

31st Annual Report
2011 - 2012



ARCOTECH LIMITED

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BOARD OF DIRECTORS

Shri Arvind K. Saraf	<i>Chairman</i>
Shri Gautam Khaitan	<i>Director</i>
Shri R. D. Tayal	<i>Director</i>
Shri R. N. Pattanayak	<i>Whole Time Director</i>

COMPANY SECRETARY

Shri Amit Sharma

AUDITORS

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

REGISTERED OFFICE AND WORKS

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

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Saturday, the 29th day of September, 2012 at 10.30 A.M. at the Registered Office of the Company situated at 181, Sector-3, Industrial Growth Centre, Bawal, Distt Rewari, Haryana-123501 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit & Loss Account together with the Consolidated Financial Statement of Accounts for the year ended on that date, together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Shri Rameshwar Dayal Tayal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass the following resolution :

"RESOLVED THAT M/s Shwetank Joshi & Co., Chartered Accountant, 66, Ezra street kolkata-700001, the retiring Auditors who have offered their services and who are not disqualified to act as auditors of the company under Section 224(1B) of the Companies Act,1956 be and are hereby reappointed as auditors of the company to hold office for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be fixed by the Board of Directors.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take steps as may be necessary to give effect to this resolution."

SPECIAL BUSINESS

ITEM NO. 4

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Shri Radha Nath Pattanayak, Whole Time Director of the Company be and is hereby re-appointed as a Whole Time Director for a period of three years w.e.f. 17th December, 2012 on a remuneration not exceeding Rs. 250000.00 per month, comprising of basic salary of Rs.125000.00 per month with perks, benefits and allowance namely of Medical Expenses, Business Promotion, Driver Salary, Telephone Bills, Conveyance expenses, Allowances namely Washing Allowance, Attire Allowance, Academic Research Allowance, Children Education Allowance."

"RESOLVED FURTHER THAT subject to the overall ceiling on remuneration to the provision of of Section 198, 269 & 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Remuneration Committee be and is hereby authorized to pay a maximum of 1% commission on the net profit calculated as per the provisions of Section 350 of the Companies Act, 1956 to Shri Radha Nath Pattanayak annually after reviewing his performance."

"RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Appointee, the company has no profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances as specified above."

By Order of the Board

Place : New Delhi
Date : 6th August, 2012

(Amit Sharma)
Company Secretary
& Finance Manager

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The proxy form duly completed must reach the Company's Registered Office atleast 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, the 22nd September, 2012, to Saturday, the 29th September, 2012 (both days inclusive).
4. All documents referred to in the above notice and the explanatory statement are open for inspection at the Registered Office of the Company between 10.00 A.M. and 1.00 P.M. on all working days, except Saturdays upto the date of Annual General Meeting.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business is annexed hereto.
7. Members are already aware that the Company had appointed M/s. Maheshwari Datamatics Pvt Ltd, 6, Mangoe Lane, 2nd Floor, Kolkata-700001, as Share Transfer Agent (STA), both for electronic connectivity and Share Transfer work. Members can make correspondence with STA for Share Transfer requests and change of address related queries.
8. Members having multiple accounts in identical names or joint accounts in the same order are requested to intimate the Company / STA, the ledger folio of such accounts to enable the Company to consolidate all such shareholdings into one account.
9. The Company is registered with the following depositories for dematerialization of its Equity Shares:-
 - i) National Securities Depositories Ltd. (NSDL) at Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013
 - ii) Central Depository Services (India) Ltd. (CDSL), at Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai-400001
10. Members desiring any information/clarification on the Annual Accounts are requested to write to the Company at its Registered Office at least 15 days before the date of Annual General Meeting so that the same may be attended to, well in advance.
11. The relevant information of Directors, by way of brief resume, seeking reappointment under items no.2 and 4 as required under Clause - 49 of the Listing Agreement entered with the Stock Exchanges are given herein below:

Name of the Director/s	Shri Radha Nath Pattanayak	Shri Rameshwar Dayal Tayal
Date of Birth	22.05.1960	30.11.1953
First date of Appointment	18.12.2006	12.11.2005
Expertise in specific functional areas	Marketing of Non- Ferrous products	Businessman
Qualification/s	B.Com, MBA	Graduate
Directorship in other Companies as on 31st March, 2012	<ul style="list-style-type: none"> • Arcotech Biochem Ltd • Arcotech Info Ltd • Arcofemi Healthcare Ltd • Arcotech Avanced Metaliks Ltd 	<ul style="list-style-type: none"> • Amber Leasing P Ltd • Arcotech Biochem Ltd
Chairmanship/ Membership of Committees (across all public Cos.)	Member Audit & Share Transfer Committee of Arcotech Ltd	Member Audit & Remuneration Committee of Arcotech Ltd
Shareholding in the Company	NIL	NIL

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.4

Shri Radha Nath Pattanayak, aged 52 years, is an M.Com, MBA from Pune University and is having an experience of about 28 years in the marketing of non-ferrous products. Considering his experience and track record, initially he was appointed as Whole Time Director by the Board for a period of three years w.e.f. 18th December, 2006 on the recommendation of the Remuneration Committee, His term is proposed to be extended for another three years w.e.f 17th December, 2012. Remuneration has been fixed within the ceiling limit & conditions specified in Section II (A) of Schedule III of the Companies Act, 1956.

None of the Directors except Shri Radha Nath Pattanayak himself is concerned or interested in this resolution. Your Directors recommend resolutions at Sl No. 4 for approval.

This may be treated as an extract of the terms of appointment pursuant to Section 302 of the Companies Act.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 31st Annual Report with the Audited Statement of Accounts of your Company for the Financial Year ended the 31st March, 2012.

1. FINANCIAL HIGHLIGHTS

PARTICULARS	(Rs. in Lacs)	
	2011-2012	2010-2011
Sales & Other Income	27846.44	22265.33
Profit Before Interest, Depreciation & Tax (PBDIT)	3876.55	3342.70
Less : Interest & Finance Charges	1345.48	1015.46
Profit Before Depreciation & Tax (PBIT)	2531.08	2327.24
Less : Depreciation	222.77	171.72
Profit Before Tax (PBT)	2308.30	2155.52
Less : Provision for Current Tax /Deferred Tax	(534.35)	(738.36)
Profit After Tax (PAT)	1773.96	1417.16

2. DIVIDEND

In view of the future plans of the company in relation to the expansion, your Directors do not recommend any Dividend for the year under review.

3. BUSINESS AND OPERATIONS REVIEW

The Company continued its efforts to strengthen its presence across various industrial segments both in domestic and international market during the year under review. Stakeholders are aware that during the FY 2010-11, the focus of the Company was primarily in diversifying its reach in different industrial segments and simultaneously we diversified geographically in domestic market as well.

During the year under review, the company has expanded itself in the international market as well. The competitive edge of providing international quality material at cost effective price has helped your Company to tap international market. The Company has made direct exports to Middle East, Far East Asia and Latin America etc.

In order to further expand and to meet the stringent quality conditions of international market, your Company has taken up a expansion cum modernization plan which will increase its installed capacity to 24000 MTPA. This would also enable Company to better its economies of scale and to reduce per unit cost of production and at the same time would bring uniformity in entire production process.

4. DIRECTORS

In pursuance with the provisions of Companies Act, 1956, Shri Rameshwar Dayal Tayal retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. In terms of Clause 49 of the Listing Agreement with the Stock Exchange, the details of the Director to be re-appointed are being provided in the notice of the ensuing Annual General Meeting.

5. FIXED DEPOSITS

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

6. AUDITORS' REPORT AND AUDITORS

The Notes to Accounts, forming part of Balance Sheet as at 31st March, 2012 and Profit & Loss Account for the year ended on that date, referred to in the Auditors' Report are self explanatory.

M/s. Shwetank Joshi & Associates, Chartered Accountants, 66, Ezra Street, Kolkata-700001, Auditors of the Company who will retire at the conclusion of this Annual General Meeting, are eligible for re-appointment. The Company has

received peer review Certificate along with the Certificate from the auditors to the effect that their appointment, if made, would be within the limit prescribed under Section 224 (IB) of the Companies Act, 1956. The Board of your Company recommends their re-appointment.

7. LISTING AND DEMAT OF SHARES

The Equity Shares of the Company are available in dematerialized form with NSDL & CDSL. The ISIN number of the Company is INE574I01027.

8. STATUTORY STATEMENTS

A. Conservation of energy and technology absorption

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

B. Foreign Exchange Earnings and outgo

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

C. Particulars of Employees

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

9. CORPORATE GOVERNANCE

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

10. MANAGEMENT DISCUSSION AND ANALYSIS

(a) *Industry Scenario & Future Challenges*

Company is expecting healthy demand and growth of the product. Our plan is to serve the various segment of the industries. As the company has widened its product mix, the demand for company's product has increased and the company expanded its frontier to international market. Company expects to have continuous growth in demand from its domestic as well as international customers.

(b) *Human Resources / Industrial Relations*

Your Company believes that a dedicated and motivated team of individuals plays a decisive role in achieving its goals. Employees today are looking for development opportunities, future career options, empowerment and work life balance in an organization. To retain leadership position, the Company continuously innovates and customises its Human Resource (HR) strategy to meet changing employee need. The Company continues to invest in its people to upgrade their technical, domain and leadership capability.

(c) *Adequacy of Internal Controls*

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

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

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

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) 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.
- ii) That appropriate accounting policies have been selected and applied them consistently, and, judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- iii) That the Directors have taken proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Annual Accounts have been prepared on a going concern basis.

12. ACKNOWLEDGMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry. Your Company looks upon them as partners in its progress and has shared with them the rewards of growth.

Your Directors also take this opportunity to thank all investors, clients, vendors, banks, government authorities and stock Exchange for their continued support.

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

Place : New Delhi
Date : 6th August, 2012

**(Arvind K Saraf)
Chairman**

Annexure to Directors' Report

S. No.	Name	Age (Years)	Designation	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Total Experience (Years)	Date of Commencement of Employment	Late Employment
1	Mr. R N Pattanayak	53	Whole Time Director	3000000	1806000	28	18.12.2006	Business

ANNEXURE - 'A'

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2012.

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
- Upgraded power distribution system to minimize power loss.
 - Upgraded control system drives for various equipments for conservation of energy.
- b) Additional investment and proposals for reduction of energy consumption.
- Electricity is being purchased through open access from Energy Exchange to reduce DG set running Hrs and thereby saving energy cost.
 - New equipments being added with new innovative ideas to produce value added products with increased productivity.
- c) Impact of the measures at (a) and (b) above on reduction of energy consumption and consequent impact on the cost of production of goods
- The measure would help in increasing the productivity, lowering the power cost.

FORM-A

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(A) Power and Fuel Consumption

	Current Year 2011-2012	Previous Year 2010-2011
1. Electricity		
(a) Purchased (MWH)		
(i) Units	9623.10	7966.33
(ii) Total Amount	50737.95	40554.35
(iii) Rate per unit (Rs.)	5.27	5.07
(b) Own Generation		
(i) Through diesel generator		
Units (MWH)	597.45	196.04
Units per Ltr of diesel	2.41	2.82
Cost/ Unit (Rs.)	16.61	13.51
(ii) Through steam turbine generator	NIL	NIL
2. Coal/ Furnace Oil/ Others	N/A	

(B) Consumption per unit of Production

	Production Unit	Standards (If any)	Current Year 2011-2012 (Unit)	Previous Year 2010-2011 (Unit)
1. Copper & Brass	(Kg.)			
- Electricity		-	1.59	1.52
- Coal/ FO /Others		-	-	-

FORM-B

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Research and Development (R&D)

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

Certain machineries has been re-engineered to meet the specific customer requirement and to achieve internationally acceptable quality parameter.

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

- The operational time has been reduced.
- Quality Benchmarks has been achieved
- Capable to meet customized requirement of customers.

(c) Future plan of action :

The upcoming modernization of the plant is in view with the conservation of energy.

(d) Expenditure on R&D:

Capital	:	Not Allocated
Recurring	:	Not Allocated
Total	:	Not Allocated
Total R&D expenditure as a percentage of total turnover	:	Not Allocated

2. Technology absorption, adaptation and innovation:

(a) Efforts, in brief, made towards technology commissioned. : New equipment added for Value added products and the new sectors of the industry in view of the services.

(b) Benefits derived as a result of the above efforts. : Production cost lowered due to increase in production

(c) Technology imported during the last five years. : DC Caster, Continuous Casting Line & Pin hole Detector consists of several imported mechanical and electronic components.

3. Total Foreign exchange earnings and outgo :

(a) Activities relating to export initiatives taken to increase exports, development of new export markets for products and export plans. : Company bagged repeat orders from various countries covering geographical segments like far-east asia, middle-east, Latin America.

(b) Total foreign exchange used and earned. (equivalent to Rupees) :

- Used (on cash basis)	:	185.43 Lacs
- Earned	:	252.78 Lacs

REPORT ON CORPORATE GOVERNANCE

1. CORPORATE GOVERNANCE PHILOSOPHY

The Company recognizes that transparency, disclosure, financial controls and accountability are the pillars of any good system of Corporate Governance. It is the Company's endeavor to attain highest level of governance to enhance the stakeholder's value. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholders value.

The Board of Directors of the Company is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short & long term interest of shareholders and other stakeholders. This belief is reflected in our Governance practice, under which we strive to maintain an effective, informed and independent Board. We keep our Governance practices under continuous review and benchmark ourselves to the best practices across the globe.

2. BOARD OF DIRECTORS

a) The Composition of the Board

The Board of your Company consists of Four Directors comprising One Executive Director, One Non-Executive-non-independent Director and two non executive and independent Directors.

Sl.	Name	Attendance		Number of other Directorship* and Committee Membership/Chairmanship**		
		Board Meetings	Last AGM	Other Directorships	Total Committee Memberships	Total Committee Chairmanships
1	Sh.Arvind Kumar Saraf Chairman & Promoter	4	Yes	5	-	-
2	Sh. Radha Nath Pattanayak Whole Time Director - Executive	4	Yes	4	1	-
3	Sh. R D Tayal Independent - Non- Executive	4	Yes	1	1	-
4	Sh. Gautam Khaitan Independent - Non -Executive	4	No	11	6	3

* Represents Directorship of other Public Limited Companies.

** Represents Memberships/Chairmanships of Audit Committee, Shareholders/ Investor Grievance Committee, of Indian Companies.

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

Sl. No.	Dates of Board Meeting	Number of Directors Present
1	28.04.2011	4
2	25.07.2011	4
3	12.11.2011	4
4	25.01.2012	4

c) Board Committees

The Board has constituted its following Permanent Committees:-

- Audit Committee comprising of two independent non-executive Directors and one executive Director.
- Remuneration Committee comprising of one non executive -non-independent director and two independent non-executive Directors.
- Share Transfer Committee comprising of one non-executive non-independent Director and one Executive Director.

d) Composition, meetings and attendance at the Board Committees during the year were as under :-

a) Audit Committee			b) Remuneration Committee		
Members	Date & Attendance		Members	Date & Attendance	
Shri Gautam Khaitan (Chairman)	28.04.2011	Yes	Shri Arvind Kumar Saraf Shri R D Tayal Shri Gautam Kaitan	25.07.11	Yes
	25.07.2011	Yes		25.07.11	Yes
	12.11.2011	Yes		25.07.11	Yes
	25.01.2012	Yes			
Shri R D Tayal	28.04.2011	Yes			
	25.07.2011	Yes			
	12.11.2011	Yes			
	25.01.2012	Yes			
Shri Radha Nath Pattanayak	28.04.2011	Yes			
	25.07.2011	Yes			
	12.11.2011	Yes			
	25.01.2012	Yes			

- Terms of Reference of Audit Committee

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

- ◆ Review the adequacy and compliance of internal control systems.
- ◆ Review of Internal Audit Reports.
- ◆ Adequacy of financial disclosures
- ◆ Review of quarterly and annual financial results/ statement.
- ◆ Company's financial and risk management policies.

e) Share Transfer Committee

Shri Arvind Kumar Saraf, Chairman and Shri Radha Nath Pattanayak, Whole Time Director are members of the Committee. During the year, sixteen meetings of the Committee were held on following dates :-

Sl. No.	Date of Committee Meeting	Number of Directors Present
1	18.04.2011	2
2	30.04.2011	2
3	31.05.2011	2
4	15.06.2011	2
5	30.06.2011	2
6	15.07.2011	2
7	29.07.2011	2
8	30.08.2011	2
9	15.10.2011	2
10	31.10.2011	2
11	15.11.2011	2
12	15.12.2011	2
13	30.12.2011	2
14	31.01.2012	2
15	29.02.2012	2
16	31.03.2012	2

No share transfer was pending as on 31.03.2012. Shri Amit Sharma, Company Secretary is the Compliance Officer.

3. Remuneration of Non Executive & Executive Directors

The Board has constituted a remuneration committee to recommend/ review remuneration of Whole Time Director on the basis of his performance.

A. Non-Executive Directors

Non-executive Directors had opted to work without taking any remuneration, for the well being of the Company.

B. Executive Directors

Following remuneration was paid to Whole-Time Director:-

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

(*) His present term of the contract is upto 17th December, 2012 which shall be extended to 16th December, 2015 at the ensuing Annual general meeting.

4. Code of Conduct for Directors and Senior Management

The Company has a well accepted and adopted Code of conduct. The code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the whole Time Director is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the financial year 2011-12.

-Sd/-

Whole Time Director

5. General Meetings

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

Relating to	Place	Date & Time
2008-2009	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	25 th July, 2009 at 10.30 A.M
2009-2010	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	30 th August, 2010 at 10.30 A.M
2010-2011	181, Sector-3, Industrial Growth Centre, Bawal, Distt. Rewari, Haryana	29 th September, 2011 at 10.30 A.M

Neither any special resolution was passed through postal ballot at the last Annual General Meeting nor is any such resolution proposed at the forthcoming AGM.

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

Financial Year	Date of AGM	Particulars
2008-2009	25th July, 2009	a) Re-Appointment of Shri Radha Nath Pattanayak as Whole Time Director of Company for a period of three years. b) Approval pursuant to section 13, 16, 94(1)(b) for consolidation of every 5 (five) Equity Shares having Face Value of Rs 2/- (Two) only into 1 (one) Equity Share of Rs 10/- (Ten) Each.
2009-2010	30th August, 2010	Nil
2010-2011	29th September, 2011	a) Approval pursuant to section 81(1A) for issue and allotment of such number of shares as may be required. b) Approval pursuant to section 314 for appointment of Mr. Rishabh Saraf holding office or place of profit on remuneration not exceeding Rs. 2.50 Lacs per month. c) Approval pursuant to section 309 for Remuneration by way of commission not exceeding 1 % per annum of the net profits to Mr. Arvind Kumar Saraf, Non-Executive Chairman

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

6. Disclosures

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

7. Means of Communication:

- (a) Quarterly Results : Through Intimation to Stock Exchange.
- (b) Newspaper wherein results normally published : Financial Express & Jansatta
- (b) Shareholder's Grievances/ Complaint : Correspondence through Emails/ Courier/ Registered Letters

8. General Shareholder Information

Next Annual General Meeting

- Date and Time

29th September, 2012 at 10.30 A.M.

- Venue

At the Registered Office of the company

Address for Correspondence :

- Plant Location & Registered Office

181, Sector-3, Industrial Growth Centre, Bawal,
District Rewari, Haryana-123501
Phone No. : 01284-264160-161
Fax No. : 01284-264022

- Corporate Office

F-701A, Lado Sarai
New Delhi-110030
Phone No. : 29523251
Fax No. : 29523020

Financial Calendar (Tentative)

Results for the Quarter ended :-

- 30th June, 2012 : Last week of July, 2012
- 30th Sept, 2012 : Last week of October, 2012
- 31st Dec, 2012 : Last week of January, 2013
- Annual Audited Results for 2012-2013 : May, 2013
- AGM for the year 2012-2013 : September, 2013

Book Closure Date

Saturday, 22nd September, 2012 to Saturday, 29th September, 2012 (both days inclusive)

Listing of Equity Shares and Stock Code Registrars and Transfer Agents

Bombay Stock Exchange (BSE). The Stock Code is 532914.
Maheshwari Datamatics Pvt Ltd,
6, Mangoe Lane, 2nd Floor,
Kolkata-700001
Ph:- 033-2248 2248, Fax : 033-51410591

Share Transfer System

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

Dematerialisation of Shares & liquidity

The Shares of the Company are required to be traded in the dematerialized form. Full liquidity has been provided through tie-ups with NSDL & CDSL and shares can be transferred through Demat accounts of transferor & transferee maintained with recognized DPs. As on 31.03.2012, 19587538 equity shares of Rs 10/- (Ten) Each were dematted, this comes to 97.94% of the total shareholding.

Demat ISIN Number

INE574I01027

Market Price Data for the financial year

The monthly high and low quotations as well as the volume of shares traded at BSE during the year 2011-2012 are as under :-

Monthly Highs and Lows and Volume Traded at the BSE, 2011-12

Months	High (Rs.)	Low (Rs.)	Volume
April,2011	39.50	33.10	137538
May,2011	37.00	27.25	109483
June,2011	33.60	27.10	260643
July,2011	34.00	27.05	46719
August,2011	32.40	19.30	65191
September,2011	27.45	20.20	133399
October,2011	23.90	20.00	27702
November,2011	22.90	17.20	35108
December,2011	34.60	18.10	433305
January,2012	37.00	27.35	332939
February,2012	36.00	28.00	49223
March,2012	35.90	28.00	26721

9. Distribution of Equity Shareholding as on 31st March, 2012

No. of Equity SharesHeld	No. of Shares Held	% of Shareholding
Upto 500	358367	1.7918
501-1000	131620	0.6581
1001-2000	142318	0.7116
2001-3000	63288	0.3164
3001-4000	53681	0.2684
4001-5000	50906	0.2545
5001-10000	104598	0.5230
10001 and above	19095222	95.4761
Total	20000000	100.0000

For and on behalf of the Board

Place : New Delhi
Date : 6th August, 2012

(Arvind K. Saraf)
Chairman

CERTIFICATE FROM PRACTICING COMPANY SECRETARY PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of Arcotech Limited

We have examined the Compliance of conditions of Corporate Governance by Arcotech Limited for the year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange in India.

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

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

For A Upadhyay & Associates

Place : New Delhi
Date : 6th August, 2012

Abhimanyu Upadhyay
Company Secretary

CEO CERTIFICATION

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

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31st March 2012 and that to the best of their knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) These Statements are to the best of my knowledge and belief, no transactions entered into by the company during the year ended 31st March 2012 which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and i have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps i have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which i have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Place : New Delhi
Date : 6th August, 2012

Whole Time Director

AUDITORS' REPORT**TO THE MEMBERS OF ARCOTECH LIMITED**

We have audited the annexed Balance Sheet of M/s Arcotech Limited, New Delhi as on 31st March 2012 together with the relative Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of those books.
- iii) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of accounts of the Company.
- iv) In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in the Section 211(3C) of the Companies Act, 1956.
- v) On the basis of written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2012, from being appointed as Director under clause (g) of sub-section (1) of Section 274 of the Companies Act 1956.
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon along with the significant Accounting Policies give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principle generally accepted in India.
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
 - b) In the case of Profit and Loss, of the Profit of the Company for the year ended on that date.
 - c) In the case of cash flow statement of the cash flows for the year ended on that date.

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of subsection (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as considered appropriate and according to the information and explanations given to us, we further report that:

1.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
 - b) Fixed Assets have been physically verified by the Management at reasonable intervals. The discrepancies noticed on such physical verification were not material.
 - c) During the year, the Company has not disposed off substantial part of the fixed assets.
2.
 - a) The Inventory of the Company at all its locations has been physically verified by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of the inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination of records of inventory and according to the information and explanations given to us, in our opinion, the company is maintaining proper record of inventory. The discrepancies noticed on such physical verification of inventory as compared to the books of records were not material.

3. According to the information and explanations given to us, the Company has neither granted nor taken any loan, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the clause 4 (v) (b) of the order is not applicable.
6. The Company has not accepted any fresh deposit from the public during the year.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. The Company has not been required to maintain cost records under Section 209 (1) (d) of the Companies Act, 1956.
9.
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the statutory dues including Provident fund, investor education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable with appropriate authorities and no undisputed amount payable in respect of above were in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues relating to income tax, sale tax, wealth tax, service tax, custom duty, excise duty and cess as at 31st March, 2012 which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at 31st March, 2012 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues to a financial institution or bank.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual/benefit fund/ society. Therefore, the provisions of clause 4 (xiii) of the order are not applicable to the Company.
14. In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the year.
16. According to the information and explanations given to us the term loan were used for the purpose it has been taken.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that no funds raised on short-term basis have been used for long-term investment and vice versa.
18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For SHWETANK JOSHI & CO.
Chartered Accountants
SHWETANK JOSHI
(Proprietor)
Membership No : 52238
FRN 315093E

Place : New Delhi

Date : 24.05.2012

BALANCE SHEET AS AT 31ST MARCH, 2012

PARTICULARS	NOTE NO.	AS AT 31.03.2012	AS AT 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	200,000,000	200,000,000
(b) Reserves and Surplus	2	569,027,186	391,631,489
(c) Money received against share warrants		-	-
(2) Share application money pending allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	3	55,788,935	92,670,375
(b) Deferred tax liabilities (Net)	4	9,674,143	-
(4) Current Liabilities			
(a) Short-term borrowings	5	717,173,412	575,321,513
(b) Trade payables	6	442,460,381	278,882,717
(c) Other current liabilities	7	66,367,928	74,928,748
(d) Short-term provisions	8	29,206,410	1,971,686
Total		2,089,698,395	1,615,406,528
II ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	491,725,608	412,626,574
(ii) Capital work-in-progress		20,690,648	15,230,463
(b) Non-current investments		-	-
(c) Deferred tax assets (net)	4	-	17,360,537
(d) Long term loans and advances	10	1,848,072	1,838,686
(e) Other non-current assets	11	2,665,122	2,665,122
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	12	679,806,647	474,807,331
(c) Trade receivables	13	768,288,170	645,800,689
(d) Cash and cash equivalents	14	46,144,812	21,727,654
(e) Short-term loans and advances	15	76,055,246	22,316,329
(f) Other current assets	16	2,474,070	1,033,143
Total		2,089,698,395	1,615,406,528

Notes on Accounts and Significant Accounting policies 25

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

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. SARAF
Chairman

G. KHAITAN
Director

R. N. PATTANAYAK
Whole Time Director

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. D. TAYAL
Director

AMIT SHARMA
Company Secretary
& Finance Manager

Place : New Delhi
Date : 24.05.2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	NOTE NO.	YEAR ENDED 31.03.2012	YEAR ENDED 31.03.2011
Gross Sales	17	2,784,643,750	2,226,533,198
Less : Excise duty		256,246,847	204,136,829
Net Sales		2,528,396,903	2,022,396,369
Other Income	18	1,558,989	1,247,707
Total Income		2,529,955,892	2,023,644,076
Expenditure:			
a. Increase/Decrease in finished goods, Stock in Trade and Work-in Progress	19	(185,450,304)	(171,590,296)
b. Cost of Materials Consumed	20	2,166,446,577	1,727,582,301
c. Power and Fuel		59,308,850	49,614,564
d. Employees Cost	21	53,294,818	40,356,367
e. Depreciation		22,277,428	17,171,852
f. Other Expenditure	22	52,350,836	45,544,601
Total Expenditure		2,168,228,205	1,708,679,389
Profit from Operations before Other Income, Finance Cost & Exceptional Items		361,727,687	314,964,687
Other Income	18	3,650,301	2,133,564
Profit before Finance Cost & Exceptional Items		365,377,988	317,098,251
Finance Cost	23	134,547,611	101,546,034
Profit after Finance Cost but before exceptional items		230,830,377	215,552,217
Exceptional items		-	-
Profit (+)/Loss (-) from Ordinary Activities before tax		230,830,377	215,552,217
Provision for Tax			
- Current Tax		26,400,000	-
- Deferred Tax		27,034,680	73,835,999
Net profit (+)/Loss (-) from Ordinary Activities after tax		177,395,697	141,716,218
Extraordinary Items (net of Tax Expense)			
Net Profit (+)/Loss (-) for the period		177,395,697	141,716,218
Basic & Diluted Earning Per Share	24	8.87	7.09
Notes on Accounts and Significant Accounting policies	25		

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

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. SARAF
Chairman

G. KHAITAN
Director

R. N. PATTANAYAK
Whole Time Director

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. D. TAYAL
Director

AMIT SHARMA
Company Secretary
& Finance Manager

Place : New Delhi
Date : 24.05.2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012 AS PER LISTING AGREEMENT

(Rupees in Lacs)

Particulars	2011-2012	2010-2011
A) Net Profit before Tax & Extra-Ordinary Items	2308.30	2155.52
- Adjustment for :-		
- Depreciation	222.77	171.72
- Interest	1345.48	1015.46
Operating Profit before Working Capital Charges	3876.55	3342.70
- Adjustment for :-		
- Trade & Other Receivable	(1224.87)	(4019.00)
- Inventory	(2049.99)	(2310.92)
- Trade Payable	3241.03	5041.06
Cash Generated from Operations	3842.72	2053.84
- Interest Paid	(1345.48)	(1015.46)
- Direct Taxes Paid	(264.00)	-
Net Cash Generated before Extra Ordinary Items	2233.24	1038.38
- Extra Ordinary Items :-	-	-
- Reconciliation & Settlement	-	-
Net Cash from Operating Activities	2233.24	1038.38
B) Cash Flow from Investing Activities		
- Purchase / Sale of Fixed Assets	(1013.76)	(1066.57)
- Increase / Decrease in Loans & Advances	(551.89)	112.02
- Increase / Decrease in Capital Work in Progress	(54.60)	264.50
- Increase / Decrease in Investment	0.00	0.00
Net Cash Used in Investing Activities	(1620.26)	(690.05)
C) Cash Flow from Financing Activities		
- Increase in Share Capital	0.00	0.00
- Increase / Decrease Share Application Money	0.00	0.00
- Increase / Repayment / Relief's of Long Term Borrowing	(368.81)	(233.31)
Net Cash used in Financing Activities	(368.81)	(233.31)
- Net Increase / Decrease in Cash & Cash Equivalents	244.17	115.01
D) Cash & Cash Equivalents		
- Opening Balance	217.26	102.25
- Closing Balance	461.43	217.26

For SHWETANK JOSHI & CO.
Chartered Accountants

A. K. SARAF
Chairman

G. KHAITAN
Director

R. N. PATTANAYAK
Whole Time Director

SHWETANK JOSHI
Proprietor
Membership No. 52238

R. D. TAYAL
Director

AMIT SHARMA
Company Secretary
& Finance Manager

Place : New Delhi
Date : 24.05.2012

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
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1. SHARE CAPITAL

Authorised	<u>350,000,000</u>	<u>350,000,000</u>
3,50,00,000 (Previous Year 3,50,00,000) Equity Share of Rs.10/- each (Previous Year Rs.10/- each)		
Issued, Subscribed and Paid-up	<u>200,000,000</u>	<u>200,000,000</u>
2,00,00,000 (Previous Year 2,00,00,000) Equity Share of Rs.10/- each (Previous Year Rs.10/- each)		

- 1.1 The Company has issued Equity Shares worth Rs. 6,29,09,800 (62,90,980 Shares of Rs. 10/- each) on 20th July, 2007 at par.
- 1.2 Since, the shares outstanding at the beginning and at the end of the reporting period are same, reconciliation of the figures is not required.
- 1.3 Details of shareholders holding more than 5% shares in the company

	<u>As At 31.03.2012</u>		<u>As At 31.03.2011</u>	
	Nos of Shares	% holding	Nos of Shares	%holding
Arvind k Saraf	1219750	6.10	1217230	6.09
Sidhant Distributors P Ltd	4813940	24.07	4813940	24.07
Vasudha Commercial P Ltd	3773920	18.87	3773920	18.87
Her Clothing P Ltd	1250000	6.25	1250000	6.25

2. RESERVE AND SURPLUS

Opening Surplus in Profit and Loss Account	391,631,489	249,915,271
Addition during the year	177,395,697	141,716,218
Closing Surplus in Profit and Loss Account	569,027,186	391,631,489

3. LONG TERM BOROWING

	<u>Non Current</u>		<u>Current</u>	
	AS AT 31.03.2012	AS AT 31.03.2011	AS AT 31.03.2012	AS AT 31.03.2011
SECURED LOANS- FROM BANKS				
<u>Term Loans</u>	55,788,935	92,670,375	28,000,000	29,800,000

- 3.1 Term loan from the bank was taken during the financial year 2009-10 and carries interest @ Base Rate +4.25%.
- 3.2 The loan is secured by way of equitable mortgage/ hypothecation of land, plant & machinery and building and other fixed assets of the Company and personal guarantee of the promoter director.

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
4. <u>DEFERRED TAX</u>		
Deferred Tax Liability on account of		
i) Depreciation for the year	NIL	NIL
Deferred Tax Assets on account of		
i) Depreciation for the year	(29,425,855)	(16,894,226)
ii) Accumulated Depreciation	31,901,674	36,755,573
iii) Accumulated Losses	(12,149,962)	(2,500,810)
Net Deferred Tax Assets/ (Liability)	(9,674,143)	17,360,537
5. <u>SHORT TERM BOROWINGS</u>		
SECURED BORROWING		
<u>Working Capital Limits</u>	713,813,146	571,017,466
<u>Vehicle Loans</u>		
Against Hypothecation of Vehicles	966,598	1,910,379
UNSECURED LOANS		
Fixed Deposits	2,393,668	2,393,668
Total	717,173,412	575,321,513
5.1 The cash credit is repayable on demand and carries interest @ Base Rate +3.75%.		
5.2 Cash credit from banks is secured by way of hypothecation of charge on entire current assets i.e raw material, finished goods, semi finished goods, stores and book debts & personal guarantee of the promoter director.		
6. <u>TRADE PAYABLES</u>		
Creditors for Raw Material and Stores	442,460,381	278,882,717
Total	442,460,381	278,882,717
7. <u>OTHER CURRENT LIABILITIES</u>		
Creditors for Capital Goods	18,487,443	25,706,522
Expenses Payable	19,880,485	19,422,226
Long term Loan- Current Maturities	28,000,000	29,800,000
Total	66,367,928	74,928,748
7.1 Expense payable includes Rs 896356/- (Previous year Rs 727082/-) towards statutory dues.		
8. <u>SHORT TERM PROVISIONS</u>		
Provision for Gratuity	1,936,182	1,295,417
Provision for Leave Benefit	862,392	668,433
Provision for MAT	26,407,836	7,836
Total	29,206,410	1,971,686
8.1 Provision for leaves include current maturity amount of Rs 56,219/-		

9. FIXED ASSETS

<u>COST OR VALUATION</u>	Land	Buildings	Plant & Machinery	Furniture	Office Equipment	Vehicles	Total
Gross Value as at 1 April 2010	13,104,000	84,362,944	541,974,031	10,125,500	1,951,448	8,257,581	659,775,504
Additions	-	23,423,538	83,278,309	47,400	670,675	-	107,419,922
Disposals	-	-	15,252,082	-	-	-	15,252,082
Gross Value as at 31 March 2011	13,104,000	107,786,482	610,000,258	10,172,900	2,622,123	8,257,581	751,943,344
Additions	-	10,866,915	90,265,364	113,749	130,434	-	101,376,462
Gross Value as at 31 March 2012	13,104,000	118,653,397	700,265,622	10,286,649	2,752,557	8,257,581	853,319,806
<u>DEPRECIATION</u>							-
At 1 April 2010	-	3,309,204	324,812,385	5,701,700	471,749	2,339,358	336,634,396
Charge for the year	-	3,174,914	12,296,677	641,835	262,934	795,492	17,171,852
Disposals	-	-	14,489,478	-	-	-	14,489,478
At 31 March 2011	-	6,484,118	322,619,584	6,343,535	734,683	3,134,850	339,316,770
Charge for the year	-	3,788,972	16,683,606	648,917	360,441	795,492	22,277,428
Disposals	-	-	-	-	-	-	-
At 31 March 2012	-	10,273,090	339,303,190	6,992,452	1,095,124	3,930,342	361,594,198
Net Block as at 31 March 2011	13,104,000	101,302,364	287,380,674	3,829,365	1,887,440	5,122,731	412,626,574
Net Block as at 31 March 2012	13,104,000	108,380,307	360,962,432	3,294,197	1,657,433	4,327,239	491,725,608

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
10. <u>LONG TERM LOANS & ADVANCES</u>		
Deposits considered good	1,848,072	1,838,686
Total	1,848,072	1,838,686
11. <u>OTHER NON CURRENT ASSETS</u>		
Fixed Deposits	2,665,122	2,665,122
Total	2,665,122	2,665,122
12. <u>INVENTORIES</u>		
(As taken, valued and certified by the Management)		
Raw Materials	75,824,770	53,646,335
Finished Goods	44,543,555	46,087,187
Semi-Finished Goods	530,351,889	343,378,420
Stores, Spares & Packing Materials	29,086,433	31,695,389
Total	679,806,647	474,807,331
13. <u>TRADE RECEIVABLES & OTHER ASSETS</u>		
Unsecured, considered good and Outstanding for a period exceeding six months from the due date	10,985,706	13,645,820
Other receivables		
Unsecured, considered good	757,302,464	632,154,869
Total	768,288,170	645,800,689
14. <u>CASH & CASH EQUIVALENTS</u>		
Cash and Cash Equivalent	957,467	997,124
Balance with Banks	145,764	164,943
Deposits (original maturity of less than 12 months)	45,041,581	20,565,587
Total	46,144,812	21,727,654
14.1 Fixed deposits have been used as margin money for availment of Non Fund Based limits from Bank.		
15. <u>SHORT TERM LOANS & ADVANCES</u>		
Security Deposits	800,370	119,400
Advances recoverable in cash or kind	75,254,876	22,196,929
Total	76,055,246	22,316,329
16. <u>OTHER CURRENT ASSETS</u>		
Interest accrued on fixed deposits	2,474,070	1,033,143
Total	2,474,070	1,033,143
17. <u>REVENUE FROM OPERATIONS</u>		
Sale of Non Ferrous Semis	2,750,772,813	2,205,311,759
Job Work- Non Ferrous Semis	33,870,937	21,221,439
TOTAL	2,784,643,750	2,226,533,198

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011	
18. OTHER INCOME			
OPERATING			
Insurance Claims Recd	-	1,247,707	
Misc. Sales	919,825	-	
Custom Duty - Draw Back (Export Sales)	639,164	-	
TOTAL (A)	1,558,989	1,247,707	
NON OPERATING			
Interest on Fixed Deposits (TDS Rs.282098/-)	2,820,877	1,740,377	
Interest on Debtors	238,871	55,791	
Profit on Sales of Fixed Assets	-	337,396	
Interest on Income Tax Refund	33,929	-	
Income on Forex Differences	556,624	-	
TOTAL (B)	3,650,301	2,133,564	
19. (INCREASE)/ DECREASE IN INVENTORIES			
	AS AT 31.03.2012	AS AT 31.03.2011	(Increase)/ Decrease
Closing Stock			
- Finished	44,543,555	46,066,720	(1,523,165)
- Semi Finished	530,351,889	343,378,420	186,973,469
Total (A)	574,895,444	389,445,140	185,450,304
Opening Stock			
- Finished	46,066,720	9,992,476	36,074,244
- Semi Finished	343,378,420	207,862,368	135,516,052
Total (B)	389,445,140	217,854,844	171,590,296
Net Increase / Decrease (A - B)	185,450,304	171,590,296	13,860,008
20. COST OF RAW MATERIAL & COMPONENTS CONSUMED			
A. CONSUMPTION OF RAW MATERIAL			
Opening Stock	53,646,335	19,030,287	
Add: Purchases	2,161,211,810	1,736,852,945	
	2,214,858,145	1,755,883,232	
Less: Closing Stock	75,824,771	53,646,335	
Consumption (A)	2,139,033,374	1,702,236,897	
B. CONSUMPTION OF CONSUMABLE			
Opening Stock	31,695,389	6,829,905	
Add: Purchases	24,804,247	50,210,888	
	56,499,636	57,040,793	
Less: Closing Stock	29,086,433	31,695,389	
Consumption (B)	27,413,203	25,345,404	
Total Consumption (A + B)	2,166,446,577	1,727,582,301	

PARTICULARS	AS AT 31.03.2012	AS AT 31.03.2011
21. EMPLOYEE COST		
Salary & Wages (Including Allowances)	46,953,457	35,914,955
Contribution towards ESI & EDLI	917,178	699,783
Contribution towards EPF & PPF	1,155,632	883,986
Contribution towards L.W.F	48,620	43,960
Gratuity	640,765	367,465
Leave Pay	340,520	181,549
Staff Welfare	3,238,646	2,264,669
TOTAL	53,294,818	40,356,367
22. OTHER EXPENSES		
Repair & Maintenance		
-For Building	430,400	226,867
-For Machinery	1,018,855	1,093,671
-For Others	214,259	397,508
Rent, Rates and Taxes	1,348,838	1,175,099
Insurance	1,227,365	1,898,820
Legal & Professional Charges	2,375,953	1,766,050
Purchase Procurement Expenses	8,060,891	2,797,300
Selling, Distribution & Bill Factoring	1,960,235	10,898,100
Transportation Charges	6,945,103	5,426,528
Miscellaneous & Administrative Expenses	7,211,290	5,337,534
Travelling & Conveyance -Directors (Including Foreign Travel Rs.3194494/-Previous Year Rs.2968494/-)	3,887,230	3,444,960
Travelling & Conveyance -Others (including Foreign Travel Rs 177905/- Previous Year - Nil)	3,123,760	2,152,454
Payment to Auditors		
- For Statutory Audit	400,000	350,000
- For Tax Audit	40,000	55,150
- For Internal Audit / Stock Audit	177,465	61,768
Bank Charges and Commission	13,929,192	8,432,232
Sundry Balance Written Off	-	30,560
TOTAL	52,350,836	45,544,601
22.1 Miscellaneous expenses exceeding 1% of revenue or Rs 1,00,000/- whichever is higher is NIL		
23. FINANCE COST		
- Working Capital Loan	79,897,574	59,414,182
- Term Loan	16,051,238	23,305,381
- Interest on Letter of Credit	38,598,799	18,826,471
-Exchange Fluctuation	-	-
TOTAL	134,547,611	101,546,034
24. EARNING PER SHARE		
Profit/(Loss) after tax	177395697	141716218
Nos of Equity Shares	20000000	20000000
EPS	8.87	7.09

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average numbers of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

FORMING PART OF STATEMENT OF ACCOUNTS AS ON AND FOR THE YEAR ENDED 31ST MARCH 2012

25. NOTES ON ACCOUNTS AND SIGNIFICANT ACCOUNTING POLICIES:1. **Significant Accounting Policies:**(a) **Basis of Accounting**

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

(b) **Revenue Recognition**

Sales are recognized on dispatch of materials to customers.

(c) **Employee Benefits**i) **Defined Contribution Plan:**

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

ii) **Defined Benefit Plan:**

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

(d) **Fixed Assets**

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

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

(e) **Investments**

Investments, if any, are stated at cost.

(f) **Inventories**

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

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

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

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

(g) **Foreign currency translation***Initial recognition*

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

Conversion

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

Exchange differences

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

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

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

(iii) Any income or expenditure on account of foreign exchange difference either on settlement or on translation is recognized in the profit and loss account

(h) **Contingent Liabilities**

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

(i) **Taxes on Income**

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

2. **Contingent liability not provided for.- Nil**

26. RELATED PARTY DISCLOSURES

- a) List of related parties:
- i. Key management personnel
 1. Mr. A K Saraf (Chairman)
 2. Mr. Rishabh Saraf (Vice President-Marketing)
 3. Mr. R N Pattanayak (Whole Time Director)
 - ii. Relative of key management personnel with whom transactions have taken place: NIL
 - iii. Other related parties
 1. Medsave Healthcare (TPA) Ltd.
 2. Sidhant Distributors Pvt Ltd.
 3. Vasudha Commercial Pvt. Ltd.
 4. Jeevan Vihar Properties Pvt. Ltd.
 5. Arcotech Info Limited
 6. Sarathi Infrastructure Pvt Ltd.
 7. Arcotech Biochem Limited
 8. Arcotech Uniexpat Limited
- b) Transactions with related parties: there are no transactions in the year with the related parties which need to be reported except remuneration paid to Mr. R N Pattanayak, Whole Time Director aggregating to Rs. 18,06,000/- and Mr. Rishabh Saraf, Vice President (Marketing) aggregating to Rs 4,50,000/-

27. Contingent Liability not provided for : - NIL

28. There are no Micro, Small and Medium enterprises to whom the Company owed dues, which were outstanding for more than 45 days during the year.

29. Provision for the current tax has been made as Minimum Alternate Tax (MAT) pursuant to the provisions of Section 115 JB of Income Tax Act, 1961.

30. Information required under paragraph 3,4C & 4D of Part-II of Schedule VI (Revised) of the Companies Act, 1956 are annexed therewith as per Annexure-I

31. **Additional** information pursuant to Schedule VI (Revised) of the Companies Act, 1956 is as per Annexure II

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

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

(a) Defined Benefit Plan

Particulars	Leave Encashment (Non Funded) 2011-12	Gratuity (Non Funded) 2011-12	Leave Encashment (Non Funded) 2010-11	Gratuity (Non Funded) 2010-11
Expenses recognized in the statement of Profit & Loss Account				
i) Current Service Cost	304,451	575,987	639,332	1,295,417
ii) Past Service Cost	-	-	-	-
iii) Interest Cost	54,492	110,412	-	-
iv) Expected return on plan assets	-	-	-	-
v) Actuarial (Gains)/ Losses	742	(45,634)	29,101	-
vi) Total Expense	359,685	640,765	668,433	1,295,417
Net Asset/ (Liability) recognized in the Balance Sheet as at year end				
i) Present Value at defined benefit obligation	862,392	1,936,182	639,332	1,295,417
ii) Fair value of plan assets	-	-	-	-
iii) Funded status [Surplus/ (Deficit)]	(862,392)	(1,936,182)	(639,332)	(1,295,417)
iv) Net Asset / (Liability)	(862,392)	(1,936,182)	(639,332)	(1,295,417)
Change in Obligation during the year				
i) Present Value at defined benefit obligation at the beginning of the year	639,332	1,295,417	-	-
ii) Current Service Cost	304,451	575,987	639,332	1,295,417
iii) Past Service Cost	-	-	-	-
iv) Interest Cost	54,492	110,412	-	-
v) Actuarial (Gains)/ Losses	742	(45,634)	29,101	-
vi) Payment Benefits	(136,625)	-	(29,101)	-
vii) Present Value at defined benefit obligation at the end of the year	862,392	1,936,182	639,332	1,295,417
Change in the Assets during the year				
i) Fair value of the plan assets at the beginning of the year	-	-	-	-
ii) Expected return on plan assets	-	-	-	-
iii) Contributions by employer	-	-	-	-
iv) Actual Benefits paid	-	-	-	-
v) Actuarial (Gains)/ Losses	-	-	-	-
vi) Fair value of the plan assets at the end of the year	-	-	-	-
vii) Total actual return on plan assets	-	-	-	-
Actuarial gain/ Loss Recognised				
i) Actuarial gain/(loss) for the period- Obligation	742	(45,634)	29,101	-
ii) Actuarial gain/(loss) for the period- Plan Assets	-	-	-	-
iii) Total (gain)/Loss for the period	742	(45,634)	29,101	-
iv) Actuarial (gain)/loss recognised in the period	742	(45,634)	29,101	-
v) Unrecognised actuarial (gains)/ losses at the end of period	-	-	-	-
vi) Experience Adjustment loss/ (gain)- Plan	-	-	-	-
vii) Experience Adjustment loss/ (gain)- Obligations	(237,006)	(731,306)	29,101	-
The major categories of plan assets as % of total plan				
i) Insurer Managed Funds	N.A	N.A	N.A	N.A
Actuarial Assumptions				
i) Discount Rate	8.50% P.A	8.50% P.A	8% P.A	8% P.A
ii) Expected rate of return on plan assets	N.A	N.A	N.A	N.A
iii) Mortality	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate	LIC (1994-96) ultimate
iv) Salary Escalation	6.00% P.A	6.00% P.A	5.50% P.A	5.50% P.A

(b) Defined Contribution Plans

Employer's contribution to provident fund charged off during the year ended 31st March, 2012 of Rs 8.84 lacs (previous year 7.42 lacs) has been included under the head Personnel Expenses (Note No. 21).

ANNEXURE-I

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

I. CONSUMPTION OF RAW MATERIALS

	<u>Value (Rs.)</u>
Non-Ferrous Metals	2,139,033,374 (1,702,236,897)

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

	<u>Percentage %</u>	<u>Value (Rs.)</u>
Raw Materials :		
Imported	0.87 (2.09)	18,542,989 (35,610,216)
Indigenous (including materials purchased through canalised agencies)	99.13 (97.91)	2,120,490,385 (1,666,626,681)
Stores & Spares :		
Imported	NIL (3.94)	NIL (996,290)
Indigenous	100 (96.06)	27,413,203 (25,345,404)

III. C.I.F VALUE OF IMPORTS

	<u>2011-12</u>	<u>2010-11</u>
Raw Materials	18,542,989	35,610,216
Components & Spare Parts	---	996,290
Capital Goods	---	---

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

Nil	Nil
-----	-----

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

No. of Non Resident Shareholders	Nil	Nil
No. of Shares Held		
Amount of Dividend		
Year to which the Dividend Relates		

Nil	Nil
-----	-----

VI. FOB Value of Exports

25,277,550	Nil
------------	-----

ARCOTECH LTD.

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

PROXY FORM

Folio No./Client ID No.

No. of Shares.....

I/Webeing a
Resident of.....being a
member/members of the above named Company hereby appoint Mr./Mrs./Miss
Resident of..... as my/our
proxy to vote for me/us on my/our behalf at the 31st Annual General Meeting of the Company to be held on Saturday, the
29th day of September, 2012 at 10.30 A.M. and at any adjournment thereof.

Signed this..... day of 2012.

Signature.....

Affix
Rupee 1
Revenue
Stamp

- Note :**
- a) The Form should be signed across the stamp as per specimen signature registered with the Company.
 - b) The Proxy Form, in order to be effective, must be deposited at the Registered Office of the Company before 48 hours of the time fixed for holding the meeting.

----- **Tear Here** -----

ARCOTECH LTD.

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

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING

Folio No./Client ID No.

Particulars to be completed by Member

Full Name of Shareholder / Proxy

attending the Meeting

(IN BLOCK LETTERS)

Full Name of First Holder

(If Joint Holder/proxy attending).....

(IN BLOCK LETTERS)

I hereby record my presence at the 31st ANNUAL GENERAL MEETING held at the Registered Office situated at 181, Industrial Growth Centre, Sector-3, Bawal, Distt. Rewari (Haryana).

..... Saturday, the 29th day of September, 2012.

.....
(Signature of Member/Proxy)

- Note :** Please complete and sign this attendance slip and handover at the entrance of the Meeting hall. Only member(s) or their proxies with this attendance slip will be allowed entry to the meeting.

BOOK POST
(Printed Matter)

If undelivered, please return to
ARCOTECH LTD.
181, Industrial Growth Centre,
Sector-3, Bawal-123501
Distt. Rewari (Haryana)