


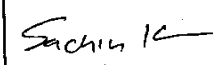
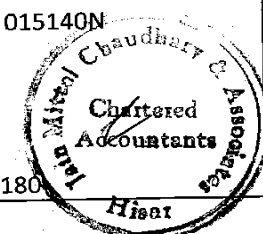
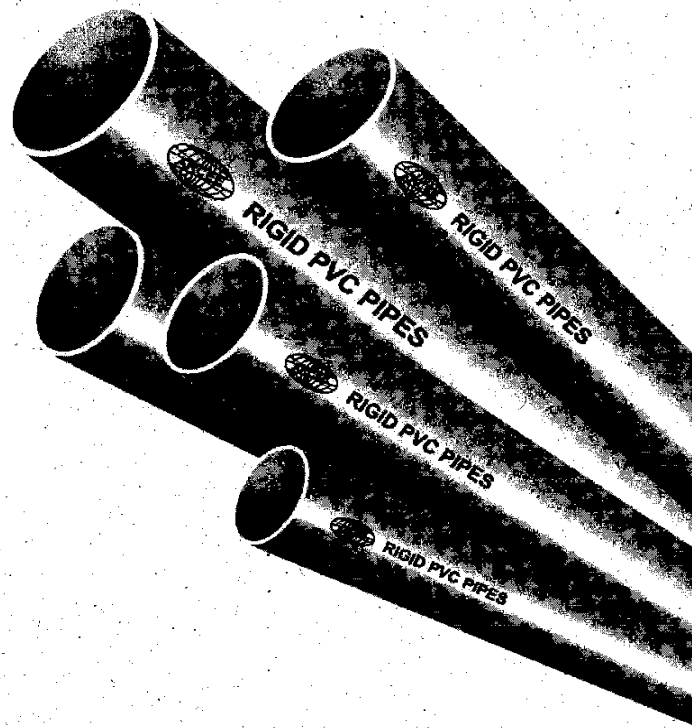


FORM A**Format of covering letter of the annaul audit report to be filed with Stock Exchange**

1	Name of the Company	ARCEE INDUSTRIES LIMITED
2	Annual Financial Statements for the year ended	31/03/2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	To be Signed by :- CEO/Whole Time Director	 (Ramesh Chander Gupta) DIN - 00284823
	CFO/G.M. (Finance) & Company Secretary	 (Vishesh Chugh)
	Audit Committee Chairman	 (Satya Prakash Kanodia) DIN - 00284918
	Auditors of the Company	For : Jain Mittal Chaudhary & Associates Chartered Accountants Firm Registration No. 015140N  (Sachin Kumar) Partner Membership No. 528180 

22nd ANNUAL REPORT

2013-2014



ARCEE INDUSTRIES LIMITED

BOARD OF DIRECTORS

SH. R.C. GUPTA
SMT. KRISHNA GUPTA
SH. SATYA PRAKASH KANODIA
SH. MANOJ GOYAL
SH. PANKAJ AGARWAL

CHAIRMAN & WHOLE TIME DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR
DIRECTOR

COMPLIANCE OFFICER
SH. VISHESH CHUGH

G.M. (FINANCE) & COMPANY SECRETARY

AUDITORS

M/S. JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
ABOVE ICICI BANK, RED SQUARE MARKET
HISAR – 125 001 (HARYANA)

BANKERS

PUNJAB NATIONAL BANK
MID CORPORATE BRANCH
SCO 53-54, COMMERCIAL U.E.-II
MODEL TOWN, DELHI ROAD
HISAR – 125 005 (HARYANA)

REGISTRAR & SHARE

TRANSFER AGENT
MAS SERVICES LTD.
T-34, 2nd FLOOR, OKHLA INDL. AREA
PHASE-II, NEW DELHI-110 020
PH.: 011-26387281, 26387282
FAX: 011-26387384
email: info@masserv.com

REGD. OFFICE & WORKS

7th K.M. BARWALA ROAD
TALWANDI RANA, HISAR-125 001 (Hry)
PH.: 01662-276142, 98120-40111
FAX: 01662-276145, email: arceeind@rediffmail.com

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NOTICE is hereby given that the '**22nd ANNUAL GENERAL MEETING**' of members of ARCEE INDUSTRIES LIMITED will be held on Tuesday, 30th day of September, 2014 at 10.00 A.M. at the Registered office of the Company at 7th K.M. Barwala Road, Talwandi Rana, Hisar to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the report of the Directors' and the Auditors' thereon.
2. To appoint a director in place of Smt. Krishna Gupta (DIN - 00284849), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditors of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (Firm Registration No. 015140N) be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the fourth consecutive Annual General Meeting, and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS

4. To appoint Mr. Satya Prakash Kanodia (DIN - 00284918) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Satya Prakash Kanodia (DIN - 00284918), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to

retire by rotation, to hold office for 5 (five) consecutive years for a term up to March 31, 2019."

5. To appoint Mr. Manoj Goyal (DIN - 00067155) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Manoj Goyal (DIN - 00067155), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (five) consecutive years for a term up to March 31, 2019."

6. To appoint Mr. Pankaj Agarwal (DIN - 00020220) as an Independent Director and in this regard to consider and, if thought fit, to pass, with or without modification(s), following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pankaj Agarwal (DIN - 00020220), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (five) consecutive years for a term up to March 31, 2019."

REGISTERED OFFICE:
7th K.M. Barwala Road
Talwandi Rana, Hisar-125 001

Dated : 28/06/2014

BY ORDER OF THE BOARD

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

NOTES :-

1. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2014 to 30th September, 2014 both days inclusive.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. The instrument appointing a proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, setting out the material facts is annexed hereto.
4. Shareholders intending to enquire about accounts, to be explained in the meeting, are required to inform the Company at least 10 days in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
5. The Company does not distribute copies of the Annual Report at the meeting. Members may, therefore, bring their copy with them.
6. Please ensure to enclose copies of PAN Card(s) of all transferees along with Share Transfer Documents to be lodged for transfer of shares. In absence of such PAN card copies, Company cannot effect the requests for transfer/transmission/name deletion etc.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all the communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Members holding shares in electronic form are requested to intimate immediately any change in their address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to inform the change of their registered address to our Registrar and Transfer Agent (RTA), M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 by quoting their folio number.

9. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of 22nd Annual General Meeting of the Company.
10. In terms of Circular No. 1/34/2013-CL-V dated 17 June 2014, the Ministry of Corporate Affairs has clarified that the relevant provision in relation to e-voting are not mandatory till 31 December 2014. Considering the further clarifications required on the e-voting process, the Company has opted for voting by show of hands at the Annual General Meeting.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/Mas Services Limited.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

ITEM NO. 4 to 6

Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal are Independent Directors of the Company who are liable for retire by rotation as per old Companies Act, 1956. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed Company.

It is proposed to appoint Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to March 31, 2019.

Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as Directors. The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Companies Act, 2013 proposing the candidatures of each of Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal for the office of Directors of the Company. The Company has also received

declarations from Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal that they meet with the criteria of independence as prescribed both under sub-Section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal and names of companies in which they hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal are interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice with regard to their respective appointments. The relatives of Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 to 6 of the Notice, 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 these resolutions.

The Board recommends the Ordinary Resolutions set out at Item Nos. 4 to 6 of the Notice for approval by the shareholders.

REGISTERED OFFICE:
7th K.M. Barwala Road
Talwandi Rana, Hisar-125 001

Dated : 28/06/2014

BY ORDER OF THE BOARD

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

DIRECTORS' REPORT

To

The Members,

Your directors have pleasure in presenting the '**22nd ANNUAL REPORT**' together with the Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2013-2014	2012-2013
Revenue from Operation and Other Income	1673	1768
Profit/(Loss) before depreciation, Interest & Taxes	(2)	61
Depreciation & Amortization Expenses	23	24
Finance Cost	34	34
Profit/(Loss) before Taxes	(59)	3
Provision of Tax/Tax Paid (Incl. Deferred Taxation)	(18)	-
Profit/(Loss) after Tax	(41)	3
Balance brought forward	(122)	(125)
Balance Carried to the Balance Sheet	(163)	(122)

2. OPERATIONS

During the year the company has achieved gross revenue of Rs. 1672.98 Lacs as compare to previous year of Rs.1768.04 Lacs. The company has suffered loss of Rs. 41.31 Lacs as compared to previous year Profit of Rs. 2.93 Lacs. The company has been consistently trying to capture the local market. It is expected that the company in the near future will do better.

3. DIRECTORS

Mr. Satya Prakash Kanodia, Mr. Manoj Goyal and Mr. Pankaj Agarwal are Independent Directors of the Company who are liable for retire by rotation as per old Companies Act, 1956. The necessary resolutions for their appointment as Independent Directors under Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office for a term of 5 (five) consecutive years up to 31st March, 2019 are contained in the notice for your approval.

Mrs. Krishna Gupta is the Director, retiring by rotation in pursuance of Section 152 of the Companies Act, 2013 and, being eligible, offer herself for reappointment.

4. MANAGEMENT DISCUSSION & ANALYSIS

Your company contributes to some of the core sectors viz. Agriculture, Water distribution, Construction and Telecom, each one playing a vital role in the health of the economy.

In the optimistic scenario, each of the above mentioned sectors has gained increasing importance and earned special attention from both Government and the consumer. The major driver of higher growth is revival in agriculture. Initiatives have been targeted at improving rural infrastructure through various programs. The continued increase in farm credit with low interest rate to improve micro finance will boost rural incomes and facilitate the trickle down process. These measures will have positive impact on the PVC Pipes business of your company in the future.

On the back of various Government initiatives to boost the rural economy, the demand for PVC Pipes has remained buoyant. It is expected that the Government will continue to give priority to agriculture and rural upliftment programmes in the years to come. This will ensure that demand for PVC Pipes will continue to remain strong.

The company has instituted adequate internal control procedure commensurate with the nature of its business and the size of its operations. Internal Audit is conducted at regular intervals and covers the key areas of operations. All significant audit observations and follow-up actions thereon are reported to the Audit Committee.

Your company's Industrial relations continued to be harmonious during the year under review. The focus is on maintaining employee motivation at a high level with stress on leadership development.

Estimates and expectations stated in this Management Discussion and Analysis may be "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expected or implied. Important factors that could make a difference to your Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

5. COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE

We have duly complied with all the guidelines issued by SEBI/Stock Exchange.

6. PARTICULARS OF EMPLOYEES

As there are no employees drawing remuneration more than the limit prescribed under section 217 (2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217 (2A) is not required.

7. FIXED DEPOSITS

The company has not accepted any fixed deposits from the public.

8. PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

Information in accordance with the provisions of Section 217(1)(e) of Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed hereto forming part of the Report.

9. INSURANCE

The Company's properties have been adequately insured.

10. DIRECTORS' RESPONSIBILITY STATEMENT

In pursuance to the provision of Section 217 (2AA) of the Companies Act, 1956 your Directors hereby declare :-

- (i) that in the preparation of the Annual Accounts for the Financial Year 2013-2014, the applicable Accounting Standards have been followed and no material departures have been made from the same;

- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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/Loss of the company for that period;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the Annual Accounts on a going concern basis.

11. AUDITORS

M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (Firm Registration No. 015140N), who retire at the conclusion of ensuing Annual General Meeting, have consented to continue in office, if appointed from the conclusion of ensuing Annual General Meeting till the conclusion of next four consecutive Annual General Meeting subject to ratification of appointment by the Members of the Company at every Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 for their appointment as Auditors of the Company.

12. AUDITORS OBSERVATIONS

The auditors observations being self explanatory, have been duly explained in the notes to the accounts.

13. CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreements entered into with the stock exchange, a separate section on corporate governance and a certificate obtained from the auditors of the company regarding compliance with the conditions of corporate governance are forming part of this annual report.

14. ACKNOWLEDGMENT

Your directors are pleased to place on record their sincere gratitude to the Government Authorities, Financial Institutions, Bankers, Shareholders, Customers, Dealers and Vendors for their continued and valuable co-operation and support to the Company.

Your directors express their deep appreciation for the devoted and sincere efforts put in by the members of the team at all levels of operations in the Company during the year. The company feels confident of continued co-operation and efforts from them in future also.

REGISTERED OFFICE
7th K.M. Barwala Road
Talwandi Rana, Hisar-125 001

Dated : 28/06/2014

FOR AND ON BEHALF OF THE BOARD

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

(R.C. GUPTA)
WHOLE TIME
DIRECTOR
DIN-00284823

ANNEXURE TO DIRECTORS' REPORT :

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The following measures have been taken by the company for conservation of energy :-

- (i) Improving power factor by proper choice of capacitors from time to time depending upon the load.
- (ii) Utilising the proper load of plant and equipments, electric motors etc.
- (iii) Reducing the maximum demand by properly distribution of load.

B. RESEARCH AND DEVELOPMENT (R&D)

	CURRENT YEAR	PREVIOUS YEAR
1. Specific areas in which R&D Carried out by the company.		
2. Benefits derived as a result of the above R&D.		
3. Future plan of action	NIL	NIL
4. Expenditure on R & D :		
a) Capital		
b) Recurring		
c) Total		
d) Total R & D expenditure as a percentage of total turnover		

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.
2. Benefits derived as a result of the above efforts, e.g., production, product development import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year following information may be furnished).
 - a) Technology imported.
 - b) Year of import.
 - c) Has technology been fully absorbed
 - d) If not fully absorbed, areas where this has not taken place reasons therefore and future plans of action.

NIL NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports; initiative taken to increase export; development of new export markets for products and services; and export plans.	NIL	NIL
b) Total foreign exchange used and earned		

Corporate Governance Report for the Financial Year 2013-2014
1. A brief statement on Company's Philosophy on code of Governance :

The basic philosophy of corporate governance in the company is:-

- Fair and transparent business practices.
- Effective Management Control by Board.
- Compliance of laws.
- Transparent and timely disclosure of Financial and Management information.
- Adequate representation of Promoter, Executive and Independent Directors on the Board.
- Accountability for performance.

2. Board of Directors :

The size and composition of the Board conforms to the requirements of the code on Corporate Governance under the Listing Agreement with BSE Limited, Mumbai.

During the Financial Year 2013-2014, the Board of Directors met 10 times on: 30/04/2013, 21/05/2013, 30/05/2013, 14/08/2013, 26/10/2013, 05/11/2013, 14/11/2013, 11/02/2014, 14/02/2014 & 28/03/2014.

The information as required under annexure IA to clause 49 was made available to the Board in all its meeting.

None of the directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a director. The necessary disclosures regarding Committee positions have been made by the directors.

Constitution of the Board and related information :-

Name of Director	Category	No. of Board Meetings Attended	Last Annual General Meeting Attended	No. of Outside Directorship held	No. of membership/ chairmanship in other Board Committee
Sh. R.C. Gupta DIN-00284823	Promoter and Whole Time Director	10	Yes	2	Nil
Smt. Krishna Gupta DIN-00284849	Promoter and Non-Executive Director	6	No	2	Nil
Sh. Satya Prakash Kariodia DIN-00284918	Non-Promoter, Non-Executive, Independent	7	Yes	3	Nil
Sh. Manoj Goyal DIN-00067155	Non-Promoter, Non-Executive, Independent	8	Yes	2	Nil
Sh. Pankaj Agarwal DIN-00020220	Non-Promoter, Non-Executive, Independent	7	No	4	Nil

3. Code of conduct

The Board has laid down the code of conduct for the Board and Senior Management Team. The Board members and Senior Management team personnel have affirmed compliance with the code. The declaration dated 13/05/2014 received from Sh. R.C. Gupta, Director in this regard is given below:-

"I hereby declare that all board members of the company and senior management personnel have affirmed compliance with the code of conduct during the period from 1st April 2013 to 31st March, 2014".

4. Audit Committee :

The Company has an Audit Committee in accordance with the requirement of section 292 A of the Companies Act, 1956 and terms of reference are in conformity with Clause 49 of the Listing Agreement.

The Audit Committee has three members viz. Sh. Satya Prakash Kanodia (Chairman), Sh. Manoj Goyal and Sh. Pankaj Agarwal. All Members of the Audit Committee are financially literate.

Required information for review was placed before the Audit Committee meetings held during the year.

During the Financial Year 2013-2014, the Audit Committee met 5 times on 30/05/2013, 14/08/2013, 26/10/2013, 14/11/2013 & 14/02/2014. The attendance of the members of the Committee is given below :-

Committee Members	Category	No. of Audit Committee Meetings Attended
Sh. Satya Prakash Kanodia, Chairman	Non-Promoter, Non-executive, Independent	5
Sh. Manoj Goyal, Member	Non-Promoter, Non-executive, Independent	4
Sh. Pankaj Agarwal, Member	Non-Promoter, Non-executive, Independent	5

The Company Secretary acts as the Secretary of the Audit Committee.

5. Remuneration Committee :

The Committee comprises of three members viz Sh. Satya Prakash Kanodia, Chairman, Sh. Manoj Goyal and Sh. Pankaj Agarwal as the other two members.

Remuneration Committee Meeting (Attendance) : The remuneration committee met once during the year on 30/05/2013 and was attended by all the three members.

Remuneration Policy: The Whole Time Director is paid remuneration approved by the Board of Directors on the recommendation of Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders at the Annual General Meeting and such other authorities as the case may be. The Non-Executive Directors do not draw any remuneration from the company.

Remuneration paid to Sh. R.C. Gupta, Whole Time Director for the Financial Year 2013-2014 :
(Amount in Rs.)

Salary	9,00,000
Company's Contribution to PF	1,08,000

Note : None of the non-executive directors has any pecuniary relationship or transaction vis-à-vis the company.

6. Share Transfer and Shareholders/Investors Grievances Committee :

The Committee comprises of two members viz. Sh. Manoj Goyal (Chairman) and Sh. Pankaj Agarwal, as a member.

The Committee ensures the effective redressal of the complaints of the shareholders such as dematerialisation, transfer, non-receipt of balance sheet etc. The Committee also recommends steps to be taken for further improvement in the quality of service to the investors. No complaint was received from the shareholders during the financial year 2013-2014 neither was outstanding as on 31/03/2014.

In compliance to clause 47 (f) of the Listing Agreement of Stock Exchange, the company has created for the help of Investors an exclusive e-mail ID viz. arceeind@rediffmail.com.

The Company has appointed M/s. MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi – 110 020 as Share Transfer Agent to give services to the shareholders holding shares in physical or dematerialisation form. All requests for dematerialisation of shares are processed and confirmations thereof are sent to the shareholders within the prescribed time.

The Company has appointed Sh. Vishesh Chugh, General Manager (Finance) & Company Secretary as the Compliance Officer to monitor the Share Transfer process, Dematerialisation/Rematerialisation and liaison with the regulatory bodies. The company has complied with the various requirements of the listing agreements and the depositories with respect to transfer of shares. The requisite certificates are sent to them within the prescribed time.

7. General Body Meetings :

The location, date and time, where last three Annual General Meetings were held

Year	Location	Date	Time
2010-2011	7th K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)	Tuesday, 27/09/2011	10.00 A.M.
2011-2012	7th K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)	Friday, 28/09/2012	10.00 A.M.
2012-2013	7th K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)	Monday, 30/09/2013	10.00 A.M.

The details of special resolutions passed in the previous three Annual General Meetings :

Sr. No.	Date of AGM	Item of Special Resolution
1	27/09/2011	None
2	28/09/2012	None
3	30/09/2013	None

Extraordinary General Meeting was held on 10/06/2014 to transact the following business :-

Item	Nature of Resolution Passed
Appointment of M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants as Auditors of the Company	Ordinary Resolution

There were no resolutions which have been passed by the shareholders through postal ballot at any of the above meetings. Further there is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through a Postal ballot.

8. Disclosures:

- No transaction of material nature has been entered into by the company with its promoters, directors or management or relatives etc. that may have potential conflict with the interest of the company. Transactions with related parties are disclosed in financial section of this Report.
- There were no instances of non-compliance or penalty, strictures imposed on the company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets, during last three years.
- The company has complied with all the mandatory requirement of clause 49 of the Listing Agreement.

9. Means of Communication:

The Board of Directors of the Company approves and takes on record the annual, half-yearly and quarterly Financial Results in the proforma prescribed by the Stock Exchanges. These results are promptly submitted to BSE Limited, Mumbai, where shares of the company are listed. The same are also published in national and regional newspapers such as Business Standard (Delhi Edition) and Business Standard (Regional Language) (Haryana Edition).

Management Discussion and Analysis Report forms part of this Annual Report.

10. General Shareholder Information:
Annual General Meeting

Day, Date & Time : Tuesday, 30th September, 2014 at 10.00 A.M.
 Venue : 7th K.M. Barwala Road, Talwandi Rana, Hisar (Haryana)
 Financial Year : April 2014 to March 2015

Results for the quarter ending June 30, 2014	By 14 th August, 2014
Results for the quarter ending September 30, 2014	By 14 th November, 2014
Results for the quarter ending December 31, 2014	By 14 th February, 2015
Results for the quarter ending March 31, 2015	By 30 th May, 2015
Annual General Meeting for the year ending March, 2015	By end of Sept., 2015

Book Closure : 24/09/2014 to 30/09/2014 (Both days inclusive)
 Listing on Stock Exchange : BSE Limited, Mumbai
 Stock Code : 520121
 Demat ISIN Number : INE276D01012

Market Price Data : High, Low during each month in the financial year 2013-2014

MONTHS	HIGH PRICE	LOW PRICE
APRIL, 2013	2.70	1.95
MAY, 2013	3.42	2.83
JUNE, 2013	3.50	3.50
JULY, 2013	3.33	3.33
AUGUST, 2013	3.40	3.40
SEPTEMBER, 2013 (No Trading)	-	-
OCTOBER, 2013	3.55	3.39
NOVEMBER, 2013	3.23	3.23
DECEMBER, 2013	3.07	2.92
JANUARY, 2014	3.22	3.06
FEBRUARY, 2014	3.20	2.81
MARCH, 2014 (No Trading)	-	-

These data is from BSE Site : www.bseindia.com

Reconciliation of Share Capital Audit

A qualified Chartered Accountants carried out the Share Capital Reconciliation Audit to reconcile the total issued and paid up capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of Shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

Share Transfer Agent :

All the works relating to the share registry both for the shares held in the physical as well in the electronic form (demat) are being done at the single point and for this purpose SEBI Registered Category - I Registrar and Share Transfer Agent has been appointed w.e.f. 01/04/2003 whose address is under :-

MAS Services Limited

T-34, 2nd Floor, Okhla Industrial Area

Phase-II, New Delhi-110 020

Ph. : 011-26387281, 26387282, Fax : 011-26387384

email : info@masserv.com

Shares received for transfer in the physical form are processed and the share certificates returned within a period of 15 days from the date of the receipt subject to the documents being complete and valid in all respects.

Distribution of Shareholding as on 31/03/2014 :

No. of equity shares held	Total Holders	% of share holder	No. of shares held	% of share holding
Upto 500	5,242	83.51	10,68,748	20.80
501 to 1000	593	9.45	5,00,504	9.74
1001 to 5000	362	5.77	7,65,243	14.89
5001 to 10000	31	0.49	2,31,531	4.51
10001 to 50000	39	0.62	8,44,000	16.42
50001 to 100000	5	0.08	3,82,354	7.44
100001 and above	5	0.08	13,46,397	26.20
TOTAL	6,277	100.00	51,38,777	100.00

Shareholding Pattern as on 31/03/2014 :

Category	No. of Shares	% of Capital
Indian Promoters	12,21,907	23.78
Private Corporate Bodies	1,82,353	3.55
Indian Public	37,34,517	72.67
TOTAL	51,38,777	100.00

Dematerialisation of Shares : As on 31st March, 2014, 35,35,311 shares (68.80%) are in Electronic Form and 16,03,466 shares (31.20%) are in Physical Form.

Plant Location : 7th K.M. Barwala Road, Talwandi Rana, Hisar - 125 001 (Haryana)

Address for Correspondence : Arcee Industries Limited
7th K.M. Barwala Road, Talwandi Rana
Hisar – 125 001 (Haryana)
CIN-L29120HR1992PLC031681
Ph. : 01662-276142, 9812040111
Fax : 01662-276145
Email : arceeind@rediffmail.com

Compliance Officer : The name and designation of the Compliance Officer of the company is Mr. Vishesh Chugh, G.M. (Finance) & Company Secretary.

Compliance : Compliance certificate obtained from the Auditors is attached to this report.

Brief Profile of Board of Directors

Director Name	Mr. R.C. Gupta
Date of Birth	01/05/1947
Qualification	B. E. (Mech.)
Date of Appointment	27/05/1992
Directorship in other Companies as on 31.03.2014	1) Arcee Ispat Udyog Limited 2) APL Fincap Limited

Membership/Chairmanship of Committees of other public companies as on 31.03.2014 Nil

Shareholding in Arcee Industries Limited 2,21,600

Director Name	Mrs. Krishna Gupta
Date of Birth	12/06/1956
Qualification	Matric
Date of Appointment	22/07/1998
Directorship in other Companies as on 31.03.2014	1) Arcee Ispat Udyog Limited 2) Phoenix Irrigation Limited

Membership/Chairmanship of Committees of other public companies as on 31.03.2014 Nil

Shareholding in Arcee Industries Limited 2,03,902

Director Name	Mr. Satya Prakash Kanodia
Date of Birth	05/02/1948
Qualification	B. Com
Date of Appointment	17/12/2004

Directorship in other Companies
as on 31.03.2014

- 1) S.T. Unicom Pvt. Ltd.
- 2) Kripa Kunj Pvt. Ltd.
- 3) Mystic Metal Pvt. Ltd.

Membership/Chairmanship of Committees
of other public companies as on 31.03.2014 Nil

Shareholding in Arcee Industries Limited Nil

Director Name	Mr. Manoj Goyal
Date of Birth	17/08/1977
Qualification	B. Com
Date of Appointment	17/12/2004
Directorship in other Companies as on 31.03.2014	<ol style="list-style-type: none">1) Shree Jagdambe Paper Mills Limited2) Shree Balaji Converters (P) Limited

Membership/Chairmanship of Committees
of other public companies as on 31.03.2014 Nil

Shareholding in Arcee Industries Limited Nil

Director Name	Mr. Pankaj Agarwal
Date of Birth	22/10/1976
Qualification	B. Com.
Date of Appointment	17.12.2004
Directorship in other Companies as on 31.03.2014	<ol style="list-style-type: none">1) Vikas Planner (P) Ltd.2) Sunrise Buildmore (P) Ltd3) Sunrise Fabtech (P) Ltd.4) Surya Maintenance Agency (P) Ltd.

Membership/Chairmanship of Committees
of other public companies as on 31.03.2014 Nil

Shareholding in Arcee Industries Limited Nil

REGISTERED OFFICE
7th K.M. Barwala Road
Talwandi Rana, Hisar-125 001

Dated : 28/06/2014

FOR AND ON BEHALF OF THE BOARD

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

(R.C. GUPTA)
WHOLE TIME
DIRECTOR
DIN-00284823

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of
Arcee Industries Limited

We have examined the compliance of conditions of Corporate Governance by Arcee Industries Limited ("the Company") for the year ended on 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a view of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

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 JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N**

Place : Hisar
Dated : 28/06/2014

**(SACHIN KUMAR)
Partner
Membership No. 528180**

**CERTIFICATE OF CHIEF EXECUTIVE OFFICER &
CHIEF FINANCIAL OFFICER**

We, R.C. Gupta, Whole Time Director and Vishesh Chugh, G.M. (Finance) & Company Secretary of ARCEE INDUSTRIES LIMITED certify that :

We have reviewed the financial statements and the Cash Flow Statement for the year ended 31st March, 2014 and to the best of our knowledge and belief :

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. To the best of our knowledge and belief, no transactions entered into by the company during the year ended 31st March, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the Auditors and the Audit Committee :
 - a) There have been no significant changes in internal control over financial reporting system during the year.
 - b) There have been no significant changes in accounting policies during the year except for the changes disclosed in the notes to the financial statements, if any; and
 - c) There have been no instances of significant fraud, of which we have become aware; involving management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Hisar
Dated : 28/06/2014

(R.C. GUPTA)
WHOLE TIME DIRECTOR
DIN-00284823

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

INDEPENDENT AUDITORS' REPORT

To

The Members of

ARCEE INDUSTRIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of ARCEE INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - (b) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act read with the General Circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274 (1) (g) of the Act.

**FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N**

**Place : Hisar
Dated : 28/06/2014**

**(SACHIN KUMAR)
Partner
Membership No. 528180**

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1.
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) The company has not disposed off substantial part of fixed assets during the year.
2.
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
3.
 - (a) The company has granted unsecured loan to companies, firms or other parties listed in the Register maintained under section 301 of the Act, amounting to Rs.179.80 Lacs. The outstanding amount as on Balance Sheet date is Rs. Nil.
 - (b) According to the information and explanations given to us, in our opinion, the rate of interest and other terms and conditions of above loan granted by the company, are not prima facie, prejudicial to the interest of the company.
 - (c) According to the information and explanations given to us, the company to whom loan and advance in the nature of loan have been given, is repaying the principal amount as stipulated and is also regular in payment of interest.
 - (d) There is no overdue amount of loan granted to the company listed in the register maintained under section 301 of the Act.
4.
 - (a) The company has taken unsecured loan from companies, firms or other parties listed in the Register maintained under section 301 of the Act, amounting to Rs.76.00 Lacs. The outstanding amount as on Balance Sheet date is Rs. 4.50 lacs.
 - (b) No interest has been paid on the outstanding amount as the

arrangement is on current account basis and the amount is repayable on demand.

- (c) The payment of principal amount is regular.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods & services. During the course of our audit, no major weakness has been noticed in the internal controls.
 6. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Act.
 - (a) Based on audit procedures applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the transactions that needed to be entered into the register maintained under section 301 of the Act, if any, have been so entered.
 - (b) According to the information and explanations given to us and where transactions is in excess of Rs. 5.00 Lacs in respect of any party, if any, in our opinion, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market price at the relevant time.
 7. The company has not accepted any deposits from the public.
 8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 9. The company has maintained the cost records as required under Section 209 (1) (d) of the Act. However we have not made the detailed examinations.
 10. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, sales tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 11. According to the records of the company and information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other Statutory Dues, if any, with the appropriate authorities during the year.
 12. The company have accumulated losses as at the end of the year which are not more than 50% of its networth. Further the company has not incurred cash losses during the preceding financial year but during the current year

the company has incurred cash losses of Rs. 35.75 Lacs.

13. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the company has not defaulted in the repayment of dues to financial institutions or banks. The company has not issued any debenture.
14. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
15. The Provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/ Societies are not applicable to the Company.
16. (a) The company does not deal or trade in shares, securities, debentures and other Investments.
(b) Based on our audit procedures and to the best of our knowledge and belief and according to the information and explanations given to us, the shares and securities have been held by the company in its own name.
17. During the year the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
18. According to the information and explanations given to us, the term loans raised by the Company have been applied for the purpose for which they were raised.
19. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2014, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
20. As the company has not made any preferential allotment of shares during the year, clause (xviii) of the order is not applicable to the company.
21. The company did not have any outstanding debentures during the year.
22. The company has not raised money by any public issues during the year.
23. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N

Place : Hlsar
Dated : 28/06/2014

(SACHIN KUMAR)
Partner
Membership No. 528180

BALANCE SHEET AS AT 31ST MARCH, 2014

PARTICULARS	NOTE NO.	31/03/2014 Rupees	31/03/2013 Rupees
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	5,13,87,770	5,13,87,770
b) Reserve and Surplus	2	46,37,748	87,69,246
2. Non-Current Liabilities			
Long Term Borrowings	3	4,50,000	-
3. Current Liabilities			
a) Short Term Borrowings	5	1,89,67,537	2,90,49,597
b) Trade Payable	6	89,40,394	1,19,52,262
c) Other Current Liabilities	7	13,79,542	13,70,393
d) Short Term Provisions	8	-	52,584
TOTAL		8,57,62,991	10,25,81,852
II. ASSETS			
1. Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	9	1,34,27,745	1,54,30,654
ii) Intangible Assets		1	1,411
b) Non Current Investments	10	15,82,256	16,63,367
c) Deferred Tax Assets (Net)	4	51,06,061	33,19,443
d) Long Term Loans and Advances	11	20,16,178	18,16,178
2. Current Assets			
a) Inventories	12	1,01,72,962	1,40,05,960
b) Trade Receivables	13	1,46,55,096	2,99,14,494
c) Cash and Cash Equivalents	14	50,16,370	36,24,287
d) Short Term Loans and Advances	15	3,37,86,322	3,28,06,058
TOTAL		8,57,62,991	10,25,81,852
Significant accounting policies and additional notes to Accounts	24		

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

(R.C. GUPTA)
WHOLE TIME DIRECTOR
DIN-00284823

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

As per our report of even date attached.
FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N

Place : Hisar
Dated : 28/06/2014

(SACHIN KUMAR)
Partner
Membership No. 528180

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO.	31/03/2014 Rupees	31/03/2013 Rupees
I. Revenue from Operation	16	16,67,07,841	17,47,42,749
II. Other Income	17	5,90,037	20,61,336
Total Revenue (I+II)		16,72,97,878	17,68,04,085
III. EXPENSES :			
Cost of Materials Consumed	18	14,55,34,145	15,00,78,628
Purchases of Traded Goods		-	-
Changes in Inventories of Finished Goods, Work-in-progress and Traded Goods	19	(1,64,350)	17,78,086
Employee Benefits Expenses	20	62,05,788	54,90,076
Finance Cost	21	34,10,941	33,58,528
Depreciation and amortization expenses	9	23,43,268	23,77,419
Other Expenditure	22	1,58,86,202	1,34,45,392
Total Expenses		17,32,15,994	17,65,28,129
IV. Profit/(Loss) before exceptional and extraordinary items and tax		(59,18,116)	2,75,956
V. Exceptional Items		-	-
VI. Profit/(Loss) before extraordinary items and tax		(59,18,116)	2,75,956
VII. Extraordinary Items		-	-
VIII. Profit/(Loss) before Tax		(59,18,116)	2,75,956
IX. Tax Expenses			
Current Tax			52,584
Deferred Tax		(17,86,618)	(70,001)
X. Profit/(Loss) for the period		(41,31,498)	2,93,373
XI. Earning per equity Share (Face Value Rs.10/-)			
Basic		(0.80)	0.06
Diluted		(0.80)	0.06
Significant accounting policies and additional notes to Accounts	24		

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

(R.C. GUPTA)
WHOLE TIME DIRECTOR
DIN-00284823

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

As per our report of even date attached.
FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N

Place : Hisar
Dated : 28/06/2014

(SACHIN KUMAR)
Partner
Membership No. 528180

NOTES FORMING PART OF THE ACCOUNTS
NOTE - 1 SHARE CAPITAL

NOTE - 1 SHARE CAPITAL	31/03/2014 Rupees	31/03/2013 Rupees		
Authorised				
1,00,00,000 equity shares of Rs 10/- each (Previous Year 1,00,00,000 Equity Shares of Rs. 10/- each)	<u>10,00,00,000</u>	<u>10,00,00,000</u>		
Issued, Subscribed & Paidup				
51,38,777 equity shares of Rs. 10/- each fully paid up (Previous Year 51,38,777 Equity Shares of Rs. 10/- each fully paid up)	<u>5,13,87,770</u>	<u>5,13,87,770</u>		
Reconciliation of number of Shares outstanding at the beginning & at the end of the reporting year	31/03/2014	31/03/2013		
	Shares	Value	Shares	Value
At the beginning of the year	51,38,777	5,13,87,770	51,38,777	5,13,87,770
Movement during the period	-	-	-	-
Outstanding at the end of the year	51,38,777	5,13,87,770	51,38,777	5,13,87,770
Shareholder holding Equity Shares more than 5%	Shares held	% of Total Shares	Shares held	% of Total Shares
APL FINCAP LTD.	6,91,505	13.46%	6,91,505	13.46%

NOTE - 2 RESERVE AND SURPLUS

Capital Reserve	90,500	90,500
General Reserve	2,09,16,015	2,09,16,015
Surplus/(deficit) in the statement of Profit & Loss		
Opening Balance	(1,22,37,269)	(1,25,30,642)
Add : Profit/(Loss) for the current year	(41,31,498)	2,93,373
Less : Transfer to Reserve	-	-
Closing Balance	(1,63,68,767)	(1,22,37,269)
Total	46,37,748	87,69,246

NOTE - 3 LONG TERM BORROWING

Secured		
Sub Total (A)		
Unsecured		
Loan from Directors	4,50,000	
Sub Total (B)	4,50,000	
Total (A+B)	4,50,000	

NOTES FORMING PART OF THE ACCOUNTS

NOTE - 4 DEFERRED TAX ASSETS (Net)	31/03/2014	31/03/2013
	Rupees	Rupees
Fixed Assets	51,06,061	33,19,443
Total	51,06,061	33,19,443

NOTE - 5 SHORT TERM BORROWINGS
Secured

Loans repayable on demand

- From Bank

Cash Credit from Punjab National Bank	1,89,67,537	2,90,49,597
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(Secured by way of Hypothecation of Stocks, Book Debts, Current Assets, First Charge on Fixed Assets of Hisar Unit and Guaranteed by two Directors of the Company)

Total	1,89,67,537	2,90,49,597
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NOTE - 6 TRADE PAYABLES
Trade Payables

- MSME

4,77,115	28,89,350
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- Others

84,63,279	90,62,912
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Total	89,40,394	1,19,52,262
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NOTE - 7 OTHER CURRENT LIABILITIES

Expenses Payable	4,34,165	6,21,374
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Advances from Customer	39,217	1,28,905
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Salary, Bonus & PF Payable	5,75,003	5,89,936
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Other Liabilities	3,31,157	30,178
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Total	13,79,542	13,70,393
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NOTE - 8 SHORT TERM PROVISIONS

Provision for Income Tax	-	52,584
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Total	-	52,584
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NOTES FORMING PART OF THE ACCOUNTS

NOTE - 9 FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	Balance as at 01/04/2013	Additions/ Adjustments	Deduction/ Amortisation	Balance as at 31/03/2014	For the Year	On Disposals	Balance as at 31/03/2014	Balance as at 31/03/2013
TANGIBLE ASSETS								
Land (Freehold)	1,27,161	-	-	1,27,161	-	-	1,27,161	1,27,161
Land (Leasehold)	7,01,111	-	-	7,01,111	7,081	-	1,30,495	5,77,697
Shed & Building	50,54,596	-	-	50,54,596	1,68,823	-	33,73,311	16,80,665
Plant & Equipments	3,91,79,181	3,38,950	-	3,95,18,131	17,51,329	-	3,09,36,860	85,81,271
Office Equipments	1,36,677	-	-	1,36,677	6,492	-	73,743	62,934
Lab. Equipments	6,42,176	-	-	6,42,176	19,944	-	5,92,198	49,978
Furniture & Fixtures	6,59,360	-	-	6,59,360	14,778	-	5,68,716	90,644
Other Assets	15,600	-	-	15,600	741	-	3,606	11,994
Vehicles	45,94,562	-	3,00,000	42,94,562	3,58,513	2,99,999	20,45,955	22,48,627
Computer	2,55,913	-	-	2,55,913	14,157	-	2,52,078	3,835
TOTAL	5,13,66,357	3,38,950	3,00,000	5,14,05,307	23,41,858	2,99,999	3,79,77,562	1,54,30,654
INTANGIBLE ASSETS								
Computer Software	24,500	-	-	24,500	1,410	-	24,499	1,411
TOTAL	5,13,90,857	3,38,950	3,00,000	5,14,29,807	23,43,268	2,99,999	3,80,02,061	1,54,32,065
As at 31.03.2013	5,32,09,552	37,09,618	55,28,313	5,13,90,857	23,77,419	26,27,639	3,59,58,792	1,54,32,065

NOTES FORMING PART OF THE ACCOUNTS
NOTE - 10 NON-CURRENT INVESTMENTS

	31/03/2014 Rupees	31/03/2013 Rupees
Long Term Investments - Unquoted		
Non Trade, At Cost : In Shares of Companies		
22,500 (Previous Year 22,500) Equity Shares of Phoenix Irrigation Limited of Rs.10/- each fully paid.	2,25,000	2,25,000
Sub Total (A)	<u>2,25,000</u>	<u>2,25,000</u>
Long Term Investments - Quoted		
Non Trade, At Cost : In Shares of Companies		
268 (Previous Year 268) Equity Shares of JSW Steel Limited of Rs.10/- each fully paid.	61,700	61,700
(Market Value Rs. 2,77,380/-, previous year Rs. 1,79,748/-)		
2,400 (Previous Year 2,400) Equity Shares of VLS Finance Limited of Rs.10/- each fully Paid.	1,60,000	1,60,000
(Market Value Rs. 31,200/-, previous year Rs. 23,304/-)		
Sub Total (B)	<u>2,21,700</u>	<u>2,21,700</u>
Long Term Investment in Immovable Properties		
Shops (At Cost)	11,35,556	12,16,667
Sub Total (C)	<u>11,35,556</u>	<u>12,16,667</u>
Total (A+B+C)	<u>15,82,256</u>	<u>16,63,367</u>

**NOTE - 11 LONG TERM LOANS AND ADVANCES
(Unsecured - Considered Goods)**

Security and Earnest Money Deposit	20,16,178	18,16,178
Total	<u>20,16,178</u>	<u>18,16,178</u>

NOTE - 12 INVENTORIES

Raw Materials	56,53,062	92,52,824
Finished Goods	37,26,082	33,51,910
Scrap & By Product	89,042	2,98,864
Store & Spares	31,200	22,700
Others	6,73,576	10,79,662
Total	<u>1,01,72,962</u>	<u>1,40,05,960</u>

**NOTE - 13 TRADE RECEIVABLES
(Unsecured - Considered Goods)**

Trade Receivables outstanding for a period less than six months from the date they are due for payment	1,25,64,056	2,93,65,707
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	20,91,040	5,48,787
Total	<u>1,46,55,096</u>	<u>2,99,14,494</u>

NOTES FORMING PART OF THE ACCOUNTS

NOTE - 14 CASH & CASH EQUIVALENTS	31/03/2014	31/03/2013
	Rupees	Rupees
Balances with Banks		
- In Current Accounts	1,22,136	56,216
- In Fixed Deposits (Maturity Period less than 12 months)	26,89,287	1,25,000
Cash in Hand	22,04,947	34,43,071
Total	50,16,370	36,24,287
NOTE - 15 SHORT TERM LOANS AND ADVANCES		
(Unsecured - Considered good)		
Advance to Supplies	3,18,79,485	2,16,24,435
Cenvat	10,46,058	10,44,107
VAT/SALE TAX		31,643
Interest Receivable	3,04,753	2,36,455
Prepaid Expenses	2,21,773	1,53,205
Service Tax Refundable		15,740
TDS & Income Tax Refundable	3,32,113	2,53,158
Others	2,140	94,47,315
Total	3,37,86,322	3,28,06,058
NOTE - 16 REVENUE FROM OPERATIONS		
Sale of Product	18,49,40,988	18,07,73,658
Other Operative Revenue	21,24,593	1,38,54,876
	18,70,65,581	19,46,28,534
Less : Excise Duty	2,03,57,740	1,98,85,785
Total	16,67,07,841	17,47,42,749
NOTE - 17 OTHER INCOME		
Dividend Received	2,680	2,010
Profit on Sale of Assets	5,73,888	20,59,326
Misc. Income	13,469	-
Total	5,90,037	20,61,336
NOTE - 18 COST OF MATERIAL CONSUMED		
Raw Materials		
Opening Stock	92,52,824	2,42,75,368
Add : Purchases	14,19,34,383	13,50,56,084
	15,11,87,207	15,93,31,452
Less : Closing Stock	56,53,062	92,52,824
Total	14,55,34,145	15,00,78,628

NOTES FORMING PART OF THE ACCOUNTS

NOTE - 19 INCREASE/(DECREASE) IN VALUE OF STOCK	31/03/2014	31/03/2013
	Rupees	Rupees
Finished Goods		
Opening Stock	36,50,774	54,28,860
Closing Stock	38,15,124	36,50,774
Total	(1,64,350)	17,78,086
NOTE - 20 EMPLOYEE BENEFIT EXPENSES		
Salaries, Bonus & Allowances	49,88,394	46,89,132
Contribution to P.F., ESI and Gratuity Funds	6,42,355	7,44,439
Staff Welfare Expenses	5,75,039	56,505
Total	62,05,788	54,90,076
NOTE - 21 FINANCE COST		
Interest	32,90,049	31,09,963
Bank Charges	1,20,892	2,48,565
Total	34,10,941	33,58,528
NOTE - 22 OTHER EXPENDITURE		
Advertisement and Sales Promotions	79,860	73,224
Auditors' Remuneration	25,000	15,000
Carriage Inward	16,16,769	15,49,468
Donation & Charity	2,200	-
Fee, Taxes & Subscription	1,44,160	3,35,916
Insurance	2,64,718	2,56,566
Misc. Balance Written Off	-	70,531
Misc. Expenses	1,27,038	88,847
PF Admin. Expenses	46,252	44,963
Postage & Telephones	91,751	1,40,858
Power & Fuel	1,08,98,319	91,16,832
Printing & Stationery	49,000	51,839
Professional Charges	65,000	68,000
Rent	10,200	7,008
Repair to Machinery & Shed Building	14,48,568	7,05,560
Sale Tax/Service Tax/ED Paid	66,503	54,355
Store, Spares & Tools Consumed	4,27,945	4,43,829
Vehicle upkeep	5,22,919	4,18,684
Wealth Tax	-	3,912
Total	1,58,86,202	1,34,45,392

23. CORPORATE INFORMATION

Arcee Industries Limited was incorporated in the year 1992. The company is engaged in the activity of manufacturing of Rigid PVC Pipes.

The Equity Shares of the Company is listed in BSE Limited, Mumbai.

24. ADDITIONAL NOTES TO ACCOUNTS**I. Significant Accounting Policies****1. BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs, Government of India) and the relevant provisions of the 1956 Act/2013 Act, as applicable. The financial statements are prepared under the historical cost convention on going concern and on accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise.

3. REVENUE RECOGNITION

- i. Revenue from the sale of goods is recognised in the statement of profit and loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue includes consideration received or receivable, excise duty but net of discounts and other sales related taxes.
- ii. Dividend Income is recognized when the company's right to receive dividend is established. Interest Income is recognized on a time proportion basis based on the amount outstanding and the rate applicable.
- iii. Other Incomes are generally accounted on accrual basis as they are earned.

4. FIXED ASSETS

Tangible and intangible fixed assets are stated at cost of acquisition (net of CENVAT, wherever applicable), less accumulated depreciation. Cost is inclusive of freight, duties, levies and any directly attributable cost of bringing the assets to their working condition for intended use. Direct costs are capitalized till the assets are ready to be put to use. Interest on borrowings, wherever applicable, attributable to new projects is capitalized and included in the cost of fixed assets as appropriate.

5. DEPRECIATION AND AMORTIZATION

Depreciation in respect of Fixed Assets, is provided adopting Straight Line Method over the useful life of the Assets as estimated by the Management. Depreciation for assets purchased/sold during the period is proportionately charged.

6. INVENTORIES

- i. Raw Materials are valued at cost comprising purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.
- ii. Finished Products are valued at lower of cost and net realizable value.
- iii. Scrap & By Products are valued at net realizable value.
- iv. Stores and Spares are valued at cost comprising of purchase price, freight and handling, non refundable taxes and duties and other directly attributable costs.

7. EMPLOYEE BENEFITS

- i. **Short Term Employee Benefits** : Benefits payable to employees within 12 months of rendering services such as wages, salaries, bonus, paid annual leave, etc are classified as Short Term Employee Benefits and are recognized in the period in which the employee renders related services.
- ii. **Long Term/Post Employment/Termination Benefits** : The Company has taken an Employees Group Gratuity of LIC for meeting out the liability of Gratuity. Premium paid is debited as and when due. Actuarial Valuation is also kept in view for determining the liabilities, if any. Leave Encashment, if any, is accounted for on accrual basis.
- iii. **Provident Fund** : On the basis of payments/contributions made to the concerned Provident Fund authorities.

8. INVESTMENTS

Current investments are carried at lower of cost and quoted/fair value. Long Term Investments are stated at cost. Provision for diminution in the

value of long-term investments is made only if such a decline is other than temporary.

9. CASH AND CASH EQUIVALENTS

'Cash' comprises of cash on hand and demand deposits with Bank. 'Cash Equivalents' are short term, highly liquid investment, that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

10. EXPENDITURE

Expenses are accounted on the accrual basis and provisions are made for all known losses and liabilities.

11. TAXATION

Deferred Tax is recognized, subject to the consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences, being the difference between taxable income and accounting income that originate in one period, and is reversible in one or more subsequent periods.

Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets and are reviewed for the appropriateness of their respective carrying values at each reporting date.

Income Taxes are accrued in the same period the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the company will pay normal tax in future and the resultant asset can be measured reliably.

12. IMPAIRMENT

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss, if any, recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

13. BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction of qualifying assets are capitalized as part of the cost of such assets till such

time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the Company has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Contingent Liability is disclosed in case of a present obligation arising from past events when it is not probable that an outflow of resources will be required to settle the obligation, or a present obligation when no reliable estimate is possible, or a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

15. EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET

Material events occurring after date of Balance Sheet are taken into cognizance.

16. CASH FLOW STATEMENT

Cash Flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash Flows from regular revenue generating, financing and investing activities of the company are segregated.

17. EARNING PER SHARE

The company reports basic and diluted earnings per share in accordance with Accounting Standard (AS-20) – Earnings per Share. Basic earnings per equity share have been computed by dividing net profit/loss after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings during the year adjusted for the effects of all dilutive potential equity shares per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

18. SEGMENT INFORMATION

The company is engaged primarily in the business of Rigid PVC Pipes. The production facility is located at one place and the business is fully concentrated in India. As the basic of nature of these activities are governed by the same set of risks and returns, these have been grouped as a single business segment. Accordingly, segment reporting disclosure as envisaged

in Accounting Standard (AS-17) "Segment Reporting", issued by the Institute of Chartered Accountants of India, is not applicable to the Company.

II. ADDITIONAL NOTES (Forming an integral part of Accounts)

1. Deferred Tax

Deferred Taxation Assets and Deferred Taxation Liabilities have been calculated as per AS-22 issued by the ICAI. Deferred Taxation Assets has been taken in to consideration as the management is assured that the company will generate sufficient profits in future to derive full benefit of current unabsorbed depreciation and losses. This assurance is based upon company's track record and the future outlook of the PVC pipe industry.

Position of Deferred Taxation Assets as on 31/03/2014 is as under :-

	(Amount in Rs.)	
	31/03/2014	31/03/2013
W.D.V. as per Books	1,34,27,746	1,54,32,065
W.D.V. as per Income Tax	83,21,806	95,39,543
Difference	51,05,940	58,92,522
Less : Unabsorbed Depreciation	1,78,91,744	1,66,35,057
Less : Unabsorbed Business Loss	37,38,666	-
	(1,65,24,470)	(1,07,42,535)
Effective Tax Rate	30.90%	30.90%
Total Deferred Taxation Assets	51,06,061	33,19,443
Current Year Provision for increase/ (decrease) in Deferred Taxation Assets	17,86,618	70,001

2. Contingent Liabilities on account of

(Amount in Rs.)

	2013-2014	2012-2013
Bank Guarantee	6,00,000	5,00,000

3. Disclosure under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 :

Dues in respect, Micro and Small enterprises are being regularly met as per agreed terms and, as such, there remains no liability towards interest. Principal amount/s remaining payable in respect of such parties, as at 31st March, 2014, amount to Rs. 4,77,115/- (Previous Year Rs. 28,89,350/-).

4. Certain balances representing Debtors and Creditors, are subject to reconciliation and receipt of confirmations from parties, pursuant to confirmation requests sent by the company.

5. Auditors Remuneration

(Amount in Rs.)

	2013-2014	2012-2013
Audit Fees & Certification	25,000	15,000

6. Related Parties Disclosures

Disclosures as required by the Accounting Standard (AS-18) - "Related Party Disclosures" are given below :-

A) Associate Companies

(i) Arcee Ispat Udyog Limited

(ii) APL Fincap Limited

(iii) Phoenix Irrigation Limited

B) Key Management Personnel

(i) Sh. R.C. Gupta, Whole Time Director

(ii) Smt. Krishna Gupta, Director

(iii) Sh. Satya Prakash Kanodia, Director

(iv) Sh. Manoj Goyal, Director

(v) Sh. Pankaj Agarwal, Director

Disclosure on related party transaction:

(Amount in Rs.)

Transactions for the year ended 31/03/2014	Key Management Personnel		Associate Concerns	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Managerial Remuneration (Salary & Company's contribution to Provident Fund)	10,08,000	10,08,000	-	-
Loan Given	-	-	1,79,80,000	10,90,55,000
Loan Taken	4,50,000	-	71,50,000	40,00,000
Freight Paid	-	-	7,53,745	2,65,840
Sale of Finished Goods	-	-	2,520	1,476
Interest Received	-	-	1,18,751	7,50,195
Outstanding as on 31/03/2014				
Due to	4,50,000	-	2,86,587	-
Due from	-	-	-	94,45,175

7. Inventory related Details

(Amount in Rs.)

	2013-2014	2012-2013
A FINISHED GOODS		
OPENING STOCK		
Pipes	33,51,910	52,58,991
Scrap	2,98,864	1,69,869
TURNOVER		
Pipes	18,40,57,408	18,01,69,051
Scrap	8,83,580	6,04,607
CLOSING STOCK		
Pipes	37,26,082	33,51,910
Scrap	89,042	2,98,864

B. CONSUMPTION OF RAW MATERIALS

PVC Resin	12,53,59,142	13,09,49,396
Cal. Carbonate	84,11,177	81,25,482
Chemicals	1,17,63,826	1,10,03,750

C. CIF VALUE OF IMPORTS

CIF Value of Imports	NIL	NIL
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D. COMPOSITION**RAW MATERIAL**

Imported	-	-	-	-
Indigenous	100	14,55,34,145	100	15,00,78,628

STORE & SPARES

Imported	-	-	-	-
Indigenous	100	4,27,945	100	4,43,829

8. Earning per Share

(Amount in Rs.)

	2013-2014	2012-2013
Net Profit/(Loss) for the Year	(41,31,498)	2,93,373
Weighted Average Number of Equity Shares	51,38,777	51,38,777
Basic/Diluted EPS (Face Value Rs.10/- per Share)	(0.80)	0.06

9. Figures for the year have been rounded-off to the nearest rupees.

10. Figures for the previous year figures have been reclassified/regrouped wherever required.

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

(R.C. GUPTA)
WHOLE TIME DIRECTOR
DIN-00284823

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

As per our report of even date attached.
FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N

Place : Hisar
Dated : 28/06/2014

(SACHIN KUMAR)
Partner
Membership No. 528180

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2014

		(Amount in Rs.)	
		YEAR ENDED	
		31/03/2014	31/03/2013
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit/(Loss) before Tax		(59,18,116)	2,75,956
Adjustments for :			
Depreciation & Amortisation		23,43,268	23,77,419
Financial Costs		34,10,941	33,58,528
(Profit) / Loss on sale of fixed assets		(5,73,888)	(20,59,326)
Dividend		(2,680)	(2,010)
Operating profit/(Loss) before working capital changes		(7,40,475)	39,50,567
Changes in Working Capital			
Trade and other receivables		1,52,59,398	(1,80,02,734)
Inventories		38,32,998	1,59,29,654
Short Term Loans & Advances		(9,80,264)	(52,23,168)
Long Term Loans & Advances		(2,00,000)	-
Trade payables, Current Liabilities & Other Provisions		(30,55,303)	8,553
Cash generated from operations		1,41,16,354	(33,37,128)
Income Tax		-	(52,584)
Net Cash from operating activities	→ (A)	1,41,16,354	(33,89,712)
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed assets		(3,38,950)	(37,09,618)
Proceeds from Sale of Fixed assets		6,55,000	49,60,000
Dividend		2,680	2,010
Net Cash used in investing activities	→ (B)	3,18,730	12,52,392
C. CASH FLOW FROM FINANCING ACTIVITIES			
Financial Costs		(34,10,941)	(33,58,528)
Bank Borrowings -Working Capital		(1,00,82,060)	35,46,922
Repayment of Long Term Loan		4,50,000	(12,13,951)
Net Cash used in financing activities	→ (C)	(1,30,43,001)	(10,25,557)
Net increase/(Decrease) in Cash and Cash equivalents	→ (A+B+C)	13,92,083	(31,62,877)
Cash and Cash equivalents (Opening Balance)		36,24,287	67,87,164
Cash and Cash equivalents (Closing Balance)		50,16,370	36,24,287

(VISHESH CHUGH)
G.M. (FINANCE) &
COMPANY SECRETARY

(R.C. GUPTA)
WHOLE TIME DIRECTOR
DIN-00284823

(KRISHNA GUPTA)
DIRECTOR
DIN-00284849

As per our report of even date attached.
FOR JAIN MITTAL CHAUDHARY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No.015140N

Place : Hisar
Dated : 28/06/2014

(SACHIN KUMAR)
Partner
Membership No. 528180

ARCEE INDUSTRIES LIMITED

Regd. Office & Works: 7th K.M. Barwala Road, Talwandi Rana, Hisar (Haryana)
PH No. 01662-276142, 276143, 98120-40111, Fax No. 01662-276145
CIN - L29120HR1992PLC031681, E-mail Id : arceeind@rediffmail.com

PROXY FORM

Name of the Member(s): _____ Registered Address: _____
Folio No.: _____ DP ID: _____ Client ID: _____ e-mail ID: _____

I/We, being member(s) of _____ shares of **ARCEE INDUSTRIES LIMITED** hereby appoint:
1. Mr./Ms. _____ Address _____ having
e-mail id _____ Signature _____, or failing him
2. Mr./Ms. _____ Address _____ having
e-mail id _____ Signature _____, or failing him
3. Mr./Ms. _____ Address _____ having
e-mail id _____ Signature _____

as my/our proxy to attend and vote for me/us on my/our behalf at the **22nd Annual General Meeting** of the Company to be held on Tuesday, the 30th day of September, 2014 at 10.00 A.M. at its Regd. Office at 7th K.M. Barwala Road, Talwandi Rana, Hisar-125 001 and at any adjournment thereof in respect of such resolutions as indicated below :

Resolution No.	Resolutions	Optional* For Against
----------------	-------------	--------------------------

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended March 31, 2014
2. Re-appointment of Mrs. Krishna Gupta, who retires by rotation
3. Re-appointment of Jain Mittal Chaudhary & Associates, Chartered Accountants, as Auditors of the Company

SPECIAL BUSINESS

4. Appointment of Mr. Satya Prakash Kanodia as an Independent Director
5. Appointment of Mr. Manoj Goyal as an Independent Director
6. Appointment of Mr. Pankaj Agarwal as an Independent Director

Signed this _____ Day of _____, 2014.

Notes:

1. A Member entitled to attend and vote is entitled to appoint proxy(ies) to attend and vote instead of himself/herself and proxy(ies) need not be a member. This form of Proxy in order to be effective should be duly completed and deposited at the Regd. Office of the Company, not less than 48 Hours before the commencement of the meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to Notice of the 22nd Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

AFFIX
ONE
RUPEE
REVENUE
STAMP

Signature

TEAR HERE

ARCEE INDUSTRIES LIMITED

Regd. Office & Works: 7th K.M. Barwala Road, Talwandi Rana, Hisar (Haryana)
PH No. 01662-276142, 276143, 98120-40111, Fax No. 01662-276145
CIN - L29120HR1992PLC031681, E-mail Id : arceeind@rediffmail.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Folio No. : _____ No. of Shares : _____ DP ID : _____ Client ID : _____

Name and address of the attending Member's/Proxy's (in block letters) _____

I hereby record my presence at the **22nd Annual General Meeting** of the Company held on Tuesday, the 30th day of September, 2014 at 10.00 A.M. at its Regd. Office at 7th K.M. Barwala Road, Talwandi Rana, Hisar-125 001 (Haryana) and at any adjournment thereof.

Member's/Proxy's Signature

BOOK POST



If undelivered please return to :

ARCEE INDUSTRIES LIMITED

7th K.M. Barwala Road

Talwandi Rana, Hisar-125 001 (Haryana)