42,184.72	40,635.37	(379.13)	40,256.26
Total Equity and Liabilities		73,855.15	(76.92)	73,778.24	70,856.01	(92.82)	70,763.20

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

First time adoption of Ind AS

Reconciliation of Profit and Loss for the year ended March 31, 2017

(In Lacs,INR)

Particulars	Note No.	Previous GAAP	Transitiona effect of Indl AS	Ind AS
Revenue from Operations	e	73,375.68	8,562.63	81,938.31
Other Income		343.84	-	343.84
Total Income		73,719.52	8,562.63	82,282.15
Expenses:				
Cost of raw materials & components consumed		62,141.22	-	62,141.22
Purchases of stock-in-trade				
Changes in inventories of finished goods, stock-in -tradeand work-in-progress		(1,961.23)	-	(1,961.23)
Excise duty on sale of goods	e	-	8,562.63	8,562.63
Employee benefits expense	f	968.05	4.88	972.92
Finance costs	a	5,356.64	22.08	5,378.71
Depreciation	a	606.73	(1.96)	604.77
Other expenses	b	2,605.78	(80.00)	2,525.78
Total expenses		69,717.18	8,507.62	78,224.80
Profit/(Loss) before exceptional items and tax		4,002.34	55.01	4,057.35
Exceptional Items		-	-	-
Profit / (Loss) before tax		4,002.34	55.01	4,057.35
Tax expense:				
Current tax		1,149.20	-	1,149.20
Deferred tax	c	211.79	(34.89)	176.90
MAT credit entitlement		-	-	-
Total tax expense		1,360.98	(34.89)	1,326.09
Profit after tax		2,641.36	89.90	2,731.25
Other comprehensive income ('OCI')				
Items that will not be reclassified to profit or loss				
Remeasurement gain / (loss) on defined benefit plans	f	-	4.88	4.88
Income tax effect	c	0.00	(1.69)	(1.69)
Net other comprehensive income / (expense) not to be reclassified to profit or loss in subsequent periods		0.00	3.19	3.19
Other comprehensive income/(expense) for the year,net of tax		0.00	3.19	3.19
Total comprehensive income for the year,net of tax (comprising Profit (Loss) and Other Comprehensive Income for the period)"		2,641.36	93.09	2,734.44

First time adoption of Ind AS

Impact of Ind AS adoption on Cash flow statement for the year ended March 31,2017

(In Lacs,INR)

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	4,453.40	328.16	4,781.56
Net cash flow from investing activities	492.36	375.53	867.90
Net cash flow from financing activities	(4,973.39)	(675.19)	(5,648.59)
Net increase/(decrease) in cash and cash equivalents	(27.63)	28.50	0.87

Notes to first-time adoption:

a Amortisation of loan processing fees under effective interest rate method:

"The Company has incurred transaction costs on its borrowings. The same has been reduced from the borrowings on the date of initial recognition and amortised using effective interest rate method.Simultaneously, the tranaction costs have been reduced from qualifying PPE / CWIP / profit & loss which were earlier debited respectively in previous GAAP.As a result,impact on depreciation has also been taken, where the PPE is changed."

The Company has incurred transaction costs on its borrowings. The same has been reduced from the borrowing on the date of initial recognition and amortised using effective interest rate method.As a result an amount has been recognised as finance cost on account of amortisation under the effective interest rate method.

b Expenses have been reclassified / readjusted as per Ind AS- Rs 63 lacs related to prior period error for its reclassification to asset from the earlier classification of expene and Rs 17 lacs related to processing charges for the borrowings which is done now on net of borrowings.

c Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

d Proposed dividend and dividend distribution thereon

Under Indian GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of financial statements were considered as adjusting events.Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS such dividends are recognised when the same are approved by the shareholders in the general meeting, accordingly, liability for proposed dividend (inc DDT) for Rs. 379.13 lacs as at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Correspondingly, total equity increased by this amount.

e Excise duty

Under Indian GAAP, revenue from sale of products was presented excluding excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty.Excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 31, 2017 by Rs.8562.63 lacs There is no impact on total equity and profits.

f Remeasurements of post - employment benefits obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and return on plan assets,on the net defined benefit liability are recognised in other comprehensive income instead of Statement of Profit and Loss. Under Indian GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. As a result of this change, the profit for the year ended March 31,2017 has decreased by Rs. 4.88 lacs There is no impact on total equity.

g Retained earnings

Retained earnings as at April 1, 2016 have been adjusted consequent to the above Ind AS transition adjustments.

h Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit and loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans.

The concept of other comprehensive income did not exists under Indian GAAP.

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