



# ARCOTECH LTD.

Regd. Office/Works: 181, Sector-3, Industrial Growth Center Bawal-123501, Distt. Rewari, Haryana  
Ph.: 01284-264160 / 61, Email : contact@arcotech.in, Website : www.arcotech.in  
CIN : L34300HR1981PLC012151

**27<sup>th</sup> August, 2024**

<b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001  <b><u>Scrip Code: 532914</u></b>	<b>National Stock Exchange of India Limited</b> Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai-400051  <b><u>Symbol: ARCOTECH</u></b>
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**Sub: Submission of Annual Report and Notice of the 43<sup>rd</sup> Annual General Meeting under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report for the financial year 2023-24 along with the Notice of the 43<sup>rd</sup> Annual General Meeting of the Company, for the Financial year ended on 31.03.2024, scheduled to be held on Wednesday, 18<sup>th</sup> September, 2024 at 11:30 A.M. (IST) through Video Conference/Other Audio Visual Means.

Kindly take the same on records and acknowledge.

**Yours truly,  
FOR ARCOTECH LIMITED**

**NIDHI JAIN  
COMPANY SECRETARY & COMPLIANCE OFFICER**

**Encl: As above**

*43<sup>rd</sup> Annual Report*  
*2023-2024*



**ARCOTECH**  
**LIMITED**

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## CORPORATE INFORMATION

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CIN : L34300HR1981PLC012151

### BOARD OF DIRECTORS

Sh. Arvind Kumar Saraf	:	Chairman & Promoter
Sh. Radhanath Pattanayak	:	Whole Time Director
Sh. Rameshwar Dayal Tayal	:	Independent Director
Sh. Sham Lal Mohan	:	Independent Director
Smt. Megha Bansal	:	Independent Director
Sh. Rohit Agrawal	:	Independent Director
Sh. Arvind Dadheech	:	CFO
Ms. Nidhi Jain	:	Company Secretary

### STATUTORY AUDITORS

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

### INTERNAL AUDITORS

M/s. Dhar Tiku & Company  
Chartered Accountants  
307, Gupta Arcade, Mayur Vihar,  
Phase-I, New Delhi-110092

### SECRETARIAL AUDITOR

M/s A. Upadhyaya & Associates  
Company Secretaries  
6/41,209 Sunder Kiran Building, WEA  
Karol Bagh, New Delhi-110005

### REGISTRAR & TRANSFER AGENT

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)

Website: [www.arcotech.in](http://www.arcotech.in)

Investors Helpdesk: [investors@arcotech.in](mailto:investors@arcotech.in)

## NOTICE OF AGM

Notice is hereby given that the 43<sup>rd</sup> Annual General Meeting of the Company will be held on Wednesday, the 18<sup>th</sup> day of September, 2024 at **11:30 A.M.** through Video Conference/other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2024 including Audited Balance Sheet as at 31<sup>st</sup> March, 2024 and the Statement of Profit and Loss for the year ended and Cash Flow statement as on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Sh. Radhanath Pattanayak (Din-01189370), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

#### ITEM NO. 3

**To approve Material Related Party Transactions of the Company and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") read with rules made thereunder, other applicable laws / statutory provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions and basis the approval of the Audit Committee and recommendation of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Company to enter into and / or continue the related party transaction(s) /contract(s) / arrangement(s) / agreement(s) (in terms of Regulation 2(1)(zc)(i) of the Listing Regulations) as more specifically set out in the explanatory statement to this resolution on the material terms & conditions set out therein;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Board and any duly constituted committee empowered to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary contract(s), arrangement(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all action(s) taken by the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

#### ITEM NO. 4

**To appoint Sh. Radhanath Pattanayak as Whole-time Director of the Company for a further term of 3 (three) years:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, the approval of the Shareholders of the Company be and is hereby granted for the re-appointment of Sh. Radhanath Pattanayak (DIN: 01189370) as the "Whole-time Director" of the Company liable to retire by rotation for a term of 3 (three) years starting from 01<sup>st</sup> October, 2024 to 30<sup>th</sup> September, 2027 on the terms and conditions as set out in the explanatory statement annexed to this notice and with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the applicable committees of the Board) to alter and vary the terms and conditions of the said re-appointment as it may deem fit;

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

## **ITEM NO. 5**

**To approve continuation of Sh. Arvind Kumar Saraf as non-executive Director on the Board of Company as per the provisions of SEBI LODR**

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

**“RESOLVED THAT** pursuant to the provisions of Regulation 17(1D) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof for the time being in force and on the basis of recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, consent of the Members be and is hereby accorded for continuation of appointment / directorship of Sh. Arvind Kumar Saraf (DIN: 00057323) as Non-Executive Non-Independent Director of the Company liable to retire by rotation;

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

**By order of the Board of Directors  
For Arcotech Limited**

**Sd/-  
(Nidhi Jain)  
Company Secretary**

Place: New Delhi  
Date: 13<sup>th</sup> August, 2024

### **Registered Office:**

181, Sector-3, Industrial Growth Centre  
Bawal, District-Rewari, Haryana-123501  
Tel: 01284-464160/161, Fax: 01284-264024  
CIN: L34300HR1981PLC012151  
Email: [contact@arcotech.in](mailto:contact@arcotech.in) , [investors@arcotech.in](mailto:investors@arcotech.in)  
Website: [www.arcotech.in](http://www.arcotech.in)

### **NOTES:**

1. In view of Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has, vide its circulars numbers 14/2020 dated 8<sup>th</sup> April 2020, 17/2020 dated 13<sup>th</sup> April 2020, 20/2020 dated 5<sup>th</sup> May 2020 and 09/2023 dated 25<sup>th</sup> September 2023 (hereinafter referred to as “MCA circulars”) permitted Companies to hold Annual General Meeting through Video Conference (VC)/other Audio Visual Means (OAVM) without the physical presence of the members. In compliance with the MCA circulars, this Annual General Meeting is being held through VC/OAVM.
2. As per the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf. Since this AGM is being held through VC/OAVM as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 43<sup>rd</sup> AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice.
3. In accordance with MCA Circulars, the notice of the 43<sup>rd</sup> AGM and the Annual Report 2023-24 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may please note that this Notice and the Annual Report 2023-24 will also be available on the Company’s website at [www.arcotech.in](http://www.arcotech.in) and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
4. These relaxations shall be read with SEBI Master Circular dated July 11, 2023 read with SEBI circular number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023
5. The Company has facilitated the Members to participate at the 43<sup>rd</sup> AGM through the VC/OAVM facility provided by CDSL. The instructions for participation through VC by Members are given separately.
6. As per MCA circulars, Members attending the 43<sup>rd</sup> AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with the user id and password is given separately. The remote e-voting facility is in addition to e-voting that will take place at the 43<sup>rd</sup> AGM being held through VC/OAVM.

8. Members joining the Meeting through VC/OAVM who did not cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC/OAVM but shall not be entitled to cast their vote again. A Member can opt for only single mode of voting i.e. through remote e-voting or e-voting at the AGM.
9. In accordance with the proviso to Regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from 1<sup>st</sup> April 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. **Accordingly, members holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in corporate actions.**
10. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special business set out in Item No 3, 4 & 5 above, are annexed hereto and forms part of notice.
11. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before the scheduled start time and will remain open upto 15 minutes after the commencement of the meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be available to at least 1,000 members on a first come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, Directors, key and senior managerial personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. **ATTENDING AGM THROUGH VC/OAVM AND VOTING THROUGH ELECTRONIC MEANS:**

### Remote e-voting

In compliance with Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and other amendments thereto and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide facility of Remote E-voting to all its Members, to enable them to cast their votes on all resolutions set forth in this Notice electronically and the business mentioned in the Notice may be transacted through e-voting. Remote E-voting is optional and not mandatory. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing Remote E-voting facility to all its Members. The process and manner of Remote E-voting are as under:

- A. The **voting period begins on 15<sup>th</sup> September 2024 at 9.00am and ends on 17<sup>th</sup> September 2024 at 5.00 pm.** During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11<sup>th</sup> September, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- B. Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.
- C. **Under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.**  
Pursuant to SEBI Circular number SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 in order to increase the participation by the public non-institutional shareholders/retail shareholders and to enhance the efficiency of the voting process, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.**

- D. Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **individual shareholders holding securities in demat mode with CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasitoken/home/login">https://web.cdslindia.com/myeasitoken/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select My Easi New (Token).</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option,</li> </ol>



	<p>the user will be able to see e-Voting page of the e-Voting service provider for casting their vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at Easi: <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a> ; Easiest: <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Alternatively, Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> OR contact at 022-23058738 and 22-23058542-43
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30



**E. Login method for e-Voting and joining virtual meetings for physical shareholders and shareholders other than individual & holding shares in demat form.**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) and then Click on "Shareholders" tab.
- (ii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iii) Next enter the Image Verification as displayed and Click on Login.
- (iv) If you are holding shares in demat form & had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (v) If you are a first time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the ARCOTECH LIMITED on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [csteam.sac@gmail.com](mailto:csteam.sac@gmail.com) or [secretarial@arcotech.in](mailto:secretarial@arcotech.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

### **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (ii) Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e voting credentials. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders may send their questions/queries in advance at least 48 working hours prior to the time fixed for meeting mentioning their name, demat account number/folio number, email id and mobile number at Company's email [secretarial@arcotech.in](mailto:secretarial@arcotech.in). These queries will be replied to by the company suitably by email or will be answered during the AGM.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- (xi) A Member can opt for only single mode of voting i.e. through remote e-voting or voting at the AGM. If a member casts votes by both modes i.e. e-voting at AGM and remote e-voting, voting done through remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES**

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to RTA at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to Company at [secretarial@arcotech.in](mailto:secretarial@arcotech.in).

- (ii) For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
  - (iii) For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- F. If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at hyperlink <http://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com or contact Sh. Nitin Kunder (022-23058738) or Sh. Bhavesh Pimputkar (022-23058543) or Sh. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Sh. Rakesh Dalvi, Sr. Manager, CDSL or to Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

G. OTHER INFORMATION:

- (i) The **voting period begins on 15<sup>th</sup> September 2024 at 9.00am and ends on 17<sup>th</sup> September 2024 at 5.00 pm.** During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 11<sup>th</sup> September, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. At the end of the voting period, the portal where votes are cast shall forthwith be blocked.
  - (ii) The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date (record date) of 11<sup>th</sup> September, 2024.
  - (iii) The Board of Director have appointed M/s. Saurabh Agrawal & Co., Company Secretaries, 403, Nirmal Tower, 26, Barakhamba Road, Connaught place, New Delhi-110001 as the Scrutinizer to scrutinize the remote e-voting and AGM e-voting process in a fair and transparent manner.
  - (iv) The Scrutinizer shall, after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and e-voting at the AGM in the presence of at least two witnesses not in the employment of the Company, and submit the consolidated scrutinizer's report of the votes cast in favor or against, if any, to the Chairman of the Meeting within 48 hours of conclusion of the meeting. The results along with the scrutinizer's report shall be placed on the website of the Company, [www.arcotech.in](http://www.arcotech.in) and on the websites of Stock Exchanges [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
13. Members holding shares in physical form are requested to inform any change of address, Email -id, Bank details etc. immediately to the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt Ltd, 23, R N Mukharjee Road, 5<sup>th</sup> floor, Kolkata-700001. Members holding shares in electronic form are requested to inform any change of address, email id, bank details etc. immediately to their respective depository participants. RTA can be contacted by Email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com)
14. Members holding shares in physical form are requested to write the Company's Registrar and Share Transfer Agent, M/s. Maheshwari Datamatics Pvt Ltd, 23,R N Mukharjee Road,5<sup>th</sup> floor, Kolkata-700001 to register the E-mail id (of only first/sole holder), Permanent Account No. (PAN No.) Unique Identification No. (AADHAR No.), Mother's/Father's/Husband's name, Occupation, In case Member is a minor, Name of the guardian and date of birth of the member and CIN No., in case member is a body corporate.
15. Persons who have acquired shares and become members of the Company after dispatch of Notice of AGM but before cut-off date of 11<sup>th</sup> September, 2024, may obtain their USER ID and password for e-voting from RTA of Company M/s Maheshwari Datamatics Pvt Ltd 23, R N Mukharjee Road,5<sup>th</sup> Floor, Kolkata-700001; Email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN with their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the RTA i.e. M/s. Maheshwari Datamatics Pvt Ltd, 23,R N Mukharjee Road,5<sup>th</sup> Floor, Kolkata-700001; Email at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
17. As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 to the Company or the Registrar and Transfer Agent of the Company. The said form can be downloaded from the Company's website <http://www.arcotech.in>
18. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available, electronically, for inspection by the Members during the AGM. All

documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to [secretarial@arcotech.in](mailto:secretarial@arcotech.in).

20. Members seeking any information with regard to the accounts or any matter to be considered at the AGM, are requested to write to the Company on or before Tuesday, September 10, 2024 by sending e-mail on [secretarial@arcotech.in](mailto:secretarial@arcotech.in). The same will be replied by the Company suitably.
21. Members are already aware that the Company had appointed M/s. Maheshwari Datamatics Pvt Ltd, 23, R N Mukharjee Road, 5<sup>th</sup> Floor, Kolkata-700001 as Registrar and Transfer Agents (RTA), both for electronic connectivity and Share Transfer work. Members can make correspondence with RTA for Share Transfer requests and change of address related queries at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com).
22. As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred / traded only in dematerialised form. **Members holding shares in physical form are advised to avail the facility of dematerialization.**
23. SEBI has vide Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17<sup>th</sup> May 2023 (previously by Circular number SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023 which stands rescinded by the mentioned Master Circular) mandated furnishing of Permanent Account Number ('PAN'), KYC details viz. Contact Details (Postal Address, Mobile Number and E-mail), Bank Details, Nomination, specimen signature etc. by holders of physical securities. Any service request shall be entertained by Company's RTA only upon registration of the PAN, KYC details and the nomination. Further, as per Master Circular, in absence of the above information on or after October 1, 2023, the folio(s) shall be frozen by RTA in compliance with the aforesaid Master Circular and if the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA/ Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002. However, based on representations received from the Registrars' Association of India, feedback from investors, and to mitigate unintended challenges on account of freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, SEBI vide Circular number SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated 17<sup>th</sup> November, 2023 has done away with the above mentioned requirements of freezing and referral of folios to the administering authority and thus the mentioned Master Circular stands amended to such extent. **However, Company urges the physical shareholders to update all the above mentioned details with the Company on priority to enjoy efficient services.**
24. Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination, bank details such as name of the bank and branch, bank account number, IFS Code etc.
  - For shares held in electronic form: to their Depository Participant and changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and RTA to provide efficient and better service to the Members.
  - For shares held in physical form: Pursuant to SEBI circulars, members are requested to furnish PAN, postal address, email address, mobile number, specimen signature, bank account details and nomination by submitting to RTA the forms given below along with requisite supporting documents. All these forms are available on the website of Company at [www.arcotech.in](http://www.arcotech.in):

S. No.	Particulars	Form
1	Registration of PAN, postal address, e-mail address, mobile number, Bank Account Details or changes /updatation thereof	ISR-1
2	Confirmation of Signature of shareholder by the Banker	ISR-2
3	Registration of Nomination	SH-13
4	Cancellation or Variation of Nomination	SH-14
5	Declaration to opt out of Nomination	ISR-3
6	Processing of various service requests	ISR-4
7	Transmission of Securities	ISR-5

25. Non-Resident Indian members are requested to inform the Company/RTA (if shareholding is in physical mode) / respective DPs (if shareholding is in demat mode), immediately of change in their residential status on return to India for permanent settlement.
26. Members may please note that the Listing Regulations mandates transfer, transmission and transposition of securities of listed companies only in demat mode. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and

transposition. Accordingly, members are requested to make service requests for issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate etc., by submitting a duly filled and signed Form ISR-4 along with requisite supporting documents to RTA as per the requirement of the aforesaid circular. The aforesaid forms can be downloaded from the Company's website at <http://www.arcotech.in/Norms%20for%20processing%20service%20requests%20of%20Investors%20holding%20Securities%20in%20physical%20form.pdf> and is also available on the website of RTA. All aforesaid documents/requests should be submitted to Company's RTA at M/s. Maheshwari Datamatics Pvt Ltd, 23,R N Mukharjee Road,5<sup>th</sup> Floor, Kolkata-700001 or contact RTA at 033-22482248 or write at mdpldc@yahoo.com.

27. Pursuant to the prohibition imposed vide Secretarial Standard on General Meeting (SS-2) issued by the ICSI and the MCA Circular, no gifts/ coupons shall be distributed at the meeting.
28. The Company is registered with the following depositories for dematerialization of its Equity Shares:
- National Securities Depository Ltd. (NSDL) at Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.
  - Company has designated Central Depository Services (India) Ltd (CDSL) as a Designated Depository, situated at Marathon Futorex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013.
29. Pursuant to regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief profile of Directors eligible for re-appointment and appointment vide this notice is given herein below:

Particulars	Sh. Radhanath Pattanayak	Sh. Arvind Kumar Saraf
Director Identification Number (DIN)	01189370	00057323
Age	64 years	65 years
Qualifications	B.com, MBA	Post Graduate
Brief Resume, experience and expertise	He is associated with Company since more than 20 years and from last 15 years he is on Board of the Company. He has vast experience in matter related to Marketing of Non-Ferrous Products and Company has extremely benefitted from his rich experience. He is engaged whole time in Management of Company and is continuously working towards improving the operations of the Company.	Sh. Arvind Kumar Saraf, Promoter of the Company, have more than 30 Years of experience in manufacturing and service Industry. He gives valuable guidance to Company. He is a creative thinker and a good administrator who gives utmost importance to encourage governance and takes every possible initiative for the objectives of the Company.
Terms and conditions of appointment or re-appointment	As mentioned in resolution	As mentioned in resolution
Remuneration last drawn	6 lakhs per annum	Nil
Remuneration sought to be paid	Nil	Nil
Date of first appointment on the Board	18 <sup>th</sup> December, 2006	22 <sup>nd</sup> March, 2006
Shareholding in the company including shareholding as a beneficial owner	500 shares	3525097 shares
Number of Board Meetings attended during the year	4 meetings	4 meetings
Membership of Committees of Board of the Company	Member in following committees of Arcotech Limited: Audit Committee Stakeholders Relationship Committee CSR Committee Share Transfer Committee	Member in following committees of Arcotech Limited: Nomination & Remuneration Committee Stakeholders Relationship Committee Share Transfer Committee Chairperson of CSR Committee
Directorships, Membership/ Chairmanship of Committees of other Boards	Does not hold Directorship in any other Listed or Public Limited Company.	Does not hold Directorship in any other Listed or Public Limited Company.
Listed entities from which the person has resigned in the past three years	Not Applicable	Not Applicable



Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Not Applicable	Not Applicable
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### ANNEXURE TO NOTICE

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

##### ITEM NO. 3

The Company is engaged in the business of non-ferrous metals. However, there has been no commercial operation in the Company during this Financial Year and Company's revenue stood Nil. In furtherance of its general corporate purposes the Company have entered into / will enter into transactions / contract(s) / agreement(s) / arrangement(s) with related parties in terms of Regulation 2(1)(zc)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). All related party transactions of the Company are at arm's length and in the ordinary course of business.

Further, all related party transactions are undertaken after obtaining prior approval of the Audit Committee. All related party transactions have been unanimously approved by the Audit Committee after satisfying itself that the related party transactions are at arm's length and in the ordinary course of business. The Audit Committee of the Company reviews on a quarterly basis, the details of all related party transactions entered into by the Company, pursuant to its approvals.

In accordance with Regulation 23 of the Listing Regulations, approval of the shareholders is required for (a) related party transactions which in a financial year, exceed the lower of (i) Rs. 1,000 crores; and (ii) 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company; and (b) any subsequent material modifications thereto as defined by the Audit Committee of the Company.

The material related party transactions for which the approval of the shareholders is being sought are as follows:

(a) Receiving of financial support by way of loans/ advances from Promoter Director and other Promoter Group entities/ related parties. In addition to the transactions set out in the Tables below, approval of the shareholders is also being sought for any other transactions between the parties for transfer of resources, services and obligations in the ordinary course of business, on arm's length basis and in compliance with applicable laws, as approved by the Audit Committee.

Sh. A K Saraf, Director of the Company, who is also Director on the board in some of the below mentioned entities; Sh. Rishabh Saraf & Smt. Renu Saraf (relatives of Sh. A K Saraf), who is Director/ proposed Director on the board of lending entities; and relatives of these Directors, to the extent of their shareholding, if any, may be deemed to be concerned or interested, in the said transactions. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said transactions.

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the Ordinary Resolution set out at Item No. 3 whether the entity is a related party to the particular transaction or not.

The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/HO/ CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("SEBI Master Circular") are set forth below:

Name of related party	Relationship with listed entity	Value of Transaction	Type & Terms of Transaction
Advanced Metrics Limited	Enterprise significantly influenced by Directors or their relatives	Upto 27 crores	Availing financial assistance by way of receiving unsecured loans/ advances. Tenure of loans: upto 5 years
Arvind Kumar Saraf	Director	Upto 5 crores	Interest rate: to be charged in compliance with the provisions of Companies Act, 2013 Nature: Unsecured Purpose of utilization: General corporate purposes Percentage of turnover of listed entity: NA Justification as to why the RPT is in the interest of the listed entity: Company is taking financial assistance for continuation of its regular business expenses, recurring
Arco Infoway Pvt Ltd	Promoter Group Entities	Upto 10 Lakhs	
Arco IT Solutions Pvt Ltd		Upto 10 Lakhs	
Arcotech Info Pvt Ltd		Upto 3 crores	
Sarathi Infrastructure Pvt Ltd		Upto 10 Lakhs	
Sidnath Distributors Pvt Ltd		Upto 15 crores	
Cloast Trade & Services Pvt		Upto 2.4 crores	

Ltd Sidhivinayak Stockist & Traders Pvt Ltd		Upto 2.3 crores	financial obligations and supporting the rehabilitation plan. Details of the valuation report or external party report (if any) enclosed with the Notice: NA
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Yours Directors recommend Ordinary resolution set out at Item No. 3 for approval.

### **ITEM NO.4**

#### **To appoint Sh. Radhanath Pattanayak as Whole-time Director of the Company for a further term of three (3) years**

The Board of Directors of the Company at its Board Meeting held on 13<sup>th</sup> August, 2024 have re-appointed Sh. Radhanath Pattanayak, who is liable to retire by rotation, as 'Whole-time Director' of the Company for a period of three years i.e. with effect from 01<sup>st</sup> October 2024 to 30<sup>th</sup> September 2027 on the terms and conditions as recommended by the Nomination and Remuneration Committee of the Board and this re-appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

The Members may note that:

- (a) Sh. Radhanath Pattanayak had capped his annual remuneration at Rs. 6 lakh p.a. since last 4 years; and
- (b) Considering the financial position of Company he has decided to forego his salary during his current tenure and thus he will not be paid any salary for his current tenure.

Terms of his re-appointment:

As opted by Sh. Radhanath Pattanayak, Nomination & Remuneration Committee and the Board have recommended that no salary or profit-based commission be paid to him for the proposed term from 01<sup>st</sup> October, 2024. He shall, however, be entitled to reimbursement of expenses incurred for travelling, boarding and lodging including for spouse and attendant(s) during business trips and provision of car(s) for use on Company's business and communication expenses at residence shall be reimbursed at actuals and not considered as perquisites.

He shall perform such duties as shall from time to time be entrusted to him by the Board, subject to superintendence, guidance and control of the Board. He shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Companies Act, 2013 ("the Act") with regard to duties of directors and shall adhere to the Company's Code of Conduct.

Sh. Radhanath Pattanayak satisfies all the conditions set out in Part-I of Schedule V to the Act as also the conditions as set out under Section 196(3) of the Act for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director and he shall be liable to retire by rotation.

Approval of members is sought for the re-appointment of Sh. Radhanath Pattanayak as Managing Director of the Company and his continuation as a director not liable to retire by rotation in terms of the applicable provisions of the Act and the Listing Regulations.

Brief Profile and the details of appointee Director as required under Secretarial Standard – 2 and Regulation 36 of the Listing Regulations are provided in notes to this notice.

Sh. Radhanath Pattanayak is interested in the resolution set out at Item No. 4 of the Notice. The relatives of Sh. Radhanath Pattanayak may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors /Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

Yours Directors recommends Ordinary resolution set out at Item No. 4 for approval.

### **ITEM NO.5**

#### **To approve continuation of Sh. Arvind Kumar Saraf as non-executive Director on the Board of Company as per the provisions of SEBI LODR.**

The Members may note that pursuant to the SEBI (Listing Obligations and Disclosure Requirements)(Second Amendment) Regulations, 2023, Regulation 17(1D) was inserted to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which mandates that with effect from April 1, 2024 the continuation of a Director serving on the Board of Directors of a listed entity shall be subject to the approval by the Members at a general meeting at least once in every five (5) years from the date of their appointment or reappointment, as the case may be.

Further, the continuation of director serving on the Board of Directors of a listed entity as on 31st March, 2024, without the approval of the Members for a period of last five (5) years or more shall be subject to the approval of Members in the first general meeting to be held after 31st March, 2024.

Sh. Arvind Kumar Saraf (DIN: 00057323) was appointed as the Director of the Company w.e.f. 22nd March, 2006 and he was last regularized by the Shareholders in the AGM held on 20th September, 2014 as Non Executive Non Independent Chairman of the Company. Therefore, approval of members of the Company is required for continuation of Directorship of Sh. Saraf on the Board of the Company.



Sh. Saraf plays a pivotal role as the Board Member of Company. He is a creative thinker and a good administrator who gives utmost importance to encourage governance and takes every possible initiative for the objectives of the Company. He is a team builder with high social standing in the business circle. The Nomination and Remuneration Committee and Board is satisfied with his performance as Chairperson of the Company and they appreciated his outlook towards the suggestions of Independent Directors and the professional and efficient way of conducting meetings and proceedings of Board and the Company. His continuation and guidance on the Board will significantly contribute to Company's revival and its growth and long-term value creation.

In view of the above and on recommendation of the Nomination and Remuneration Committee, the Board, subject to approval of the Members, at its meeting held on 13th August, 2024 approved the continuation of Sh. Saraf as a Non-Executive and Non-Independent Director of the Company and he shall be liable to retire by rotation.

Brief Profile and the details of appointee Director as required under Secretarial Standard – 2 and Regulation 36 of the Listing Regulations are provided in notes to this notice.

Sh. Arvind Kumar Saraf is interested in the resolution set out at Item No. 5 of the Notice. The relatives of Sh. Arvind Kumar Saraf may be deemed to be interested in the resolution, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors /Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

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

**By Order of the Board of Directors  
For Arcotech Limited**

**Sd/-  
(Nidhi Jain)  
Company Secretary**

Place: New Delhi  
Date: 13<sup>th</sup> August, 2024

### DIRECTORS' REPORT

**Dear Members,**

Your Directors have immense pleasure in presenting the 43<sup>rd</sup> Annual Report on the business and operations of the Company together with Audited Statement of Accounts of your Company for the financial year ended on the 31<sup>st</sup> March, 2024.

#### 1. FINANCIAL SNAPSHOT

PARTICULARS	(Rs. in Crores)	
	2023-24	2022-23
Sales	0.00	0.00
Profit Before Interest, Depreciation & Tax (PBDIT)	(133.57)	(87.45)
Less : Interest & Finance Charges	24.60	21.73
Profit Before Depreciation & Tax (PBIT)	(158.17)	(109.17)
Less : Depreciation	10.54	10.98
Profit Before Tax (PBT)	(168.71)	(120.15)
Less : Provision for Current Tax /Deferred Tax	(25.11)	(37.99)
Profit After Tax (PAT)	(143.6)	(82.16)

#### 2. DIVIDEND

During the Period Company has incurred a loss of Rs. 143.6 crores, your Directors do not recommend any Dividend for the year under review.

#### 3. GENERAL RESERVES

There was no transfer to General Reserve during the year 2023-24.

#### 4. BUSINESS AND OPERATIONS REVIEW

The Company has a well-equipped and an integrated manufacturing facility comprising of melting & casting to rolling 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.

Company had embarked to transform itself from a Semi's manufacturer to a Precision Component manufacturer for supplying value added items to the Indian Industry, however, Company has faced losses due to inverted duty structure and working capital problems and before Company can fulfill its objective its accounts became non-operational due to continued losses. Company had tried to restructure its accounts as per RBI guidelines but the same could not be materialized because of the inordinate delay caused by Covid.

Since the restructuring could not be finalized and now the lenders are also not very keen for the same, Company has given them the One Time Settlement proposal. The said proposal has been in principle accepted by the Joint Lenders Forum but the final sanction of same needs to be approved by their respective sanctioning authorities for Company to move ahead with its implementation and Company is expecting to receive the same soon.

There were no operations in the Company during the year under review and the Profit after Tax of the Company has been (Rs. 143.59) Crores. Company had been one of the leading Non-Ferrous Engineering Company mainly in Copper/Brass Strips and Foils in the past and still has potential to regain its business and once again make a mark for itself in the industry. Company is trying its best to complete the OTS at the earliest so that it can resume operations and can re-embark on the path of efficiency and profitability.

### 5. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In pursuance with the provisions of Companies Act, 2013, Shri Radhanath Pattanayak, Executive Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. In terms of Regulation 36(3) 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 of SEBI (LODR) Regulations, 2015.

Company has optimum combination of Board of Directors and no changes took place in the same during the year.

Completion of Tenure of Independent Directors: Tenure of Independent Directors Sh. Rameshwar Dayal Tayal and Sh. Sham Lal Mohan is completing on 19th September, 2024 and they will cease to be Directors on Board of Company from that date. Board had taken the note of same in their last meeting.

#### **Change in Key Managerial Personnel:**

- a) No changes took place in the KMPs during the year.

### 6. 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 annexed to this Report as Annexure-A.

#### **Annual Board Evaluation and Familiarisation Programme for Independent Directors**

The statement pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of 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 familiarization programme adopted by the Company is available at Company's website at the link: <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 that he/ she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

Registration in Independent Directors' Data Bank: Mr. R D Tayal and Mr. S L Mohan are already registered in Databank and they are exempted from passing of the proficiency test. However, the newly appointed Directors are in the process of registration in the same and will also go through the proficiency test. In the opinion of the Board of Directors of the Company all Independent Directors possess high integrity expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

### 7. AUDITORS AND AUDITORS REPORT

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder, M/s. Amit Joshi & Associates (FRN: 004898N) have been appointed as Statutory Auditors for the second term of five years in the AGM held on 29<sup>th</sup> September, 2021 and they shall hold office from the conclusion of the 40<sup>th</sup> Annual General Meeting till the conclusion of the 45<sup>th</sup> Annual General Meeting to be held in the year 2026.

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

**8. COST AUDITOR**

Company is outside the purview of Section 148 and Cost Audit is not applicable on Company and thus no appointment of Cost Auditor has been made by Company.

**9. 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 as Secretarial Auditor for conducting the secretarial audit of the Company for the financial year 2023-24 and to provide other certificates during the year.

The Secretarial Auditor has provided Secretarial Audit Report for the financial year 2023-24 and the same is attached hereto as Annexure-B and is self-explanatory and do not call for any further comments.

**10. REPORTING OF FRAUDS BY AUDITORS**

During the Year under review, none of the Auditors have reported to the Audit Committee or to the Board, under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.

**11. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS**

Your Board of Directors has taken note of the Auditor's Report. Auditors have given their qualified opinion on the Financial Statements. The restructuring of the Company's business had been under consideration by the lenders. Consequent to the filing of restructuring proposal with lenders, feasible TEV (techno economic viability) study/reports of the operations of the Company was conducted by outside agency where in certain reliefs/ concessions have been envisaged to make the project viable. Included in there is relief in interest rates effective from 01.11.2018. The Company has provided interest at the rates mentioned in TEV. This along with other unprovided interest amounts to Rs. 2,569.10 lakhs (net of tax) for the current financial year. The Company is in the process of settling the dues with the lenders towards which an amount of Rs. 705.00 lakhs has been deposited with the bankers and financial institutions, for which final approval from some of the lenders is still awaited. In view of the management's expectation of successful outcome of above proposal and revival of its business, the financial statements have been prepared on going concern basis. Further, the Directors are conscious to comply with all the statutory requirements and also making continuous efforts to identify the areas where controls need to be strengthened.

**12. NUMBER OF MEETINGS OF THE BOARD**

During the year under review, total 4 (Four) meetings of the Board were convened and held, the details of which are given in the Report on Corporate Governance forming part of this report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 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 forms part of this report.

**13. VIGIL MECHANISM**

The Company has established a vigil mechanism which incorporates a whistle blower policy in terms of the listing regulations for directors and employees to report their genuine concerns. The objective of the policy is to create a window for any person who observes an unethical behavior, actual or suspected fraud or violation of Company's code of conduct. Protected disclosures can be made by the whistle blower through an email or phone or a letter to the chairman of the audit committee. The policy can be assessed from the Company's website [www.arcotech.in/New14/WHISTLEBLOWERPOLICY.pdf](http://www.arcotech.in/New14/WHISTLEBLOWERPOLICY.pdf)

**14. SUBSIDIARY & JOINT VENTURE**

The Company has framed a policy for Determining material Subsidiaries. There is no subsidiary or Joint Venture of the Company as on 31<sup>st</sup> March, 2024.

**15. 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.

**16. ANNUAL RETURN**

In accordance with the provisions of section 134(3)(a) of the Companies Act, 2013, Annual Report will be placed on Company's website at [www.arcotech.in](http://www.arcotech.in)

**17. LISTING**

The equity shares of your Company are listed with the BSE Ltd and National Stock Exchange of India Ltd.

**18. DEPOSITS**

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

**19. THE NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR**

During the year under review, no company have become or ceased to be its subsidiaries, joint ventures or associate Company.

**20. STATUTORY STATEMENTS**

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

Information under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

**I. Conservation of Energy:** Company had no active commercial production in the FY 2023-24 and thus there was no energy consumption & conservation.

**II. Technology Absorption, Adaptation and Innovation:** Company had no active commercial production in the FY 2023-24 and thus no new R&D has been undertaken. No new technology has been absorbed or imported during the year.

### B. Foreign Exchange Earnings and outgo

During the year under review, your Company has not dealt with foreign exchange earnings and outgo and the Foreign Exchange earned in terms of actual inflows as well as outgo in terms of actual outflows is Nil.

### 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 a part of this 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 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.**  
**There was an increase in the remuneration of CS during the year.**
- ii) The percentage increase in the median remuneration of employees in the financial year: **Nil**
- iii) The number of permanent employees on the rolls of Company: **04 employees as on 31.03.2024**
- iv) 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: **NIL**
- v) Comparison of the each remuneration of the Key Managerial personnel against the performance of the Company:

	WTD	CFO	CS
Remuneration in FY 23-24 (Rs in Cr.)	0.06	0.0587	0.0975
Revenue (Rs in Cr.)		00.0	
Remuneration as % of revenue	NA	NA	NA
Profit before Tax (PBT) (Rs in Cr.)		(168.71)	
Remuneration (as % of PBT)	NA	NA	NA
- vi) The key parameters for any variable component of remuneration availed by the Directors: There is no such variable component
- vii) 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: 0.060:0.097
- viii) The Remuneration is as per the remuneration policy of the Company.

The remuneration of Whole Time Director (Executive Director) for the financial year ended 31st March 2024

S. No.	Name & Designation	Age (Years)	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Last Employment
1	Shri. R N Pattanayak (Wholetime Director)	64	6,00,000	6,00,000	38	18.12.2006	Business

### D. 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, 2024*	As at 31st March, 2023*	Variation (%)
Closing Share Price	2.34 (Face Value of Rs.2)	2.34 (Face Value of Rs.2)	NIL
Market Capitalization (Rs in Crores) (Market Value per share *No. of Outstanding Shares)	24.57	24.57	NIL
P/E ratio (Market Value per share/EPS)	(0.17)	(0.30)	43.33

\*

Note: Shares were traded till 30<sup>th</sup> August, 2021 on Trade for Trade basis in Z group only on the first trading day of every week. Thereafter trading has been temporarily suspended and discontinued. Above mentioned price and values are taken as per last traded price of Company as on 30<sup>th</sup> August, 2021.

### 21. CORPORATE GOVERNANCE

A separate report of Board of Directors of the Company on Corporate Governance is included in the Directors Report as Annexure-C 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.

### 22. COMPLIANCE WITH SECRETARIAL STANDARD

Secretarial Standard 1 on Meetings of the Board of Directors and Secretarial Standard 2 on General Meetings, as applicable, have been complied by the Company.

### 23. 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.

### 24. CORPORATE SOCIAL RESPONSIBILITY

The provisions of corporate social responsibility as per Section 135 of the Companies Act, 2013 are not applicable on Company and therefore, Annual Report on CSR activities as per Rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 do not form part of this report. However, Company has a duly formulated CSR policy in place. Policy can be assessed from the Company Website [http:// www.arcotech.in/New14/CSR.pdf](http://www.arcotech.in/New14/CSR.pdf).

### 25. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, Company has not given any loan, guarantee or investments under section 186 of the Companies Act, 2013.

### 26. 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.



### 27. RELATED PARTY TRANSACTIONS

All related party transactions entered into by the Company during the financial year, if any, were in the ordinary course of business and on arm's length basis. All related party transactions were entered with the prior approval of the Audit Committee and periodically placed before the Committee and the Board for review. The details of the transactions with related party as provided in the Company's financial statements is in accordance with the Accounting Standard. None of the transactions with related parties fall under the scope of Section 188(1) of the Act. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2023-24 and hence does not form part of this report.

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>

### 28. MANAGEMENT DISCUSSION AND ANALYSIS

#### (a) Industry Scenario & Future Challenges

Copper, one of the important non-ferrous metals, has various industrial uses and demand for it is increasing in India where the inventory and production of copper, though not comparable with developed countries, shows an impressive growth rate. Company's operations are currently under One Time Settlement with the lenders. Company is looking forward to the implementation of OTS at the earliest to start its activities afresh.

#### (b) Opportunities and Threats

Government focus on Aatmnirbhar Bharat will give boost to our industry. Government 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.

#### (c) Operating Performance, Future Outlook etc.

There have been no operations in the Company during the year under review. Further, Company is looking forward to completion of its ongoing One Time Settlement in near future so that operations can restart and Company can resume its profitability.

#### (d) 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.

#### (e) Financial performance and operational performance

The Company had not carried any commercial production in the year and this lead to nil revenue in the financials of Company. There are losses in the financials of Company because of the fixed basic regular expenses and the provisions made by the Company. Company is trying its best to move ahead with the OTS at priority.

#### (f) Human Resources/Industrial Relations

Your Company has always acknowledged the commitment, competence and dedication of its employees at all areas of business. The Company will continue to be committed to nurture, enhance and retain best talent through investment in its people to upgrade their technical, domain and leadership capability. The Company continuously innovates and customizes its Human Resource (HR) strategy to meet changing employee need. The Company has always taken initiative for safety of employees and will continue to implement regular safety audit, imparted machine safety training and deploying wearing of protective equipments.

#### (g) Significant changes in Key Financial Ratios

The significant changes in the key financial ratio of the Company, which are more than 25% as compared to the previous year, are as given below-

SR. No	Particulars	2023-24	2022-23	Changes (in %)	Explanations
i)	Interest Coverage Ratio	-5.86	-4.53	29%	Interest Coverage Ratio was affected due to decline in EBIT (EBIT to Sales Ratio FY 2022-23 Vs. 2023-24: "-2734.01 Vs. -45034.34")
ii)	Operating Profit Margin	0	0	-100%	Revenue from operations is NIL during the year
iii)	Net Profit Margin	0	0	-100%	Revenue from operations is NIL during the year
iv)	Change in Return to Net worth	0.71	1.38	-49%	Due to increase in net loss during the year which results in decrease in total equity.
v)	Trade Receivables Turnover Ratio	0	0	-100%	Revenue from operations is NIL during the year
vi)	Inventory Turnover Ratio	0	0	-100%	Revenue from operations is NIL during the year
vii)	Current Ratio	0.17	0.41	-58%	Due to increase in current liabilities and decrease in current assets
viii)	Debt Equity Ratio	-2.50	-8.27	-70%	Due to increase in net loss during the year which results in decrease in total equity.

**29. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**30. 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 2023-24, no such complaint was received under the policy.

**31. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, no proceeding in the name of the Company is admitted in NCLT under Insolvency and Bankruptcy Code, 2016. Also no new application has been made by the Company under the said code.

**32. DETAILS REGARDING OTS DONE DURING THE YEAR**

During the year under review, Company has not done any OTS with any lender. However, the ongoing OTS with

consortium lender is under process and Company is waiting for approval of same from their respective authorities.

### 33. 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 plant. 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 Auditor conducts the internal audit covering a wide range of operational matters and ensures compliance with specified standards. Planned periodic reviews are carried out by Internal Auditor. 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.

### 34. 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 had enabled the Company to achieve the forefront position of the Industry and Company hopes to again achieve the same in future. 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.

Place: New Delhi  
Date: 13th August, 2024

**For and on behalf of the Board**  
Sd/-  
**ARVIND KUMAR SARAF**  
**Chairman**  
**DIN: 00057323**

## 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 harmonize 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 14 February, 2020. 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, 2024

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 31<sup>st</sup> March, 2024, 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, 2024 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, 2018[**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. The management has identified and confirmed that the following law applicable to the Company:  
Taxation Laws- Income Tax Act, 1961; 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. However Company's shares continue to remain under temporary suspension and are not traded on BSE & NSE since 31<sup>st</sup> August, 2021. This suspension was done because of non-payment of fines levied on Company for the non-compliance of Regulation 17 of SEBI LODR during March to December 2020 quarter. Company had followed up with the Exchanges for waiver of this fine as this non-compliance occurred primarily during Covid period and now Company had received waiver from both NSE & BSE. Further, Company had already filed suspension revocation application with both BSE & NSE in December 2022 and has updated the same and the same is under process with both the Exchanges.**

Further, the delisting SCN received from BSE dated 05th April, 2023 has been properly replied with and no action has been taken by BSE on the same.

Further, investigation notices received by Company from SEBI for suspected insider trading in the scrip of Company during the period of April to June 2018 have been replied with and the matter has been disposed off by SEBI without issuance of any directions and without imposing any monetary penalties.

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 composition of Board of Director and Audit Committee of the Company is duly constituted with proper balance of Executive Directors, non-Executive Directors, Independent Directors and Woman Director as per regulation 17 and 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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 even 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 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.

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.

**For A Upadhyaya & Associates**

Company Secretaries

SD/-

**CS Abhimanyu Upadhyaya**

(Prop.)

FCS:5921;

C.P.No.:4729

UDIN: F005921F000944232

Place: New Delhi

Date: 10/08/2024

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

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

Annexure-1

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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 test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever 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 and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on 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

**For A Upadhyaya & Associates**

Company Secretaries

SD/-

**CS Abhimanyu Upadhyaya**

(Prop.)

FCS:5921;

C.P.No.:4729

Place: New Delhi

Date: 10/08/2024

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Schedule V of the SEBI (Listing Obligations 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, Share Transfer 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 other Operational Heads.

### 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 (as on 31.03.2024), the Board of your Company consists of six (6) Directors comprising of One Executive Director (Whole Time Director), One Non-Executive-Non-Independent Director and Four Independent Directors.

Company's Senior Management comprises of CS and CFO and there were no changes in the same since the close of the previous financial year.

Sl. No.	Name	DIN	Attendance		Number of other Directorship and Committee Membership/Chairmanship <sup>2</sup>			Relationship with other Directors	No. of Shares and convertible Instrument held by non-Executive Directors
			Board Meetings held in FY 2023-24	Last AGM	Other Directorships <sup>1</sup>	Total Committee Memberships	Total Committee Chairmanships		
1	Sh. Arvind Kumar Saraf Chairman & Promoter Non-Executive	00057323	4	Yes	8	3	1	Nil	3525097
2	Sh. Radhanath Pattanayak Whole Time Director - Executive	01189370	4	Yes	3	3	Nil	Nil	500
3	Sh. R D Tayal Independent Director	00021148	4	Yes	3	4	3	Nil	-
4	Sh. Sham Lal Mohan, Independent Director	00028126	4	Yes	0	2	Nil	Nil	-
5	Ms Megha Bansal Independent Director	08990382	4	No	0	Nil	Nil	Nil	-
6	Mr. Rohit Agrawal Independent Director	06490313	4	Yes	0	Nil	Nil	Nil	-

- 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 (excluding this Company).
- 2 Represents Chairmanships/ Memberships of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and CSR Committee of Indian Public Limited Companies (including this Company).

### 1) Dates of Board Meetings and number of Directors present thereat

Sl. No.	Dates of Board Meeting	Number of Directors Present
1	08.06.2023	6
2	10.08.2023	6
3	07.11.2023	6
4	14.02.2024	6

### chart or a matrix setting out the skills/expertise/competence of the Board of directors:

The following skills matrix of the Board provides a guide as to core skills/expertise/competencies identified by the Board of directors as required in the context of its business and sector for it to function effectively and those actually available with the Board. The Board has identified this matrix as a useful tool to assist with professional development initiatives for Directors and for the Board's succession planning. The Board as a whole also encompassed desirable diversity in aspects such as gender, age or different perspectives.

Personal Details					Committee				Expertise						
Name of the Director	DOB	Director Since	ID	NED/ED	AC	NRC	SRC	CSR	Strategy & Policy	Plant Technology	Account & Finance	Risk & Compliance	Leadership	Commercial & Mkt	Corporate Governance
Mr. Arvind Kumar Saraf	1958	2006		NED		√	√	(C)	√	√	√		√		
Mr. Radhanath Pattanayak	1960	2006		ED	√		√	√	√	√	√	√	√	√	
Mr. R D tayal	1953	2005	√		(C)	(C)	(C)	√	√		√	√	√	√	√
Mr. Sham Lal Mohan	1945	2014	√		√	√			√		√	√	√		√
Mrs. Megha Bansal	1992	2020	√						√		√	√			√
Mr. Rohit Agrawal	1986	2021	√						√		√	√		√	√

Where (C) - Chairman; ED - Executive Director; NED - Non-Executive Director; AC - Audit Committee; NRC - Nomination and Remuneration Committee; SRC - Stakeholders' Relationship Committee; CSR - Corporate Social Responsibility Committee

## 2) Board Committees

The Board has constituted its following Permanent Committees:

- a) **Audit Committee** comprising of two Independent Directors and one executive Director. Shri R D Tayal, Non-Executive Independent Director is the Chairman of the committee. Ms. Nidhi Jain, Company Secretary acts as Secretary to the Committee.

Name of Director	Category
Shri Rameshwar Dayal Tayal	Independent Director (chairman)
Shri S.L. Mohan	Independent Director
Shri Radhanath Pattanayak	Executive 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, includes:

- 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 2023-24		
Date of Meeting	Committee Members	Attendance
08.06.2023	Shri Rameshwar Dayal Tayal	Yes
	Shri S.L. Mohan	Yes
	Shri Radhanath Pattanayak	Yes
10.08.2023	Shri Rameshwar Dayal Tayal	Yes
	Shri S.L. Mohan	Yes
	Shri Radhanath Pattanayak	Yes
07.11.2023	Shri Rameshwar Dayal Tayal	Yes
	Shri S.L. Mohan	Yes
	Shri Radhanath Pattanayak	Yes
14.02.2024	Shri Rameshwar Dayal Tayal	Yes
	Shri S.L. Mohan	Yes
	Shri Radhanath Pattanayak	Yes

- b) **Nomination and Remuneration Committee** re-constituted on 14.02.2020 comprising of two non executive-Independent Directors and One Non Executive –Non Independent Director. Shri Rameshwar Dayal Tayal, Independent Director is the Chairman of the Committee.

Name of Director	Category
Shri. Rameshwar Dayal Tayal	Independent Director (Chairman)
Shri. S. L. Mohan	Independent Director
Shri. Arvind Kumar Saraf	Non-Executive-Non 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 2023-24		
Date of Meeting	Committee Members	Attendance
10.08.2023	Shri Rameshwar Dayal Tayal Shri S.L. Mohan Shri Arvind Kumar Saraf	Yes Yes Yes

- c) **Stakeholders Relationship Committee** re-constituted on 14.02.2020 comprising of One Independent Director, one Executive Director and one Non-Executive-Non Independent Director. Shri Rameshwar Dayal Tayal, Independent Director is the Chairman of the Committee.

Name of Director	Category
Shri Rameshwar Dayal Tayal	Independent Director (Chairman)
Shri Arvind Kumar Saraf	Non-Executive Non Independent Director
Shri Radhanath Pattanayak	Executive Director
Nidhi Jain	Company Secretary & Compliance Officer

STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS HELD IN FY 2023-24		
Date of Meeting	Committee Members	Attendance
14.02.2024	Shri Rameshwar Dayal Tayal Shri Arvind Kumar Saraf Shri Radhanath Pattanayak	Yes Yes Yes

### Investor Complaints

Particulars	Year ended (31.03.2024)
Pending at the beginning of the year	NIL
Received during the year	0
Disposed off during the year	0
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 and implemented. However, trading in securities of Company is under temporary suspension.

- d) **Corporate Social Responsibility Committee** re-constituted on 13.08.2019 comprising of One Non-Executive Non-Independent Director, One Executive Director and one Independent Director. Shri Arvind Kumar Saraf, Non-Executive Non-Independent Director is the Chairman of the Committee. No committee meeting was held in the year 2023-24.

Name of Director	Category
Shri Arvind Kumar Saraf	Non-Executive Non Independent Director (Chairman)
Shri Radhanath Pattanayak	Executive Director
Shri. Rameshwar Dayal Tayal	Independent Director

- e) **Share Transfer Committee** constituted on 08.08.15 was re-constituted on 13.08.2019 and it comprises of Sh. Arvind Kumar Saraf (Non-Executive Non-Independent Director), Sh. Radhanath Pattanayak (Whole-time



Director) and Sh. Rameshwar Dayal Tayal (Independent Director). 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 are remunerated by way of Sitting Fee for each meeting of the Board and 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 Radhanath Pattanayak Whole-time Director	06.00	-	06.00

(\*) His present term of the contract is upto 30<sup>th</sup> September, 2024.

The detailed policy of the Company on the nomination and remuneration is annexed to Director's report and is available on the website of Company at the link: <http://www.arcotech.in/New14/NOMINATION.pdf>

### 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 Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that the Company has received affirmations on compliance with the Code of Conduct for the financial year ended March 31, 2024 from all the Board Members and Senior Management Personnel.

-Sd/  
Radhanath 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
2020-21	Video conference/ other audio visual means	29 <sup>th</sup> September, 2021 at 11:30 AM
2021-22	Video conference/ other audio visual means	28 <sup>th</sup> September, 2022 at 11:30 AM
2022-23	Video conference/ other audio visual means	29 <sup>th</sup> September, 2023 at 11:30 AM

The following special resolutions were passed in the previous three AGMs

Financial Year	Date of AGM	Particulars
2020-21	29 <sup>th</sup> September, 2021	1) Continuation of Directorship of Mr. Sham Lal Mohan
2021-22	28 <sup>th</sup> September, 2022	None
2022-23	29 <sup>th</sup> September, 2023	None

All the resolutions as set out in the respective AGM notices were duly passed by the members. No resolution was passed by Postal Ballot. Currently Company does not have any resolution proposed to be passed by Postal Ballot and any such future resolution will be informed to Shareholder as per statutory requirements. 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: No Extra Ordinary General Meeting was held in financial year 2023-24.**

**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 financial 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 14<sup>th</sup> February, 2024 without the presence of non-independent Directors and members of the management.

**Familiarization 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 and every 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. Apart from that Company keeps conducting familiarization programmes for Independent Directors from time to time to keep them up to date with Company's working and their roles and duties. The web link for the Familiarization programs 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 Regulation 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 shall not participate in the discussion of his / her evaluation. Company undergoes valuation of Board as a whole and its Directors at least once a year wherein all the members brings in their independent views by way of evaluation reports submitted by them.

### 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. However, the penalty has been imposed by BSE and NSE for non-compliance of Regulation 17 of SEBI (LODR) Regulations, 2015 between March to December 2020 quarter. No other penalty or stricture has been imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority. However, Company has some ongoing pending demands and litigations with tax authorities and the impact of same has been explained in the financial statements which forms part of this annual report.
- (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 with to a large extent as specified in this report.
- (e) The Company has framed a policy for determining Material Subsidiary 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 [www.arcotech.in/New14/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transaction.pdf](http://www.arcotech.in/New14/Policy-on-Materiality-of-and-dealing-with-Related-Party-Transaction.pdf)
- (g) During the financial year ended 31<sup>st</sup> March, 2024 the Company has not engaged in commodity hedging activities.
- (h) During the year under review the Company has not raised funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
- (i) Certificate on debarment or disqualification for appointment or continuation of Directors is attached in later part of this report.
- (j) During the year under review, there were no instances where the Board had not accepted any recommendations of any of the Committees of the Board.
- (k) During the financial year ended 31<sup>st</sup> March, 2024, a total fee of Rs. 2,00,000/- plus GST was paid to the Statutory Auditor by the Company.
- (l) During the year under review, there were no complaints filed/ received in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- (m) The Company has not granted any Loans and Advances in the nature of loans to firms/ companies in which Directors are interested.
- (n) Company has no Subsidiaries.

### 10. Secretarial Audit

Pursuant to section 204 of the Companies Act, 2013 and rules thereunder, the Board of Directors of the Company has appointed M/s A Upadhyaya & Associates, 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 and Exchange Board of India (SEBI) as applicable to the Company, except those specifically mentioned in the report. The audit also covers the share capital 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 part of Annual Report and is 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

<b>AGM Date and Time</b>	Wednesday, 18 <sup>th</sup> September, 2024 at 11:30 AM
<b>AGM Venue</b>	through Video Conference/other Audio Visual means (OVAM)
<b>Financial Year</b>	1 <sup>st</sup> April, 2023 to 31 <sup>st</sup> March, 2024
<b>Dividend Payment Date</b>	Not Applicable
<b>Address for Correspondence : Plant Location &amp; Registered Office</b>	181, Sector-3, Industrial Growth Centre, Bawal, District Rewari, Haryana-123501
<b>Financial Calendar (Tentative)</b>	<b>Results for the Quarter ended :</b>
	- 30 <sup>th</sup> Sept, 2024 : Second week of November, 2024
	- 31 <sup>st</sup> Dec, 2024 : Second week of February, 2025
	- Annual Audited Results for 2024-25 : May, 2025
	- AGM for the year 2024-25 : September, 2025
<b>Record Date</b>	Wednesday, 11 <sup>th</sup> September 2024
<b>Listing details</b>	BSE & National Stock Exchange (NSE). Listing fees has not been paid on NSE.
<b>Stock Code</b>	The Stock Code is 532914 & ARCOTECH and demat ISIN no. is INE574I01035
<b>Suspension of Trading</b>	Dealing in securities of Company has been suspended because of non-payment of fines which was levied on Company because of non-compliance of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period Feb 2020 to 12 <sup>th</sup> Feb 2021. However, Company has rectified its Board Composition in the year 2021 itself as per Regulation 17(1) of LODR and it has already filed application with BSE and NSE for fine waiver & revocation of suspension. Company has received waiver order from NSE as well as BSE and has filed updated revocation application and is hopeful for revocation of this suspension soon.

<b>Registrars and Transfer Agents</b>	Mareshwari Datamatics Pvt Ltd, 23, R.N. Mukherjee Road, 5th Floor, Kolkata-700001 Ph.: 033-2248 2248, Fax: 033-51410591
<b>Dematerialization of Shares &amp; liquidity and share transfer system</b>	The Shares of the Company are required to be traded in the dematerialized form. Full liquidity has been provided to the Shareholders through tie-ups with both NSDL & CDSL and shares can be transferred through Demat Accounts of transferor & transferee maintained with recognized DPs. As on 31.03.2024, a total of 103666603 equity shares of Rs 2/- (Two) forming 98.73% of the share capital stands dematerialized. Company has designated CDSL as a Designated Depository.
<b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b>	NIL
<b>Commodity price risk or foreign exchange risk and hedging activities:</b>	NA
<b>Designated Email ID for investor grievance</b>	In terms of Regulation 46 of SEBI (LODR) Regulations, 2015 the designated email address for investor complaint is investors@arcotech.in
<b>Performance comparison with broad indices</b>	Stocks of Company are under temporary suspension and have not been traded regularly in 2023-24 and thus comparison chart cannot be prepared.
<b>Market Price Data for the financial year</b>	The monthly high and low quotations as well as the volume of shares traded at BSE during the year 2023-24 are as under :

### Monthly Highs and Lows and Volume Traded at the BSE, 2023-24

Months	High (Rs.)	Low (Rs.)	Volume
April 2023 to March 2024	-	-	-

### 13. Distribution of Equity Shareholding as on 31st March, 2024

Share Holding	No of Holders	% age	No of Shares	% age
Upto 500	20214	69.6914	3561438	3.3918
501 to 1000	3485	12.0152	2936822	2.7970
1001 to 2000	2275	7.8435	3626310	3.4536
2001 to 3000	904	3.1167	2350347	2.2384
3001 to 4000	495	1.7066	1785002	1.7000
4001 to 5000	421	1.4515	2014812	1.9189
5001 to 10000	684	2.3582	5144895	4.8999
Above 10000	527	1.8169	83580374	79.6004
Grand Total	29005	100.0000	105000000	100.0000

Notional Value of (Rs.)	No of Holders	% age	Amount (Rs.)	% age
Upto 5000	26423	91.0981	22330270	10.6335
5001 to 10000	1371	4.7268	10219192	4.8663
10001 to 20000	684	2.3582	10289790	4.8999
20001 to 30000	196	0.6757	4843752	2.3065
30001 to 40000	99	0.3413	3549678	1.6903
40001 to 50000	73	0.2517	3298534	1.5707
50001 to 100000	87	0.2999	6098330	2.9040
Above 100000	72	0.2482	149370454	71.1288
Grand Total	29005	100.0000	210000000	100.0000

14. There has been no instance of non-compliance of any requirement of Corporate Governance Report.
15. **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. **Modified opinion(s) in audit report:** During the year under review, the Auditors Report on the Company's financial Statements contained modified opinion.
  - D. **Separate posts of Chairman and MD or CEO:** The Company has Chairperson and Whole Time Director on its Board. Chairperson is a non-executive Director and is not related to WTD.
  - E. **Reporting of Internal Auditor:** Internal Auditor reports their findings on the internal audit to the Audit Committee Members.
16. 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.
17. **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 audit qualifications in the Company's financial statements for the Year under review and the same has been disclosed to Stock Exchange for Shareholders.
18. **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.
19. **Disclosure of agreements binding the listed entity**
- During the year Company has not entered into any agreement as required to be disclosed under Clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015.

Place: New Delhi  
Date: 13th August, 2024

For and on behalf of the Board  
Sd/-  
ARVIND KUMAR SARAF  
Chairman  
DIN: 00057323



## Certificate on Corporate Governance

*[Pursuant to the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]  
Read with schedule V Para E of SEBI LODR*

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

The Corporate Governance Report prepared by ARCOTECH LIMITED (“the **Company**”) for the financial year ended 31st March 2024, contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**LODR Regulations**”) as amended. This report is required by the Company to be annexed with the Directors’ Report, in terms of Para E of Schedule V to the LODR Regulations, for further being sent to the Shareholders of the Company and we have examined the applicable compliance of conditions of Corporate Governance by the Company for the financial year ended 31st March 2024, as stipulated in Chapter IV of the LODR Regulations as amended from time to time.

### **Management’s Responsibility for compliance with the conditions of LODR Regulations**

The Company’s Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the LODR Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the LODR Regulations.

### **Responsibility**

Pursuant to the requirements of the LODR Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in LODR Regulations for the financial year ended 31st March 2024.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1st April 2023 to 31st March 2024 as per the LODR Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination of the corporate governance compliance by the Company as per the Guidance Note on Reports or Certificates for Special purposes (Revised 2016), Guidance Note on Certification of Corporate Governance both issued by the Institute of Company Secretaries of India (“**ICSI**”) and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical

requirements of the Code of Ethics issued by the ICSI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, and the representation provided to us by the management of the Company, and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID-19 pandemic, we certify that Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended 31st March , 2024.

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

### **Other matters and Restriction on Use**

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI LODR Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

### **For A. Upadhyaya & Associates**

Sd/-

**Abhimanyu Upadhyaya**

**Practicing Company Secretaries**

**COP: 4729**

**Membership No. FCS 5921**

**UDIN: F005921F000917821**

**Place: New Delhi**

**Date: 07.08.2024**

### CERTIFICATE

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

**The Members**

**ARCOTECH LIMITED**

**CIN: L34300HR1981PLC012151**

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

**Dist. Rewari, Haryana-123501**

We have examined the relevant registers, records, forms and returns maintained/filed by Arcotech Limited (hereinafter referred as 'the Company'), having its Registered Office at 181, Industrial growth Centre, Sector 3, Bawal, Dist. Rewari, Haryana-123501 and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended from time to time (hereinafter referred to as "Listing Regulations").

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company, as stated below, for the Financial year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

S. No.	DIN	Full Name	Designation	Date of Appointment
1	00057323	Mr. Arvind Kumar Saraf	Director	22-03-2006
2	01189370	Mr. Radhanath Pattanayak	Whole Time Director	18-12-2006
3	00021148	Mr. Rameshwar Dayal Tayal	Independent Director	12-11-2005
4	00028126	Mr. Sham Lal Mohan	Independent Director	20-09-2014
5	06490313	Mr. Rohit Agrawal	Independent Director	12-02-2021
6	08990382	Mrs. Megha Bansal	Independent Director	12-11-2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A Upadhyaya & Associates**

Company Secretaries

Sd/-

**CS Abhimanyu Upadhyaya**

(Prop.)

FCS:5921; C.P.No.:4729

UDIN No: **F005921F000918965**

Place: New Delhi

Date: 07 August 2024

## CEO/CFO CERTIFICATE

(Under Reg. 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**TO THE BOARD OF DIRECTORS OF  
ARCOTECH LIMITED**

We the undersigned hereby certify that:

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

**Sd/-  
RADHANATH PATTANAYAK  
WHOLETIME DIRECTOR**

**Sd/-  
ARVIND DADHEECH  
CFO**

**Place: Delhi**

**Date: 30<sup>th</sup> May, 2024**

## INDEPENDENT AUDITOR'S REPORT

To the Members of Arcotech Limited

### Report on the Audit of the Ind AS Financial Statements

#### Qualified Opinion

We have audited the accompanying Ind AS financial statements of Arcotech Limited ("the Company"), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules as amended and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2024, and its loss (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

The restructuring of the company's business is under consideration by the lenders. Consequent to the filing of restructuring proposal with lenders, feasible TEV (techno economic viability) study/reports of the operations of the Company was conducted by outside agency where in certain reliefs/ concessions have been envisaged to make the project viable. Included in there is relief in interest rates effective from 01.11.2018. The company has provided interest at the rates mentioned in TEV. This along with other unprovided interest amounts to Rs. 2,569.10 lakhs (net of tax) for the current financial year. The company is in the process of settling the dues with the lenders towards which an amount of Rs. 705.00 lacs has been deposited with the bankers and financial institutions, for which final approval from some of the lenders is still awaited.

#### Emphasis of Matter

The Company has incurred net loss after tax of Rs 14,359.28 lacs during the financial year ended March 31, 2024 (Previous year net loss after tax of Rs 8,215.73 lacs). The turnover of Company during the financial year ended March 31, 2024 is Rs. 0.32 lacs (Previous year Rs 3.60 lacs). The current liabilities exceed current assets. Had the company provided for the interest as mentioned in Basis for Qualified Opinion above the net loss would have increased.

The restructuring of the Company's business is under consideration by the lenders. However, certain lenders of the company have filed applications/issued notices including in NCLT, DRT and SARFAESI. In view of the management's expectation of successful outcome of above proposal and revival of its business, the financial statements have been prepared on going concern basis. However, in view of above uncertainties, we are unable to comment on the ability of the company to continue as a "going concern" and the consequential adjustments to the accompanying financial statements, if any, that might have been necessary had the financial statements been prepared under liquidation basis.

Our opinion is not modified in respect of this matter.

The Company is recognizing deferred tax assets on losses. The matters discussed above relating to going concern creates doubt and uncertainty relating to recoverability of deferred tax assets. On the basis of our review as elaborated in key audit matters and as per explanation given to us and according to management assessment Company will be in position to generate future profits against which these losses will be setoff.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the

financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

S.No.	Key Audit Matter	Auditor's Response
1.	<p><b><u>Material Uncertainty related to Going Concern</u></b>                      The Company has incurred a net loss after tax of Rs 14,359.28 lacs during the financial year ended March 31, 2024 (Previous Year loss of Rs 8,215.73 lacs). The turnover of Company during the financial year ended March 31, 2024 is Rs 0.32 lacs (Previous Year Rs 3.60 lacs). The current liabilities exceed current assets. Had the company provided for the interest as discussed in Basis for Qualified Opinion above the net loss would have increased.</p> <p>Refer Note 43 of the Financial Statements as on March 31, 2024.</p>	<p><b><u>Principal Audit Procedures</u></b>                      The restructuring of the Company's business is under consideration by the lenders. However, certain lenders of the company have filed applications/issued notices including in NCLT, DRT and SARFAESI. In view of the management's expectation of successful outcome of above proposal and revival of its business, the financial statements have been prepared on going concern basis. However, in view of above uncertainties, we are unable to comment on the ability of the company to continue as a "going concern" and the consequential adjustments to the accompanying financial statements, if any, that might have been necessary had the financial statements been prepared under liquidation basis.</p>
2	<p><b><u>Impairment of property, plant and equipment</u></b>                      Carrying value of property, plant and equipment as on 31 March 2024 is Rs. 13,778.94 lacs as disclosed in Note: 2 represent significant balances recorded in the financial statement. The evaluation of the recoverable amount of these assets requires significant judgement in determining the key assumptions supporting the expected future cash flows of the business and the utilization of the relevant assets.</p> <p>Refer Note 2 of the Financial Statements as on March 31, 2024.</p>	<p>Our audit procedures to assess the carrying value of PPE and related assets included the following:                      . In conjunction with valuation reports of PPE and techno economic viability report of third party specialists given by the company we assessed and verified:</p> <ul style="list-style-type: none"> <li>• The estimated useful lives and residual values of PPE and related assets with reference to the company's historical experience and future operating plans and retirement of PPE, policies adopted by valuation reports and techno economic viability report given by third party specialists;</li> <li>• Discussing indicators of possible impairment of PPE and related assets with management of the company and, where such indications were identified, assessing whether management had performed impairment testing in accordance with the requirements of the prevailing Indian accounting standards;</li> <li>• We also performed sensitivity analysis on recoverable amount for impairment testing and found that recoverable amount is higher than carrying amount of PPE.</li> </ul>
3.	<p><b><u>Judgment in valuation of deferred income tax positions</u></b>                      The company has recognised deferred income tax assets and deferred income tax liabilities of Rs. 19,348.45 lacs and Rs 3,101.55 lacs respectively as at March 31, 2024. The net deferred tax assets in the balance sheet as at March 31, 2024 is Rs. 16,246.90 lacs. Under Ind-AS,12 the Company is required to measure annually deferred tax position. This area was significant to our audit because of the related complexity and subjectivity</p>	<p>Our audit procedures included, amongst others, using techno economic viability report of third party specialists given by the management to assist us in evaluating the assumptions and methodologies used for the recoverability of deferred tax assets related to operations of the company by reviewing their future profitability, management's forecasts and local fiscal developments. We also focused on the adequacy of the Company's disclosures on deferred income tax positions and assumptions used. We also discussed with the senior management and evaluate the discussions with them about the future expected cash flows and expected future market complexity or economic</p>



	<p>of the assessment process, which is based on assumptions taken by the management that are affected by expected future cash flows &amp; expected future market or economic conditions. Refer Note 16 of the Financial Statements as on March 31, 2024.</p>	<p>conditions. The Company's disclosures concerning income taxes are included in note given as per the financial statements.</p> <p>The Company is still recognizing deferred tax assets on losses. The matters discussed in para 1 of key audit matters creates doubt and uncertainty relating to recoverability of deferred tax assets. As per explanation given to us and according to management assessment Company will be in position to generate future profits against which these losses will be setoff.</p>
4.	<p><b><u>Evaluation of uncertain tax positions</u></b>  The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 33 of the Financial Statements as on March 31, 2024.</p>	<p><b><u>Principal Audit Procedures</u></b>  Obtained details of completed tax assessments and demands at the year ended March 31, 2024 from management. We involved our team to verify the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these uncertain tax positions. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2023 to evaluate whether any change was required to management's position on these uncertainties.</p>

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we will read the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and if the other information is not corrected after communicating with those charged with governance, seek to have the uncorrected material misstatement appropriately brought to the attention of users for whom the audit report is prepared.

**Responsibilities of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, 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) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "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 including the Statement of Other Comprehensive Income, 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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, as amended 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 in its financial statements- Refer Note 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.
    - iii. There has been delay in transferring Rs 8.28 lacs, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the

understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) & (b) above contain any material mis-statement.

- v. The Company has not declared or paid any dividend during the year.
- vi. Based on our examination which included test checks and information given to us, the Company has used accounting software for maintaining its books of account, which did not have a feature of recording audit trail (edit log) facility throughout the year for all relevant transactions recorded in the respective software, hence we are unable to comment on audit trail feature of the said software.

For Amit Joshi & Associates

Chartered Accountants

FRN No. 004898N

Sd/-

(Amit Joshi)

Partner

M. No. 083617

Place: New Delhi

Date: 30/05/2024

UDIN: 24083617BKHJTR2957

**Annexure '1' to the Auditor's Report on the accounts of Arcotech Limited for the year ended March 31, 2024 as required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013**

- i. (a)(A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
  
(a)(B) The company does not have any intangible assets. Consequently, clause i(a)(B) of paragraph 3 of the order is not applicable to the company.  
  
(b) The company had in the previous year initiated a program of physical verification of Property, Plant and Equipment so as to cover all the assets once in every three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. According to the information and explanations given to us physical verification of property, plant & equipment has not been conducted during the year. We are therefore unable to comment whether there are any material discrepancies.  
  
(c) The title deeds of all immovable properties (other than properties where the company is the lessee and lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.  
  
(d) The Company has not revalued its Property, Plant and Equipment during the year.  
  
(e) According to the information and explanations given to us and records of the company no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. (a) Physical verification of inventory has not been conducted by the management during the year. We are therefore unable to give our opinion on the coverage and procedure of such verification and also whether there are any discrepancies of 10% or more in aggregate for each class of inventory.  
  
(b) The company has been sanctioned working capital limits in excess of five crore rupees in aggregate from banks or financial institutions on the basis of security of current assets. The company has not filed any statement during the year with such banks or financial institutions. Stock records cannot be checked as the company is unable to provide the relevant records.
- iii. According to the information and explanations given to us and records, the company has not during the year, made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Consequently, clauses (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of paragraph 3 of the order are not applicable.
- iv. According to the information and explanation given to us, in respect of loans granted, investments made and guarantees and securities provided, wherever applicable, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with by the company.
- v. The company, according to records and information and explanations given to us, has not accepted deposits or amounts which are deemed to be deposits, as per direction issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. Consequently, clause (v) of paragraph 3 of the order is not applicable.
- vi. According to the records & information and explanation given to us, the company is not required to maintain cost records specified by the Central Govt. under sub section (1) of section 148 of the Companies Act, 2013. Consequently, clause (vi) of paragraph 3 of the order is not applicable.
- vii. (a) According to the records & information and explanation given to us, the company has been irregular in depositing undisputed statutory dues including goods & services tax, provident fund, employee's state

insurance, income tax, sale tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of undisputed statutory dues as at March 31, 2024 which were outstanding for a period of more than six months from the date they became payable except income tax and other statutory dues amounting to Rs. 1,209.07 lacs & Rs. 47.51 lacs respectively as at the March 31, 2024.

(b) According to the records and the information and explanations given to us, the company has following disputed dues as on March 31, 2024 in respect of goods & services tax, provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues:

Name of the Statute	Nature of dues	Amount (Rs. in Lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act,1961	Income Tax Demand	547.01	AY 2012-13	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	519.58	AY 2013-14	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	1681.63	AY 2013-14	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	535.78	AY 2014-15	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	590.91	AY 2015-16	ITAT, New Delhi
Income Tax Act,1961	Income Tax Demand	304.95	AY 2016-17	ITAT, New Delhi
Income Tax Act,1961	Income Tax Demand	2509.29	AY 2017-18	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	1.50	AY 2018-19	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	18631.06	AY 2018-19	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	202.23	AY 2019-20	CIT (Appeals), New Delhi
Income Tax Act,1961	Income Tax Demand	12.00	AY 2019-20	CIT (Appeals), New Delhi

viii. According to the records of the company and the information and explanations given to us, the company does not have any unrecorded transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Consequently, clause (viii) of paragraph 3 of the order is not applicable.

ix. According to the information and explanations given to us and on the basis of our audit procedures, we report that the company:

(a) has defaulted in repayment of loans and interest thereon to following lenders:

Nature of Borrowings	Name of Lender	Amount (Rs in Lacs)	Nature Amount	Period of delay (Up to date of audit report)
Term loan	IFCI Limited	5920.78	Principal	1-2297 days
Term loan	IFCI Limited	2297.93	Interest	1-2269 days
Term loan	IFCI Venture Capital Fund Limited	975.70	Principal	1-2100 days
Term Loan	IFCI Venture Capital Fund Limited	303.88	Interest	1-2070 days

Working Capital	Bank of India	4239.33	Principal including interest	1-2037 days
Working Capital	Canara Bank	8551.75	Principal including interest	1-2037 days
Working Capital	Central Bank of India	11070.85	Principal including interest	1-2037 days
Working Capital	Punjab National Bank	18698.52	Principal including interest	1-2037 days

(b) is not a declared willful defaulter by any bank or financial institution or other lender.

(c) has not taken any term loans during the year.

(d) has no funds raised on short term basis that have been used for long term purposes.

(e) has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. 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 and has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Consequently, clauses (x)(a) and (x)(b) of paragraph 3 of the order are not applicable.

xi. 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 noticed or reported during the year.

No report under sub section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules,2013 with the Central Government during the year and upto the date of this report.

We have considered whistle blower complaints, if any, received during the year and upto the date of this report.

xii. The company is not a Nidhi Company. Consequently, clause (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. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.

We have considered the internal audit reports of the company issued till date for the period under audit.

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 its directors or persons connected with them. Consequently, clause (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. The company has not conducted any Non-Banking financial or Housing Finance activities and the company is not a Core Investment



Company (CIC) as defined in the regulation made by Reserve Bank of India. The group does not have more than one core investment company. Consequently, clauses (xvi)(a), (xvi)(b), (xvi)(c) and (xvi)(d) of paragraph 3 of the order are not applicable.

- xvii. The company has incurred cash losses during the current financial year and in the immediately preceding financial year of Rs. 27,163.92 lacs and Rs 6,177.45 lacs respectively after taking into account the effect of qualifications.
- xviii. During the year, there has been no resignation of the statutory auditors of the company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, there exist material uncertainty as on the date of the audit report of the company being capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) According to the information and explanations given to us the company does not have any amount remaining unspent in respect of other than ongoing projects. Consequently, clause (xx)(a) of paragraph 3 of the order is not applicable.
- (b) The company does not have any ongoing projects. Consequently, clause (xx)(b) of paragraph 3 of the order is not applicable.
- xxi. This clause of the order is applicable to consolidated financial statements. The audit report under reference is on the standalone financial statements of the company. Consequently, clause (xxi) of paragraph 3 of the order is not applicable to the company.

For Amit Joshi & Associates  
Chartered Accountants  
FRN No. 004898N  
Sd/-  
(Amit Joshi)  
Partner  
M. No. 083617  
Place: New Delhi  
Date: 30/05/2024  
UDIN: 24083617BKHJTR2957

## **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, 2024 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, 2024, 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 No. 004898N

Sd/-

(Amit Joshi)

Partner

M. No. 083617

Place: New Delhi

Date: 30/05/2024

UDIN: 24083617BKHJTR2957

**ARCOTECH LIMITED**  
**Balance Sheet as at March 31,2024**

(In Lacs,INR)

Particulars	Note No.	As at March 31,2024	As at March 31,2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	13,778.94	14,827.72
Financial assets			
Investments	3	1.20	1.14
Other financial assets	4	-	50.38
Deferred tax assets (net)	16	16,246.90	13,735.49
Other non-current assets	5	-	-
<b>Subtotal</b>		<b>30,027.04</b>	<b>28,614.73</b>
<b>Current assets</b>			
Inventories	6	2,733.24	2,733.24
Financial assets			
Trade receivables	7	6,347.48	15,521.26
Cash and cash equivalents	8	0.92	0.92
Other bank balances	9	16.31	16.06
Other current financial assets	10	7.76	7.76
Other current assets	11	1,362.26	5,305.69
<b>Subtotal</b>		<b>10,467.97</b>	<b>23,584.93</b>
<b>Total Assets</b>		<b>40,495.01</b>	<b>52,199.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	2,100.00	2,100.00
Other equity	13	(22,399.33)	(8,040.19)
<b>Total equity</b>		<b>(20,299.33)</b>	<b>(5,940.19)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial Liabilities			
Loan component of preference shares	14	381.10	331.51
Provisions	15	131.22	127.97
Deferred tax liabilities (Net)	16	-	-
<b>Sub total</b>		<b>512.32</b>	<b>459.48</b>
<b>Current liabilities</b>			
Financial Liabilities			
Short Term Borrowings	17	50,456.93	48,777.19
Trade payables	18		
- total outstanding dues of micro and small enterprises		6.10	5.17
- total outstanding dues other than micro and small enterprises		65.17	65.17
Other financial liabilities	19	5,907.12	5,031.68
Other current liabilities	20	71.65	50.03
Provisions	21	1,245.61	1,221.69
Current tax liabilities (net)	22	2,529.44	2,529.44
<b>Sub total</b>		<b>60,282.02</b>	<b>57,680.37</b>
<b>Total Equity and Liabilities</b>		<b>40,495.01</b>	<b>52,199.66</b>

Summary of material 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

Sd/-  
For Amit Joshi & Associates  
Chartered Accountants  
FRN: 004898N

Sd/-  
A.K.Saraf  
Director  
DIN :00057323

Sd/-  
R.N.Pattanayak  
Whole Time Director  
DIN:01189370

Sd/-  
S.L.Mohan  
Director  
DIN:00028126

Sd/-  
Amit Joshi  
Partner  
Membership No.083617

Sd/-  
R.D.Tayal  
Director  
DIN :00021148

Sd/-  
Arvind Dadheech  
Chief Financial Officer

Sd/-  
Nidhi Jain  
Company Secretary  
M.No.: FCS 11814

Place: New Delhi  
Date: 30/05/2024

**ARCOTECH LIMITED****Statement of Profit and Loss for the year ended March 31,2024***(In Lacs, INR)*

Particulars	Note No.	Year ended March 31,2024	Year ended March 31,2023
Revenue from Operations	23	-	-
Other Income	24	0.32	3.60
<b>Total Income</b>		<b>0.32</b>	<b>3.60</b>
<b>Expenses:</b>			
Cost of raw materials & components consumed	25	-	-
Changes in inventories of finished goods, stock-in -trade and work-in-progress	26	-	-
Employee benefits expense	27	43.50	36.44
Finance costs	28	2,459.78	2,172.55
Depreciation	2	1,054.10	1,097.82
Other expenses	29	13,313.71	8,711.78
<b>Total expenses</b>		<b>16,871.09</b>	<b>12,018.59</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(16,870.77)</b>	<b>(12,014.99)</b>
Exceptional Items		-	-
Profit/(Loss) before tax		<b>(16,870.77)</b>	<b>(12,014.99)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		(2,511.49)	(3,799.26)
MAT credit entitlement		-	-
<b>Total tax expense</b>		<b>(2,511.49)</b>	<b>(3,799.26)</b>
<b>Profit after tax</b>		<b>(14,359.28)</b>	<b>(8,215.73)</b>
<b>Other comprehensive income ('OCI')</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) on defined benefit plans		0.22	0.55
Income tax effect		(0.08)	(0.19)
Net other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods		<b>0.14</b>	<b>0.36</b>
<b>Other comprehensive income/(expense) for the year,net of tax</b>		<b>0.14</b>	<b>0.36</b>
<b>Total comprehensive income for the year,net of tax</b> (comprising Profit (Loss) and Other Comprehensive Income for the period)		<b>(14,359.14)</b>	<b>(8,215.37)</b>
<b>Earnings per equity share :</b>			
	30		
(1) Basic		(13.68)	(7.82)
(2) Diluted		(13.68)	(7.82)
(Nominal value per share Rs.2)			

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

Sd/-  
For Amit Joshi & Associates  
Chartered Accountants  
FRN: 004898N

Sd/-  
A.K.Saraf  
Director  
DIN :00057323

Sd/-  
R.N.Pattanayak  
Whole Time Director  
DIN:01189370

Sd/-  
S.L.Mohan  
Director  
DIN:00028126

Sd/-  
Amit Joshi  
Partner  
Membership No.083617

Sd/-  
R.D.Tayal  
Director  
DIN :00021148

Sd/-  
Arvind Dadheech  
Chief Financial Officer

Sd/-  
Nidhi Jain  
Company Secretary  
M.No.: FCS 11814

Place:New Delhi

Date: 30/05/2024

**ARCOTECH LIMITED**
**Statement of Cash Flow for the year ended March 31,2024**
*(In Lacs,INR)*

Particulars	As at March 31,2024	As at March 31,2023
<b>Cash flow from operating activities</b>		
Profit before tax	(16,870.77)	(12,014.99)
<b>Non cash adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and amortization	1,054.10	1,097.82
Finance costs	2,459.78	2,172.55
Interest Income	(0.32)	(0.32)
Provision for doubtful debts	9,173.79	5,988.00
Capital advances written off	-	753.00
Provision for doubtful advances	3,935.00	1,916.00
Sundry balance written of (creditors)	-	(3.28)
Provision for contingencies	24.00	-
Profit/Loss on sale of PPE	-	2.57
	<b>16,646.35</b>	<b>11,926.34</b>
<b>Movement in working capital :</b>		
Trade receivable	-	0.15
Current and non-current financial assets	50.38	1.77
Other current and non-current assets	8.43	(660.08)
Current and non-current financial liabilities	(90.86)	163.10
Other current and non-current liabilities	21.62	(6.80)
Current and non-current provisions	(0.45)	(14.18)
Trade payable	-	2.97
	<b>(10.88)</b>	<b>(513.07)</b>
<b>Cash generated From operations</b>	(235.30)	(601.72)
Direct taxes paid (net of refunds)	-	-
<b>Net cash flow used in operating activities (A)</b>	<b>(235.30)</b>	<b>(601.72)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(5.32)	-
Proceeds from sale of property, plant and equipment	-	0.50
<b>Net cash used in investing activities (B)</b>	<b>(5.32)</b>	<b>0.50</b>
<b>Cash flow from financing activities</b>		
Net proceeds / (repayment) of non current borrowings	-	-
Net proceeds / (repayment) of current borrowings	240.62	601.63
Interest paid	-	-
<b>Net cash used in financing activities ( C)</b>	<b>240.62</b>	<b>601.63</b>
<b>Net change in cash &amp; cash equivalents (A + B + C)</b>	<b>0.00</b>	<b>0.41</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>0.92</b>	<b>0.51</b>
<b>Cash and cash equivalents at the end of year</b>	<b>0.92</b>	<b>0.92</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	0.01	0.01
Balance with banks	0.91	0.91
<b>Total cash &amp; cash equivalents (refer note no 8)</b>	<b>0.92</b>	<b>0.92</b>

**Other disclosure required by Ind AS -7**

Changes in liabilities arising from financing activities

Particulars	Opening Balance	Cash Flows/ Interest Cost	Non - cash changes			Closing Balance
			Acquisitions	Transaction cost adjustment	Fair value changes	
Long term borrowings	331.51	49.59	-	-	-	381.10
Short term borrowings	48,777.19	1,679.74	-	-	-	50,456.93
Lease liabilities	-	-	-	-	-	-
Assets held to hedge	-	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>49,108.70</b>	<b>1,729.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,838.03</b>

Note: The above cash flow statement has been prepared under the "Indirect method" as set out in the Indian Accounting Standard (IND AS-7) statement of cash flow.

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

Sd/-  
For Amit Joshi & Associates  
Chartered Accountants  
FRN: 004898N

Sd/-  
A.K.Saraf  
Director  
DIN :00057323

Sd/-  
R.N.Pattanayak  
Whole Time Director  
DIN:01189370

Sd/-  
S.L.Mohan  
Director  
DIN:00028126

Sd/-  
Amit Joshi  
Partner  
Membership No.083617

Sd/-  
R.D.Tayal  
Director  
DIN :00021148

Sd/-  
Arvind Dadheech  
Chief Financial Officer

Sd/-  
Nidhi Jain  
Company Secretary  
M.No.: FCS 11814

Place:New Delhi

Date: 30/05/2024

## a) Equity share capital

Particulars	As at				
	March 31,2024				
(1) Current reporting year					
	Balance at the beginning of the reporting year 1 April 2023	Change in equity shares capital due to prior period errors	Restated balance at the beginning of the current reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year ended March 31, 2024
Total	2,100	-	-	-	2,100

Particulars	As at				
	March 31,2023				
(2) Previous reporting year					
	Balance at the beginning of the pervious reporting year 1 April 2022	Change in equity shares capital due to prior period errors	Restated balance at the beginning of the previous reporting year	Changes in equity share capital durig the previous year	Balance at the end of the reporting year ended March 31, 2023
Total	2,100	-	-	-	2,100

## b) OTHER EQUITY

As at March 31,2024

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and surplus				Equity Component of compulsorily convertible debentures	Equity instruments through other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium	Other Reserves	Retained Earnings								
Balance at the beginning of the previous reporting year 01.04.2022	-	3,312.53	-	410.00	-	(3,551.57)	-	-	-	-	-	4.22	-	175.18
Changes in accounting policy or prior year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(8,215.73)	-	-	-	-	-	0.36	-	(8,215.37)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year ended 31.03.2023	-	3,312.53	-	410.00	-	(11,767.30)	-	-	-	-	-	4.58	-	(8,040.19)
Balance at the beginning of the reporting year 01.04.2023	-	3,312.53	-	410.00	-	(11,767.30)	-	-	-	-	-	4.58	-	(8,040.19)
Changes in accounting policy or prior year errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	(14,359.28)	-	-	-	-	-	0.14	-	(14,359.14)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting year ended 31.03.2024	-	3,312.53	-	410.00	-	(26,126.58)	-	-	-	-	-	4.72	-	(22,399.33)

As per our report of even date

For and on behalf of the board

Sd/-  
For Amit Joshi & Associates  
Chartered Accountants  
FRN: 004898N

Sd/-  
A.K.Saraf  
Director  
DIN :00057323

Sd/-  
R.N.Pattanayak  
Whole Time Director  
DIN:01189370

Sd/-  
S.L.Mohan  
Director  
DIN:00028126

Sd/-  
Amit Joshi  
Partner  
Membership No.083617

Sd/-  
R.D.Tayal  
Director  
DIN:00021148

Sd/-  
Arvind Dadheech  
Chief Financial Officer

Sd/-  
Nidhi Jain  
Company Secretary  
M.No.: FCS 11814

Place: New Delhi  
Date: 30/05/2024

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**1. Summary of Material 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.

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.

The financial statements for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors on May 30, 2024.

**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.41)

Financial instruments (including those carried at amortised cost) (refer note no.41)

**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.



**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

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 Property, plant and equipment 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**

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. The company applied five step model under Ind As-115 for revenue recognition. Revenue is recognised upon transfer of control products & service to customer in an amount that reflects the consideration which company expects to receive in exchange for those products & services.

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

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

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.

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**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.

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

**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.

**(aa) Changes in accounting policies and disclosures**

**New and amended standards**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23<sup>rd</sup> March 2022, has made certain amendments in Companies (Indian Accounting Standard Rules), 2015. The Company has not early adopted any standards or amendments that have been issued but are not yet effective. These amendments apply for the first time from the year ending 31<sup>st</sup> March 2023, but do not have a material impact on the financial statements of the company.

**Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets:-** The amendments to Ind AS 37 specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company during the year.

**Ind AS 103: Business combination:** - The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments had no impact on the financial statements of the Company during the year.

**Ind AS 109: Financial Instruments:** - The amendment clarifies the fees in the '10 per cent' test for derecognition of financial liabilities, that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company during the year.

**New and amended standards, not yet effective**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 31 March 2023, had made certain amendments in Companies (Indian Accounting Standard Rules), 2015. Such amendments shall come into force with effect from 1 April 2023, but do not have a material impact on the standalone financial statements of the Company:

**Ind AS 1: Presentation of Financial Statements:** - The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107 also.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

These amendments had no material impact on the standalone financial statements of the Company during the year.

**Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors:** - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no material impact on the standalone financial statements of the Company during the year.

**Ind AS 12: Income Taxes:** - The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

These amendments had no material impact on the standalone financial statements of the Company during the year.

**New and amended standards, not yet effective**

There are no standards that are notified and not yet effective as on the date.

**Significant management judgement in applying accounting policies and estimation uncertainty**

**Arcotech Limited**  
**Notes to Financial Statements for the year ended March 31, 2024**

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Significant management judgements**

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

*Evaluation of indicators for impairment of assets* – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

*Classification of leases* – The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

*Determining the lease term of contracts with renewal and termination options (Company as lessee)*- The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

*Impairment of financial assets* – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

*Provisions* – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

*Revenue from contracts with customers*- The Company has applied judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers.

**Significant estimates**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

*Net realizable value of inventory* –The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost. The Company also involves specialist to perform valuations of inventories, wherever required.

*Fair value measurement disclosures* – Management applies valuation techniques (including but not limited to the use of illiquidity discount on investments) to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

## 2 PROPERTY, PLANT & EQUIPMENT

(In Lacs, INR)

Particulars	TANGIBLE ASSETS						Total
	Land	Buildings	Plant & Machinery	Furniture	Office Equipment	Vehicles	
<b>COST</b>							
<b>Gross Value as at 01 April 2022</b>	<b>322.77</b>	<b>1,770.50</b>	<b>24,342.41</b>	<b>150.24</b>	<b>40.89</b>	<b>94.45</b>	<b>26,721.25</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	61.36	61.36
<b>Gross Value as at 31 March 2023</b>	<b>322.77</b>	<b>1,770.50</b>	<b>24,342.41</b>	<b>150.24</b>	<b>40.89</b>	<b>33.09</b>	<b>26,659.89</b>
Additions	5.32	-	-	-	-	-	5.32
Disposals	-	-	-	-	-	-	-
<b>Gross Value as at 31 March 2024</b>	<b>328.09</b>	<b>1,770.50</b>	<b>24,342.41</b>	<b>150.24</b>	<b>40.89</b>	<b>33.09</b>	<b>26,665.21</b>
<b>DEPRECIATION</b>							
<b>As at 01 April 2022</b>	<b>-</b>	<b>622.01</b>	<b>9,904.53</b>	<b>137.53</b>	<b>38.85</b>	<b>89.73</b>	<b>10,792.64</b>
Charge for the year	-	55.67	1,038.52	3.63	-	-	1,097.82
Disposals	-	-	-	-	-	58.29	58.29
<b>At 31 March 2023</b>	<b>-</b>	<b>677.68</b>	<b>10,943.05</b>	<b>141.16</b>	<b>38.85</b>	<b>31.44</b>	<b>11,832.17</b>
Charge for the year	-	55.67	997.83	0.60	-	-	1,054.10
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2024</b>	<b>-</b>	<b>733.35</b>	<b>11,940.88</b>	<b>141.76</b>	<b>38.85</b>	<b>31.44</b>	<b>12,886.27</b>
<b>NET BLOCK</b>							
<b>As at 31 March 2024</b>	<b>328.09</b>	<b>1,037.15</b>	<b>12,401.53</b>	<b>8.48</b>	<b>2.04</b>	<b>1.65</b>	<b>13,778.94</b>
<b>As at 31 March 2023</b>	<b>322.77</b>	<b>1,092.82</b>	<b>13,399.36</b>	<b>9.08</b>	<b>2.04</b>	<b>1.65</b>	<b>14,827.72</b>

Note: See note no. 14 for charges on property, plant & equipment.



**ARCOTECH LIMITED**  
**Notes to Financial Statements for the year ended March 31,2024**

(In Lacs,INR)

	As at March 31,2024	March 31, 2023
<b>3 Non-Current Investments</b>		
Bank deposits	1.20	1.14
<b>Total</b>	<b>1.20</b>	<b>1.14</b>
<b>4 Other non-current financial assets</b>		
Unsecured,considered good		
Security deposits	-	50.38
	<b>-</b>	<b>50.38</b>
<b>5 Other non-current assets</b>		
Capital advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>6 Inventories</b>		
(As taken,valued & certified by the management)		
Work-in-progress	2,567.95	2,567.95
Finished goods	44.40	44.40
Stores,spares & packing materials	120.89	120.89
<b>Total</b>	<b>2,733.24</b>	<b>2,733.24</b>
<b>7 Trade Receivables (carried at amortised cost)</b>		
Trade receivables	6,347.48	15,521.26
Receivables from related parties	-	-
<b>Total</b>	<b>6,347.48</b>	<b>15,521.26</b>
<b>Breakup of Trade Receivables</b>		
Trade receivables considered good- Secured	-	-
Trade receivables considered good- Unsecured	6,347.48	15,521.26
Trade receivables - credit impaired	17,551.73	8,377.94
Trade receivables which have significant increase in credit risk	-	-
<b>Impairment allowance</b>		
(allowance for bad and doubtful debts)		
Less: Provision for doubtful debts	17,551.73	8,377.94
<b>Total</b>	<b>6,347.48</b>	<b>15,521.26</b>

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.

**31.03.2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	-	-	-	6,347.48	-	6,347.48
(ii) Undisputed Trade Receivables — credit impaired	-	-	-	-	17,551.73	17,551.73
(iii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

**31.03.2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months -1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables — considered good	-	-	6,347.48	1,979.28	7,194.50	15,521.26
(ii) Undisputed Trade Receivables — credit impaired	-	-	-	350.00	8,027.94	8,377.94
(iii) Undisputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables — which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables — credit impaired	-	-	-	-	-	-

**ARCOTECH LIMITED**  
**Notes to Financial Statements for the year ended March 31,2024**

(In Lacs,INR)

	As at March 31,2024	March 31, 2023
<b>8 Cash and cash equivalents</b> (carried at amortised cost)		
Cash in hand	0.01	0.01
Balances with banks		
In current accounts	0.91	0.91
<b>Total</b>	<b>0.92</b>	<b>0.92</b>
<b>9 Other Bank balances (carried at amortised cost)</b>		
Unpaid dividend account (restricted)	11.44	11.44
Bank deposits with original maturity greater than 3 but less than 12 months*	4.87	4.62
<b>Total</b>	<b>16.31</b>	<b>16.06</b>
* Fixed deposits (refer note 3 & 9) of Rs.6.07 (Rs.5.76 previous year) lacs have been given towards contractual obligations.		
<b>10 Other current financial assets</b> (carried at amortised cost)		
Security Deposits	7.76	7.76
Other receivables	-	-
<b>Total</b>	<b>7.76</b>	<b>7.76</b>
<b>11 Other current assets</b>		
Unsecured,considered good		
Advance to suppliers	7,606.63	7,666.72
Less: Provision for doubtful advances	7,351.00	3,416.00
	255.63	4,250.72
Prepaid expenses	1.54	1.87
Balances with statutory/government authorities	400.09	398.10
Other advances	705.00	655.00
<b>Total</b>	<b>1,362.26</b>	<b>5,305.69</b>

	As at March 31, 2024	As at March 31, 2023
<b>12 Equity Share capital</b>		
<b>a. Authorised, issued, subscribed and paid-up share capital and par value per share</b>		
<b>Authorised share capital</b>		
105,000,000 (previous year 1,05,000,000) equity shares of Rs.2/- each ( previous year Rs.2/- each )	2,100.00	2,100.00
3,500,000 Preference Shares of Rs. 100/- each	3,500.00	3,500.00
<b>Issued, subscribed and paidup share capital</b>		
10,50,00,000 (previous year 10,50,00,000) equity shares of Rs.2/- each (previous year Rs.2/- each )	2,100.00	2,100.00
<b>Total</b>	<b>2,100.00</b>	<b>2,100.00</b>
3,500,000 (previous year 3,500,000) preference shares of Rs.100/- each (previous year Rs.100/- each )	3,500.00	3,500.00
<b>Total</b>	<b>3,500.00</b>	<b>3,500.00</b>

**b. 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.

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

	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% held	No. of shares held	% held
<b>Equity:</b>				
Vasudha commercial private limited	15,294,600	14.57%	15,294,600	14.57%
JM Financial Products limited	25,049,730	23.86%	25,049,730	23.86%
<b>Preference:</b>				
Sidhant distributors private limited	824,315	23.55%	824,315	23.55%
Vasudha commercial private limited	2,435,546	69.59%	2,435,546	69.59%
Arco infoway private limited	135,991	3.89%	135,991	3.89%
Arco it solutions private limited	104,148	2.98%	104,148	2.98%

**d. Company shall disclose Shareholding of Promoters\* as under:**

Shares held by promoters at the end of the current year			
Promoter name	No. of Shares	%of total shares	% Change during the year
Rishabh Saraf	4,313,594	4.11	-
Atashi Singhania	3,800,000	3.62	-
Arvind Kumar Saraf	3,525,097	3.36	-
Renu Saraf	2,085,854	1.99	-
Vasudha Commercial Private Limited	15,294,600	14.57	-
Sidhant Distributors Private Limited	5,210,877	4.96	-
Arco Infoway Private Limited	3,986,400	3.80	-
Arco It Solutions Private Limited	1,750,617	1.67	-
Sarathi Infrastructure Private Limited	1,092,600	1.04	-
Hiland Enclave Private Limited	800,000	0.76	-
Jeevan Vihar Properties Pvt Ltd	100,000	0.10	-
Arcotech Info Limited	325	0.00	-
Cloast Trade & Services Private Limited	145	0.00	-
Siddhivinayak Stockist & Traders Private Limited	35	0.00	-

Shares held by promoters at the end of the previous year			
Promoter name	No. of Shares	%of total shares	% Change during the year
Rishabh Saraf	4,313,594	4.11	-
Atashi Singhania	3,800,000	3.62	-
Arvind Kumar Saraf	3,525,097	3.36	-
Renu Saraf	2,085,854	1.99	-
Vasudha Commercial Private Limited	15,294,600	14.57	-
Sidhant Distributors Private Limited	5,210,877	4.96	-
Arco Infoway Private Limited	3,986,400	3.80	-
Arco It Solutions Private Limited	1,750,617	1.67	-
Sarathi Infrastructure Private Limited	1,092,600	1.04	-
Hiland Enclave Private Limited	800,000	0.76	-
Jeevan Vihar Properties Pvt Ltd	100,000	0.10	-
Arcotech Info Limited	325	0.00	-
Cloast Trade & Services Private Limited	145	0.00	-
Siddhivinayak Stockist & Traders Private Limited	35	0.00	-

**ARCOTECH LIMITED**
**Notes to Financial Statements for the year ended March 31,2024**
*(In Lacs,INR)*

	As at March 31,2024	As at March 31, 2023
<b>e. Reconciliation of number of equity shares outstanding at the beginning of the year and at the end of year:</b>		
Number of shares outstanding at the beginning of year	105,000,000	105,000,000
Number of shares increased due to sub division of shares	-	-
Number of shares outstanding at the end of year	<b>105,000,000</b>	<b>105,000,000</b>
<b>f. Reconciliation of number of preference shares outstanding at the beginning of the year and at the end of year:</b>		
Number of shares outstanding at the beginning of year	3,500,000	3,500,000
Number of shares increased due to issue of shares	-	-
Number of shares outstanding at the end of year	<b>3,500,000</b>	<b>3,500,000</b>

The company issued non convertible non cumulative redeemable preference shares. The equity portion of these redeemable preference shares on account of dividend percentage being lower than effective market rate is recorded in Other equity.

	As at March 31,2024	As at March 31, 2023
<b>13 Other Equity</b>		
Retained earnings	(26,121.86)	(11,762.72)
Securities Premium	410.00	410.00
Issue of 0.1% non-cumulative redeemable preference share	3,312.53	3,312.53
<b>Total</b>	<b>(22,399.33)</b>	<b>(8,040.19)</b>

<b>a) Retained earnings</b>		
Balance as per previous financial statements as at April 1	(11,762.72)	(3,547.35)
Add : Profit/(Loss) for the year	(14,359.28)	(8,215.73)
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurments of post employment benefit obligations, net of tax	0.14	0.36
<b>Closing balance</b>	<b>(26,121.86)</b>	<b>(11,762.72)</b>

Retained earnings comprises prior and current year's undistributed earnings after tax.

<b>b) Securities Premium</b>		
Balance as per previous financial statements as at April 1	410.00	410.00
Add/Less : Movement during the year	-	-
<b>Closing balance</b>	<b>410.00</b>	<b>410.00</b>

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, 2024		As at March 31, 2023	
	Non current	Current	Non current	Current
<b>14 Borrowings (carried at amortised cost)</b>				
<b>Secured Term Loans</b>				
<b>From Banks &amp; Financial Institutions</b>				
Term loan-IFCI	-	5,920.78	-	5,920.78
<b>Total (a)</b>	<b>-</b>	<b>5,920.78</b>	<b>-</b>	<b>5,920.78</b>
<b>Unsecured Term Loans</b>				
<b>From Banks &amp; Financial Institutions</b>				
IFCI venture capital funds Ltd.	-	975.70	-	975.70
Loan component of redeemable preference shares	381.10	-	331.51	-
<b>Total (b)</b>	<b>381.10</b>	<b>975.70</b>	<b>331.51</b>	<b>975.70</b>
<b>Total (a) + (b)</b>	<b>381.10</b>	<b>6,896.48</b>	<b>331.51</b>	<b>6,896.48</b>

- 14.1** 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.
- 14.2** Term Loans from IFCI is/was 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.
- 14.3** 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.
- 14.4** Current maturities of long term loans have been considered in financial liabilities- Borrowings in note no. 17
- 14.5** **Default in the payment of principal & Interest of Bank and financial institutions**

The overdue interest on borrowing amounts to ₹ 2601.81 lacs as reflected in the Ind AS financial statement "Other Current Financial Liabilities" which was outstanding as at March 31, 2024.

The overdue principal repayments of borrowing amounts to ₹ 6896.48 lacs as reflected in the Ind AS financial statement "Financial Liabilities-Borrowing" which was outstanding as at March 31, 2024.

Lender wise details for overdue interest & overdue principal repayments are given below:

Name of Bank /FI	Overdue Principal repayments as at 31.03.2024	Period of default for overdue principal repayment	Overdue Interest as at 31.03.2024	Period of default for overdue interest
	(₹ In lacs)		(₹ In lacs)	
IFCI Limited	5,920.78	1 -2237 days	2,297.93	1 -2210 days
IFCI Venture Capital Fund Ltd	975.70	1 -2040 days	303.88	1 -2011 days

	As at March 31, 2024		As at March 31, 2023	
	Non current	Current	Non current	Current
<b>15 Provisions - Long term</b>				
<b>Provision for employee benefits:</b>				
Provision for gratuity	2.87	0.14	3.42	0.22
Provision for leave benefit	0.09	0.01	0.13	0.01
<b>Other provisions:</b>				
Provision for decommissioning liability	128.26	-	124.42	-
Provision for statutory dues	-	1,245.46	-	1,221.46
<b>Total</b>	<b>131.22</b>	<b>1,245.61</b>	<b>127.97</b>	<b>1,221.69</b>

**ARCOTECH LIMITED**
**Notes to Financial Statements for the year ended March 31, 2024**
*(In Lacs, INR)*

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>16 Income taxes</b>		
<b>a) Deferred tax liabilities (net)</b>		
<b>Deferred tax liability on account of :</b>		
Accumulated Depreciation	(3,101.47)	(3,198.74)
Other timing differences	(0.08)	(0.19)
<b>Total deferred tax liability</b>	<b>(3,101.55)</b>	<b>(3,198.93)</b>
<b>Deferred tax assets on account of :</b>		
Other employee benefits	1.09	1.32
On unused tax losses	10,646.35	12,812.30
Other timing differences	8,701.01	4,120.80
<b>Total deferred tax asset</b>	<b>19,348.45</b>	<b>16,934.42</b>
<b>Net deferred tax assets/ (liability)</b>	<b>16,246.90</b>	<b>13,735.49</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023</b>		
	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Accounting profit before tax	(16,870.77)	(12,014.99)
At India's statutory Income tax rate	34.94%	34.94%
Tax at full rate	(5,894.65)	(4,198.04)
Adjustments:		
Provision for diminution in assets value	4,580.21	2,761.66
Other deductible items	1,314.43	1,436.38
Other non deductible items	(2,511.49)	(3,799.26)
MAT credit entitlement	-	-
<b>Total</b>	<b>(2,511.49)</b>	<b>(3,799.26)</b>
Income tax expenses reported in the Statement of Profit and Loss for the current year	<b>(2,511.49)</b>	<b>(3,799.26)</b>
<b>Deferred tax</b>		
Reconciliation of deferred tax liabilities (net):		
Opening balances as at April 1	(13,735.49)	(9,936.42)
Tax income during the year recognised in Statement of Profit and Loss	(2,511.49)	(3,799.26)
Tax income during the year recognised in OCI	0.08	0.19
<b>Closing balance as at March '31</b>	<b>(16,246.90)</b>	<b>(13,735.49)</b>

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.

	As at March 31, 2024	As at March 31, 2023
<b>17 Short Term Borrowings</b>		
<b>Secured</b>		
Working capital loan from bank	42,560.45	41,121.33
Current maturities of long term debt (refer note 14)	5,920.78	5,920.78
<b>Unsecured</b>		
From corporates	1,000.00	759.38
Current maturities of long term debt (refer note 14)	975.70	975.70
<b>Total</b>	<b>50,456.93</b>	<b>48,777.19</b>

**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 13.65% per annum and repayable within one year.

**17.03** The company has defaulted in payment of overdraft account & cash credits account amounting to Rs. 42,560.45 lacs (Previous year: Rs. 41,121.33 lacs) as reflected in the Ind AS financial statement "Financial Liabilities- Borrowing ( Note:17)" which was outstanding as at March 31, 2024.

	As at March 31, 2024	As at March 31, 2023
<b>18 Trade payables</b>		
Creditors for raw material and stores		
- total outstanding dues of micro and small enterprises	6.10	5.17
- total outstanding dues other than micro and small enterprises	65.17	65.17
<b>Total</b>	<b>71.27</b>	<b>70.34</b>

**Trade Payables aging schedule**

**31.03.2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	0.93	0.79	0.67	3.71	6.10
(ii) Others	0.01	-	2.21	62.95	65.17
(iii) Disputed dues — MSME					
(iv) Disputed dues - Others					

**Trade Payables aging schedule**

**31.03.2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
(i) MSME	1.46	0.64	0.33	2.74	5.17
(ii) Others	0.01	2.27	2.42	60.47	65.17
(iii) Disputed dues — MSME					
(iv) Disputed dues - Others					

<b>19 Other current financial liabilities</b>		
Interest accrued & due on borrowings		
Unpaid dividends	11.44	11.44
Creditors for capital goods	50.78	50.78
Expenses payable/Other Liabilities	5,844.90	4,969.46
<b>Total</b>	<b>5,907.12</b>	<b>5,031.68</b>

<b>20 Other current liabilities</b>		
Statutory dues	71.65	50.03
<b>Total</b>	<b>71.65</b>	<b>50.03</b>

<b>21 Provisions-Current</b>		
<b>Provision for employee benefits:</b>		
Provision for gratuity (refer note 15)	0.14	0.22
Provision for leave Benefit (refer note 15)	0.01	0.01
<b>Other Provisions:</b>		
Provision for statutory dues (refer note 15)	1,245.46	1,221.46
<b>Total</b>	<b>1,245.61</b>	<b>1,221.69</b>

<b>22 Current tax liabilities (net)</b>		
Income Tax Demand	1,209.07	1,209.07
Provision for taxation	1,320.37	1,320.37
<b>Total</b>	<b>2,529.44</b>	<b>2,529.44</b>



**ARCOTECH LIMITED****Notes to Financial Statements for the year ended March 31,2024***(In Lacs,INR)*

	<b>As at March 31,2024</b>	<b>As at March 31, 2023</b>
<b>23 Revenue from operations</b>		
Sale of non ferrous semis	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>24 Other Income</b>		
Interest on fixed deposits & mutual fund	0.32	0.32
Sundry liabilities written off	-	3.28
<b>Total</b>	<b>0.32</b>	<b>3.60</b>
<b>25 Cost of components consumed</b>		
<b>Consumption of consumables</b>		
Inventory at the year beginning	120.89	120.89
Add : Purchases	-	-
Less : Inventory at the year end	120.89	120.89
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A + B)</b>	<b>-</b>	<b>-</b>
<b>26 Changes in inventories of finished goods, stock-in -trade and work-in-progress</b>		
<b>Inventories at the year end (refer note no 6)</b>		
Finished goods	44.40	44.40
Work-in-progress	2,567.95	2,567.95
<b>Subtotal (A)</b>	<b>2,612.35</b>	<b>2,612.35</b>
<b>Inventory at the year beginning (refer note no 6)</b>		
Finished goods	44.40	44.40
Work-in-progress	2,567.95	2,567.95
<b>Subtotal (B)</b>	<b>2,612.35</b>	<b>2,612.35</b>
<b>Increase/ (Decrease) (A - B)</b>	<b>-</b>	<b>-</b>

**ARCOTECH LIMITED****Notes to Financial Statements for the year ended March 31,2024***(In Lacs,INR)*

	As at March 31,2024	As at March 31, 2023
<b>27 Employee benefits expense</b>		
Salaries and wages (including allowances)	36.54	28.09
Directors remuneration (including reimbursements)	6.00	6.00
Contribution towards LWF	-	0.02
Gratuity expenses	0.68	1.81
Leave pay	0.04	0.03
Staff welfare expenses	0.24	0.49
<b>Total</b>	<b>43.50</b>	<b>36.44</b>
<b>28 Finance costs</b>		
Interest on working capital loan	1,439.12	1,439.12
Interest on unsecured loan	272.84	52.10
Interest on term loan	313.46	313.46
Other interest	380.00	320.00
Unwinding of discount and effect of changes in discount rate on provisions and liabilities	54.36	47.87
<b>Total</b>	<b>2,459.78</b>	<b>2,172.55</b>
<b>29 Other expenses</b>		
Bank charges and commission	-	-
<u>Repair &amp; maintenance</u>		
For others	-	0.03
Insurance	1.31	0.95
Legal & professional charges	139.01	15.95
Rent, rates and taxes	6.17	22.76
Travelling & conveyance - Others	0.63	5.89
<u>Payment to auditors</u>		
For statutory audit	2.00	2.00
For internal audit, stock audit & due diligence	0.40	0.40
Miscellaneous & administrative expenses	55.40	4.23
Loss on sale of PPE	-	2.57
Capital advances written off	-	753.00
Provision For doubtful advances	3,935.00	1,916.00
Impairment allowance on debtors	9,173.79	5,988.00
<b>Total</b>	<b>13,313.71</b>	<b>8,711.78</b>

**ARCOTECH LIMITED****Notes to Financial Statements for the year ended March 31, 2024**

(In Lacs, INR)

	As at March 31, 2024	As at March 31, 2023
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**30 Earning per share (EPS)**

The numbers used in calculating basic and diluted earnings are stated below :

Profit/(Loss) for the year after taxation (in lacs)	(14,359.28)	(8,215.73)
Weighted average number of shares outstanding during the year	105,000,000	105,000,000
Earnings per share (Basic and Diluted) (Rs.)	(13.68)	(7.82)
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.

**31 Related Party Disclosures****a) Name of the related party and nature of relationship, where there are transactions**

<b>Key management personnel and</b>			
<b>i. their remuneration:</b>	<b>Nature of relationship</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Mr. R N Pattanayak	Whole time director	6.00	6.00
Miss Nidhi Jain	Company secretary	9.75	7.80
Mr. Arvind Dadheech	Chief financial officer	5.87	5.68

<b>Transaction with related parties</b>			
<b>ii. other than KMP</b>	<b>Nature of relationship</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>

Nil.

**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**

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
a) Income tax demand (under appeal)	25468.38 lacs	25468.38 lacs
b) Claims not acknowledged as debts	48.05 lacs	72.68 lacs

**34** As per the information available with the Company transactions have been entered with suppliers as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, below mentioned disclosure are made as required under the said Act.

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
<b>a) Amounts payable to suppliers under MSMED Act, 2006</b>		
Principal	5.17 lacs	4.38 lacs
Interest due thereon	0.93 lacs	0.79 lacs
<b>b) Payments made to suppliers beyond the appointed day during the year</b>		
Principal	0.00 lacs	0.00 lacs
Interest paid	Nil	Nil
<b>c) Amount of interest due and payable for the principal which have been paid beyond the appointed date.</b>	0.00 lacs	0.00 lacs
<b>d) Amount of interest accrued and remaining unpaid</b>	0.93 lacs	0.79 lacs
<b>e) Amount of interest remaining due and payable to suppliers disallowable as deductible expenditure under Income Tax Act, 1961</b>	0.93 lacs	0.79 lacs

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.

**ARCOTECH LIMITED****Notes to Financial Statements for the year ended March 31, 2024***(In Lacs, INR)*

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>35 Corporate Social Responsibility</b>		
	<b>March 31, 2024</b>	<b>March 31, 2023</b>
a) Gross amount required to be spent by the Company as per section 135 of CA, 2013 during the year	-	-
b) Amount spent during the year on the activities mentioned in Schedule VII of the CA, 2013	-	-

**36** The Company do not have any transactions with companies struck off under Section 248 of the Companies Act, 2013.

**37** There is no disclosure to be made in the financials of the Company w.r.t. Ind AS 116 on "Leases" which is applicable from April 01, 2019 as there is no lease as on the balance sheet date.

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

**39** Figures in these financial statements are in lacs unless otherwise stated.

**40 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 counterparty 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:

<b>Particulars</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Gross receivables	23,899.21	23,899.20
Impairment loss recognised	17,551.73	8,377.94
Amounts written off	-	-
Balance as at the end of the year	<b>6,347.48</b>	<b>15,521.26</b>

**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.

**ARCOTECH LIMITED****Notes to Financial Statements for the year ended March 31, 2024**

(In Lacs, INR)

**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, 2024	March 31, 2023
Cash and cash equivalents	0.92	0.92
Bank balances other than cash and cash equivalents	16.31	16.06
<b>Total</b>	<b>17.23</b>	<b>16.98</b>

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

Financial liabilities (31 March 2024)	On demand	Less than 12 months	1-5 years	Total
Trade payables	-	71.27	-	71.27
Borrowings	-	50,456.93	381.10	50,838.03
Other financial liabilities	-	5,907.12	-	5,907.12
<b>Total financial liabilities</b>	<b>-</b>	<b>56,435.32</b>	<b>381.10</b>	<b>56,816.42</b>

Financial liabilities (31 March 2023)	On demand	Less than 12 months	1-5 years	Total
Trade payables	-	70.34	-	70.34
Borrowings	-	48,777.19	331.51	49,108.70
Other financial liabilities	-	5,031.68	-	5,031.68
<b>Total financial liabilities</b>	<b>-</b>	<b>53,879.21</b>	<b>331.51</b>	<b>54,210.72</b>

**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.

Particulars	March 31, 2024	March 31, 2023
Borrowings	50,838.03	49,108.70
Less: Cash and cash equivalents	0.92	0.92
<b>Net debt</b>	<b>50,837.11</b>	<b>49,107.78</b>
Equity	(20,299.33)	(5,940.19)
<b>Gearing Ratio (times)</b>	<b>(2.50)</b>	<b>(8.27)</b>

## 41 Fair value measurements

## (i) Financial instruments by category

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments	-	-	1.20	-	-	1.14
Trade receivables	-	-	6,347.48	-	-	15,521.26
Cash and bank balances	-	-	17.23	-	-	16.98
Other receivables	-	-	7.76	-	-	58.14
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>6,373.67</b>	<b>-</b>	<b>-</b>	<b>15,597.52</b>
<b>Financial liabilities</b>						
Borrowings	-	-	50,838.03	-	-	49,108.70
Trade payables	-	-	71.27	-	-	70.34
Other payables	-	-	5,907.12	-	-	5,031.68
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>56,816.42</b>	<b>-</b>	<b>-</b>	<b>54,210.72</b>

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
<b>As at March 31, 2024</b>					
Financial assets					
- Investments in mutual funds (unquoted) at FVTPL	3	-	-	-	-
		-	-	-	-
<b>As at March 31, 2023</b>					
Financial assets					
- Investments in mutual funds (unquoted) at FVTPL	3	-	-	-	-
		-	-	-	-

**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.

## (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.

## ARCOTECH LIMITED

### Notes to Financial Statements for the year ended March 31, 2024

(In Lacs, INR)

#### 42 Other statutory information for the year ended March 31, 2024 and March 31, 2023

- (a) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (b) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (c) The Company have not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (e) (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (f) (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Company does not have any such transaction which is not recorded in the books of account that has been surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other) relevant provisions of the Income-tax Act, 1961.
- (g) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (h) The Company has complied with the number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.

43 The restructuring of the company's business is under consideration by the lenders. In view of the management's expectation of successful outcome of above proposals and revival of its business based on its discussion with the lenders and feasible TEV(techno economic viability) reports, the financial statement has been prepared on a going concern basis. However, certain lenders of the company have filed applications/issued notices including in NCLT, DRT and SARFAESI. The management expects these to be resolved on the implementation of the restructuring. The TEV report conducted by the outside agency, which was appointed by the lenders, has envisaged certain reliefs/concessions primarily in the interest rates and payment tenures. The relief is envisaged from 01.11.2018 and accordingly the company is providing interest as per the envisaged restructuring plan. Therefore unprovided interest during the current financial year amounts to Rs. 3948.82 lakhs (Net of tax of Rs.2569.10 lakhs).

The company is in the process of settling the dues with the lenders towards which an amount of Rs. 705.00 lacs has been deposited with the bankers and financial institutions, for which final approval from some of the lenders is still awaited.

S.No.	Particulars	31.03.2024	31.03.2023
1	From Working Capital Loan- PNB, CBOI, Canara Bank & BOI.	3,236.95	3231.35
2	From Unsecured Loan- IFCI Venture Capital Funds Limited & other unsecured loans	217.15	243.49
3	From Secured Loan- IFCI Ltd.	494.72	494.72



**ARCOTECH LIMITED**  
**Ratio Analysis for the year ended on March 31, 2024**

Note 44

S.No	Particulars	Formula	As at 31 March 2024		As at 31 March 2023		Variation more than 25 %	Reason of variation (If variation is more than 25%)
1	Current Ratio	Current Asset	10,467.97	0.17	23,584.93	0.41	-58%	Due to increase in current liabilities and decrease in current assets.
		Current Liabilities	60,282.02		57,680.37			
2	Debt-Equity Ratio	Total Debt	50,838.03	(2.50)	49,108.70	(8.27)	-70%	Due to increase in net loss during the year which results in decrease in total equity.
		Total Equity	(20,299.33)		(5,940.19)			
3	Debt Service Coverage Ratio	Net Operating Income	(14,410.99)	(0.27)	(9,842.44)	(0.19)	44%	Due to increase in net loss during the year.
		Debt Service	53,439.84		52,508.67			
4	Return on Equity Ratio	Net Income	(14,359.28)	0.71	(8,215.73)	1.38	-49%	Due to increase in net loss during the year which results in decrease in total equity.
		Shareholders Funds	(20,299.33)		(5,940.19)			
5	Inventory Turnover Ratio	COGS	-	-	-	-	-	Revenue from operation is nil during the year.
		Average Inventory	2,733.24		2,733.24			
6	Trade Receivables Turnover Ratio	Net Sales	-	-	-	-	-	Revenue from operation is nil during the year.
		Average Receivables	10,934.37		18,515.34			
7	Trade payables turnover ratio	Net Purchase	-	-	-	-	-	Revenue from operation is nil during the year.
		Average Payables	70.81		70.10			
8	Net capital turnover ratio	Sales or COGS	-	-	-	-	-	Revenue from operation is nil during the year.
		Total Equity	(20,299.33)		(5,940.19)			
9	Net profit ratio	Net Profit after tax	(14,359.28)	-	(8,215.73)	-	-	Revenue from operation is nil during the year.
		Sales	-		-			
10	Return on Capital employed	Net Profit after tax + Interest	(12,279.50)	0.60	(6,363.18)	1.07	-44%	Due to increase in net loss during the year which results in decrease in capital employed.
		Capital Employed	(20,299.33)		(5,940.19)			
11	Return on investment	Net return on investment	0.06	0.05	0.06	0.05	-5.00%	NA
		Cost of Investment	1.20		1.14			

S. No.	Ratios	Formula
1	Current Ratio	Current Assets = Trade Receivables + Cash & Cash Equivalents + Short Term Loans & Advances + Other Current Assets & Current Liabilities = Trade Payables + Short Term Borrowings + Other Current Liabilities + Short Term Provisions
2	Debt/Equity Ratio	Total Debt = (Current Borrowing + Non-Current Borrowing) & Total Equity = (Equity Share Capital + Reserve & Surplus)
3	Debt Service Coverage Ratio	Net Operating Income = Earnings before exceptional items, Interest and Tax & Debt Service = Interest Payable on Borrowings + Total loan amount of short term and long term borrowing
4	Return on equity ratio	Net Earnings = (Net Profit/Loss after taxes) & Shareholders' Funds = Equity Share Capital + Reserve & Surplus
5	Inventory turnover	Cost of goods sold & Average Inventories = (Opening Inventory + Closing Inventory)/2
6	Trade receivable turnover ratio	Revenue from operations = Net Credit Sales & Average Trade Receivables = (Opening Trade Receivables + Closing Trade Receivables)/2
7	Trade payable turnover ratio	Net Credit Purchase & Average accounts payable = (Opening Trade Payables + Closing Trade Payables)/2
8	Net capital turnover ratio	Total Sales ÷ Total Equity
9	Net profit ratio	Net Profit after Tax ÷ Revenue from operations
10	Return on capital employed	EBIT = (Net Profit after tax + Interest) & Total Equity = (Equity Share Capital + Other Equity)
11	Return on investment	Net return on Investment ÷ Cost of Investment

**45 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 encashment plan.

Particulars	March 31, 2024		March 31, 2023	
	Gratuity (Non funded)	Leave encashment (Non funded)	Gratuity (Non funded)	Leave encashment (Non funded)
<b>Change in defined benefit obligation</b>				
Defined benefit obligation at beginning of year	3.64	0.14	18.37	0.14
Current service cost	0.41	0.03	0.51	0.02
Interest expense	0.27	0.01	1.30	0.01
Benefit payments from employer	(1.17)	-	(16.02)	-
Remeasurements - Due to financial assumptions	0.03	0.00	(0.08)	(0.00)
Remeasurements - Due to experience adjustments	(0.17)	(0.08)	(0.44)	(0.03)
<b>Defined benefit obligation at end of year</b>	<b>3.01</b>	<b>0.10</b>	<b>3.64</b>	<b>0.14</b>
<b>Change in fair value of plan assets</b>				
Fair value of plan assets at beginning of year	-	-	-	-
Interest income	-	-	-	-
Employer contributions	-	-	-	-
Employer direct benefit payments	1.17	-	16.02	-
Employer direct settlement payments	-	-	-	-
Benefit payments from plan assets	-	-	-	-
Benefit payments from employer	(1.17)	-	(16.02)	-
Settlement payments from plan assets	-	-	-	-
Settlement payments from employer	-	-	-	-
Others	-	-	-	-
<b>Fair value of plan assets at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Present value of defined benefit obligation at the end of the year	3.01	0.10	3.64	0.14
Fair value of plan assets at the end of the year	-	-	-	-
<b>Net liability recognised in the balance sheet</b>	<b>(3.01)</b>	<b>(0.10)</b>	<b>(3.64)</b>	<b>(0.14)</b>
<b>Expenses recognised in statement of profit and loss</b>				
Current service cost	0.41	0.03	0.51	0.02
Interest expense	0.27	0.01	1.30	0.01
<b>Defined benefit cost included in P &amp; L</b>	<b>0.68</b>	<b>0.04</b>	<b>1.81</b>	<b>0.03</b>

**Re-measurement gains / (losses) in OCI**

Remeasurements - Due to demographic assumptions	-	-	-	-
Remeasurements - Due to financial assumptions	0.03	0.00	(0.08)	(0.00)
Remeasurements - Due to experience adjustments	(0.17)	(0.08)	(0.44)	(0.03)
Return on plan assets (greater) less than discount rate	-	-	-	-

<b>Total expenses routed through OCI</b>	<b>(0.14)</b>	<b>(0.08)</b>	<b>(0.52)</b>	<b>(0.03)</b>
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**Net Defined Benefit Liability / (Asset) reconciliation**

Net defined benefit liability/(asset) at beginning of year	3.64	0.14	18.37	0.14
Defined benefit cost included in P & L	0.68	0.04	1.81	0.03
Total remeasurements included in OCI	(0.14)	(0.08)	(0.52)	(0.03)
Employer direct benefit payments	(1.17)	-	(16.02)	-
<b>Net defined benefit liability / (asset) at end of year</b>	<b>3.01</b>	<b>0.10</b>	<b>3.64</b>	<b>0.14</b>

**Actuarial assumptions**

Discount rate	7.20%	7.20%	7.30%	7.30%
Salary increase	6.00%	6.00%	6.00%	6.00%
Expected rate of return on plan assets	N/A	N/A	N/A	N/A
Mortality table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
Disability rate	5% of mortality rate	5% of mortality rate	5% of mortality rate	5% of mortality rate
Retirement age	58 years	58 years	58 years	58 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, 2024		March 31, 2023	
	(Up by 1%)	(Down by 1%)	(Up by 1%)	(Down by 1%)
Salary escalation	3.39	2.70	4.12	3.25
Withdrawal rates	3.04	2.99	3.68	3.61
Discount rates	2.71	3.38	3.27	4.09
Mortality Rates	3.01	3.01	3.64	3.64

**Leave encashment sensitivity analysis :**

Particulars	March 31, 2024		March 31, 2023	
	(Up by 1%)	(Down by 1%)	(Up by 1%)	(Down by 1%)
Salary escalation	0.11	0.09	0.16	0.13
Withdrawal rates	0.10	0.10	0.15	0.14
Discount rates	0.09	0.11	0.13	0.41
Mortality Rates	0.10	0.10	0.14	0.14

**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, 2024	March 31, 2023
Company's contribution to provident fund	-	-
Company's contribution to employee state insurance	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

For Amit Joshi & Associates  
Chartered Accountants  
FRN: 004898N

Sd/-  
A.K.Saraf  
Director  
DIN :00057323

Sd/-  
R.N.Pattanayak  
Whole Time Director  
DIN:01189370

Sd/-  
S.L.Mohan  
Director  
DIN:00028126

Sd/-  
Amit Joshi  
Partner  
Membership No.083617

Sd/-  
R.D.Tayal  
Director  
DIN :00021148

Sd/-  
Arvind Dadheech  
Chief Financial Officer

Sd/-  
Nidhi Jain  
Company Secretary  
M.No.: FCS 11814

Place:New Delhi  
Date: 30/05/2024

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
<b>I.</b>	<b>Sl. No.</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Adjusted Figures (audited figures after adjusting for qualifications)</b>
			<b>Rs. In Lacs</b>	<b>Rs. In Lacs</b>
	1.	Turnover / Total income	0.32	0.32
	2.	Total Expenditure	14,359.60	16,928.70
	3.	Net Profit/(Loss)	(14,359.28)	(16,928.38)
	4.	Earnings Per Share	(13.68)	(16.12)
	5.	Total Assets	40,495.01	40,495.01
	6.	Total Liabilities	60,794.34	75,432.96
	7.	Net Worth	(20,299.33)	(34,937.95)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II.</b>	<b>Audit Qualification (each audit qualification separately):</b>			
	<p><b>a. Details of Audit Qualification:</b> The restructuring of the company's business is under consideration by the lenders. Consequent to the filing of restructuring proposal with lenders, feasible TEV (techno economic viability) study/reports of the operations of the Company was conducted by outside agency where in certain reliefs/ concessions have been envisaged to make the project viable. Included in there is relief in interest rates effective from 01.11.2018. The company has provided interest at the rates mentioned in TEV. This along with other unprovided interest amounts to Rs. 2,569.10 lakhs (net of tax) for the current financial year. The company is in the process of settling the dues with the lenders towards which an amount of Rs. 705.00 lacs has been deposited with the bankers and financial institutions, for which final approval from some of the lenders is still awaited.</p>			
	<p><b>b. Type of Audit Qualification :</b> Qualified Opinion</p>			
	<p><b>c. Frequency of qualification:</b> Repetitive (appeared fourth time)</p>			
	<p><b>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> The management is of the view that the accounts of the company will be restructured accordingly the company and its bankers conducted TEV (techno economic viability) study. The company has considered its interest liabilities as per this restructuring plan. The company is in the process of settling the dues with the lenders towards which an amount of Rs. 705.00 lacs has been deposited with the bankers and financial institutions, for which final approval from some of the lenders is still awaited.</p>			
	<p><b>e. For Audit Qualification(s) where the impact is not quantified by the auditor: NA</b></p> <p>(i) <b>Management's estimation on the impact of audit qualification: NA</b></p> <p>(ii) <b>If management is unable to estimate the impact, reasons for the same: NA</b></p> <p>(iii) <b>Auditors' Comments on (i) or (ii) above: NA</b></p>			
<b>III.</b>	<b>Signatories:</b>			
	Sd/-	Sd/-	Sd/-	Sd/-
	Radhanath Pattanayak	Arvind Dadheech	Rameshwar Dayal Tayal	Amit Joshi
	Wholetime Director	CFO	Audit Committee Chairman	For Amit Joshi & Associates
	DIN: 01189370	PAN: CGEPD7200D	DIN: 00021148	Chartered Accountants
				FRN: 004898N
				M.No.083617
	Place: New Delhi			
	Date: 30.05.2024			

Note: Company has appointed Mr. Radhanath Pattanayak (DIN: 01189370) as its Whole Time Director (WTD) as per requirements of Section 203 of Companies Act, 2013 and therefore, Statement of Impact is signed by WTD in place of CEO/MD.