

**FORM A**

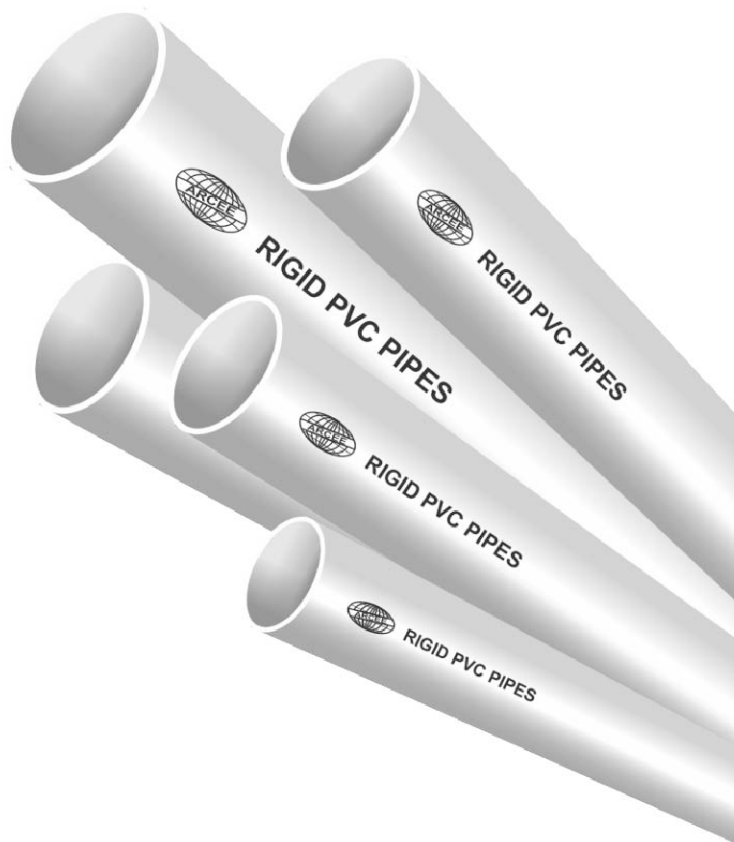
**(Format of covering letter of the annaul audit report to be filed with Stock Exchange)**

1	Name of the Company	ARCEE INDUSTRIES LIMITED
2	Annual Financial Statements for the year ended	31.03.2015
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	 ( Sanjay Agarwal )
	Auditors of the Company	For : Jain Mittal Chaudhary & Associates Chartered Accountants Firm Registration No. 015140N  ( Sachin Kumar ) Partner Membership No. 528180
	Audit Committee Chairman	 ( Satya Prakash Kanodia ) DIN - 00284918



# 23rd ANNUAL REPORT

2014-2015



 **ARCEE INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

SH. RAMESH CHANDER GUPTA

SMT. KRISHNA GUPTA

SH. SATYA PRAKASH KANODIA

SH. MANOJ GOYAL

SH. PANKAJ AGARWAL

CHAIRMAN & WHOLE TIME DIRECTOR  
(DIN – 00284823)

DIRECTOR (DIN – 00284849)

DIRECTOR (DIN – 00284918)

DIRECTOR (DIN – 00067155)

DIRECTOR (DIN – 00020220)

**AUDITORS**

M/S. JAIN MITTAL CHAUDHARY &amp; 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-125005

**REGISTRAR & SHARE TRANSFER AGENT**

MAS SERVICES LIMITED

T-34, 2<sup>ND</sup> FLOOR, OKHLA INDL. AREA

PHASE – II, NEW DELHI – 110 020

PH. : 011-26387281, 26387282

FAX: 011-26387384

E-mail ID : info@masserv.com

**REGD. OFFICE & WORKS**7<sup>th</sup> K.M. BARWALA ROAD

TALWANDIRANA

HISAR - 125 001 (HARYANA)

PH. : 01662-276178, 98120-40111

FAX : 01662-276145

E-mail ID : arceelnd@rediffmail.com

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NOTICE is hereby given that the '23<sup>rd</sup> ANNUAL GENERAL MEETING' of members of ARCEE INDUSTRIES LIMITED (CIN L29120HR1992PLC031681) will be held on Tuesday, 29<sup>th</sup> day of September, 2015 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 consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2015, together with the Report of the Directors and 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 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 (2) and 142(1) of the Companies Act, 2013 the re-appointment of the statutory auditors of company M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (Firm Registration No. 015140N) be and is hereby ratified by the members of the company for the financial year 2015-2016 at such remuneration as may be determined by the Board of Directors of the Company.”

#### **REGISTERED OFFICE:**

7th K.M. Barwala Road,  
Talwandi Rana, Hisar-125 001  
**Date : 30<sup>th</sup> May, 2015**

#### **BY ORDER OF THE BOARD**

**Ramesh Chander Gupta**  
**(Whole Time Director)**  
**DIN - 00284823**

**CIN** : L29120HR1992PLC031681  
**Phone** : (01662) 276178 **Fax** : (01662) 276145  
**Email** : arceeind@rediffmail.com

**NOTES :-**

1. **A member entitled to attend and vote at the Annual General Meeting (the 'Meeting') is entitled to appoint a proxy to attend and vote on a poll, instead of her/him and the proxy need not be a Member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the Meeting.**

A proxy form is sent herewith. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a member holding more than 10 (Ten) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as proxy for any other member.

2. Members/Proxies should fill in the Attendance Slip for attending the Meeting and bring their Attendance Slips along with their copy of the Annual Report to the Meeting.
3. The Company's Register of Members and Transfer Books will remain closed from **Wednesday, September 23, 2015 to Tuesday, September 29, 2015** (both days inclusive).
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Meeting.
6. Members who hold shares in electronic form are requested to write their DP ID and Client ID numbers and those who hold share(s) in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting.
7. Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company on all working days viz. Monday to Friday, between 11.00 A.M. and 1.00 P.M. from dispatch of notice till the date of the Meeting or any adjournment(s) thereof.
8. Appointment of Directors: At the ensuing Annual General Meeting, Smt. Krishna Gupta is retiring by rotation, being eligible, is offering herself for re appointment.
9. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be obtained from the Company's Registrar.

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.
11. Shareholders seeking any information or clarification on the accounts are requested to send written queries to the Company, at least 10 days before the date of the meeting, to enable the management to keep the required information available at the meeting.
12. As per Section 108 of the Companies Act 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, the items of business set out in the attached Notice may be transacted also through electronic voting system as an alternative mode of voting. The Company is providing the facility of casting votes through the electronic voting system from a place other than venue of AGM (remote e-voting) under an arrangement with National Securities Depository Limited ("NSDL") as specified more fully in the instructions hereunder provided that once the vote on a Resolution is cast, a Member shall not be allowed to change it subsequently. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on Tuesday, 22<sup>nd</sup> September, 2015, i.e. the cut-off date are entitled to vote on the Resolutions set forth in this Notice. The Remote e-voting period will commence at 10.00 a.m. on Saturday, September 26, 2015 and will end at 5.00 p.m. on Monday, September 28, 2015. The Notice of the Meeting will also be available on the the website of NSDL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
13. The procedure and instructions for e-voting are as under :
  - i. In case of Members receiving e-mail from NSDL (For those members whose e-mail addresses are registered with Company/Depositories):**
    - a. Open e-mail and open PDF file viz. "AIL-remote e-Voting.pdf" with your client ID or Folio No. as password containing your user ID and password for remote e-voting. Please note that the password is an initial password.
    - b. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
    - c. Click on Shareholder-Login.
    - d. Put user ID and password as initial password noted in step (i) above. Click Login.
    - e. Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
  - g. Select "EVEN" of "Arcee Industries Limited".
  - h. Now you are ready for remote e-voting as Cast Vote page opens.
  - i. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
  - j. Upon confirmation, the message "Vote cast successfully" will be displayed.
  - k. Once you have voted on the resolution, you will not be allowed to modify your vote.
  - l. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [sanjeevacs@gmail.com](mailto:sanjeevacs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- II. In case of Members receiving Physical copy of Notice of 23rd Annual General Meeting (for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy)**
- a. Initial password is provided above the attendance slip for the AGM.
  - b. Please follow all steps from Sl. No. (b) to Sl. No. (l) above, to cast vote.
  14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on Toll Free No.: 1800-222-990.
  15. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
  16. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  17. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22<sup>nd</sup> September, 2015.
  18. Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 22<sup>nd</sup> September, 2015, will be provided the notice through mail or by post after the cut-off date. Such members may also obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA, MAS Services Limited. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot

your password, you can reset your password by using “Forgot User Details/ Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following Toll Free No.: 1800-222-990.

19. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
20. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
21. Sh. Sanjeev Jain, Practicing Chartered Accountants (Membership No. 500771), has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
22. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
23. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

**REGISTERED OFFICE:**

7th K.M. Barwala Road,  
Talwandi Rana, Hisar-125 001  
**Date : 30<sup>th</sup> May, 2015**

**BY ORDER OF THE BOARD**

**Ramesh Chander Gupta**  
**(Whole Time Director)**  
**DIN - 00284823**

**CIN** : L29120HR1992PLC031681  
**Phone** : (01662) 276178 **Fax** : (01662) 276145  
**Email** : arceeind@rediffmail.com



**DIRECTORS' REPORT**

To

**The Members,**

Your directors have pleasure in presenting the '23<sup>rd</sup> ANNUAL REPORT' together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2015.

**FINANCIAL HIGHLIGHTS**

	(Rs. in Lacs)	
	2014-2015	2013-2014
Revenue from Operation and Other Income	1687	1673
Profit/(Loss) before depreciation, Interest & Taxes	66	(2)
Depreciation & Amortization Expenses	15	23
Finance Cost	25	34
Profit/(Loss) before Taxes	26	(59)
Provision of Tax/Tax Paid (Incl. Deferred Taxation)	8	(18)
Profit/(Loss) after Tax	18	(41)
Balance brought forward	(163)	(122)
Balance Carried to the Balance Sheet	(145)	(163)

**BUSINESS PERFORMANCE**

During the year the company has achieved gross revenue of Rs. 1686.77 Lacs as compare to previous year of Rs.1672.98 Lacs. The company has earned profit before tax of Rs. 25.93 Lacs as compared to previous year Loss of Rs. 59.18 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.

**DIVIDEND**

In order to conserve resources by the Company, the Board does not recommend any dividend for the financial year ended 31<sup>st</sup> March, 2015.

**SHARE CAPITAL**

The paid up Equity Share Capital as on March 31, 2015 was Rs.5,13,87,770/-. During the year under review the company has not issued any shares or any convertible instruments.

**MANAGEMENT DISCUSSION & ANALYSIS**

PVC Pipes are fast becoming the preferred mode of carrying water from the location of its source to the location of its use. Inversely, PVC Pipes are also useful for carrying the used water and sanitary waste towards the location of its disposal. Safety, reliability and strength – the important attributes of PVC Pipes are gradually yet definitely finding favour with the users as well as government and quasi-government authorities responsible for water and waste water management.

As per the statistics, only about 43% of the land under cultivation in India has access to irrigation. This means that more than half of India's agriculture still

depends on the monsoon. Successive governments have allocated large funds to increase the reach of irrigation.

An increase in disposable income in rural India and a continued focus by the Government to increase irrigation coverage in the country augurs well for the demand of your Company's products. Your Company has experienced that the demand for PVC pipes is acyclical in nature. A good monsoon implies better purchasing power for the farmer, thereby resulting in a high demand for pipes. Similarly, a poor monsoon requires the farmer to source water from farther distances, thereby also increasing the demand for pipes.

Furthermore, the area under irrigation in India is abysmally low and the potential for irrigation is so large that your Company does not expect any structural drop in demand in the foreseeable future. Your Company has therefore seen a CAGR of more than 15% over the last ten years, and expects this trend to continue in the years to come.

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.

#### **CORPORATE SOCIAL RESPONSIBILITY**

The company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of section 135 of the Companies Act, 2013 are not applicable.

#### **HUMAN RESOURCES**

Our underlying belief is that Human Resource Development today is about nurturing human resources and leveraging human capital towards the achievement of business goals. The Company is committed towards creation of opportunities for its employees that help attract, retain and develop a diverse workforce.

#### **BUSINESS RISK MANAGEMENT**

The Company has developed & implemented Risk Management Policy. However, Company has not come across any element of risk which may threaten the existence of the Company.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

As required under section 177 (9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Boards and its Powers) 2014 and Clause 49 of the Listing Agreement, the Company has adopted a policy on vigil mechanism/whistle blower. The policy provides direct access to the Chairman of the Audit Committee in case any employee should choose to report or bring up a complaint. Your company affirms that on one has been denied access to the Chairman of the Audit Committee and also that no complaints were received during the year.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

**DIRECTORS & KMP**

Mrs. Krishna Gupta, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer herself for re-appointment.

Sh. Vishesh Chugh, Company Secretary of the company left the organization on 24<sup>th</sup> March, 2015.

Sh. Sanjay Agarwal was appointed as CFO of the company on 25<sup>th</sup> March, 2015.

All independent directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and clause 49 of listing agreement.

**BOARD EVALUATION**

Pursuant to the provisions of companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder committee. The manner in which the evaluation has been carried out has been explained in Corporate Governance Report.

**REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**MEETINGS**

During the year Seven Board Meetings and one independent directors' meeting was held. The Details of which are given in Corporate Governance Report. The provisions of Companies Act, 2013 and listing agreement were adhered to while considering the time gap between two meetings.

**AUDIT COMMITTEE**

The company is having an audit committee comprising of the following directors:

1. Sh. Satya Prakash Kanodia, Chairman, Non Executive & Independent Director

2. Sh. Manoj Goyal, Member, Non Executive & Independent Director
3. Sh. Pankaj Agarwal, Member, Non Executive & Independent Director

#### **NOMINATION AND REMUNERATION COMMITTEE**

The company is having a Nomination and Remuneration Committee comprising of the following directors:

1. Sh. Satya Prakash Kanodia, Chairman, Non Executive & Independent Director
2. Sh. Manoj Goyal, Member, Non Executive & Independent Director
3. Sh. Pankaj Agarwal, Member, Non Executive & Independent Director

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons or entities which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval.

#### **MATERIAL CHANGES**

Arcee Ispat Udyog Limited is associate concern whose bank account was declared 'NPA' during the financial year 2013-2014. Now, the bank has also decided to

reduce the working capital limits of your company gradually to NIL by 31-07-2015 which may adversely impact on the working of the Company. The Company is seeking alternate sources of financing.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **STATUTORY AUDITORS**

M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (Firm Registration No. 015140N) have been appointed as statutory auditors of the company at the last Annual General Meeting held on 30.09.2014 for a period of five years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM. They have given their eligibility & consent for the proposed ratification.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Ms. Anju Jain (CP No.: 2728, ACS No: 11056), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure 1'.

#### **AUDITORS OBSERVATIONS**

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

#### **FIXED DEPOSITS**

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

#### **INSURANCE**

The Company's properties have been adequately insured.

#### **COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGE**

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

#### **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.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure 2".

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT - 9 is annexed herewith as "Annexure 3".

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given any loan or provided any guarantee or made any investment covered under section 186 of the Companies Act, 2013.

**PARTICULARS OF EMPLOYEES**

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

**DISCLOSURE IN TERMS OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company takes all necessary measures to ensure a harassment-free workplace and has instituted a system for redressal of complaints and to prevent sexual harassment. During the year, there were no complaints relating to sexual harassment.

**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

**FOR AND ON BEHALF OF THE BOARD**

**Date : 30<sup>th</sup> May, 2015**

**Krishna Gupta**  
**(Director)**  
**DIN – 00284849**

**Ramesh Chander Gupta**  
**(Whole Time Director)**  
**DIN – 00284823**

**CIN** : L29120HR1992PLC031681

**Phone**: (01662) 276178 Fax : (01662) 276145

**Email** : arceeind@rediffmail.com

**FORM No. MR – 3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015**

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

To,

The Members,  
Arcee Industries Limited  
7<sup>th</sup> K.M. Barwala Road, Talwandi Rana  
Hisar – 125 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arcee Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the **Arcee Industries Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Arcee Industries Limited** ("the Company") for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Environment (Protection) Act, 1986
- (vii) The EPF & Misc. Provisions Act, 1952;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, yet to be approved by the Central Government;
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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



**We further report that** during the audit period the company has Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above).

**Place : Hisar**  
**Date : 30<sup>th</sup> May, 2015**

**CS Anju Jain**  
**Company Secretary**  
**ACS No. : 11056**  
**C. P. No.: 2728**

This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

#### **ANNEXURE A**

To,  
The Members  
Arcee Industries Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place : Hisar**  
**Date : 30<sup>th</sup> May, 2015**

**CS Anju Jain**  
**Company Secretary**  
**ACS No. : 11056**  
**C P No.: 2728**

**ANNEXURE-2**
**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		
4. Expenditure on R & D :	NIL	NIL
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).	NIL	NIL
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		

**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		

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN** as on the Financial Year ended on 31.03.2015 of Arcee Industries Limited [pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	L29120HR1992PLC031681
Registration Date	27.05.1992
Name of the Company	Arcee Industries Limited
Category/Sub-Category of the Company	Public Company, Limited by Shares
Address of the Registered Office & Contact details	7 <sup>th</sup> K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana) Tel. No. : 01662-276178
Whether listed Company	Yes
Name, Address and Contact details of Registrar & Transfer Agents (RTA), if any	MAS Services Limited, T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area, Phase – II, New Delhi–110 020 Tel. No. 011-26387281, 26387282

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name and Description of Main Products/Services	NIC Code of the Product/Service	% to total turnover of the company
1.	PVC Pipes	22207	100 %

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Arcee Ispat Udyog Ltd. 7th KM, Barwala Road, Talwandi Rana, Hisar	U27106HR1987PLC030006	Associate	---	2 (6)
2.	APL Fincap Ltd. 71-72, Priti Nagar, Hisar	U65921HR1995PLC032593	Associate	---	2 (6)
3.	Phoenix Irrigation Ltd. 71-72, Priti Nagar, Hisar	U51909HR1995PLC032741	Associate	44.38	2 (6)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**(f) Category-wise Share Holding**

S. No.	Category of Shareholder	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		Demat	Physical	% of Total	Demat	Physical	% of Total	
<b>(A) Promoters</b>								
1. <b>Indian</b>								
(a) Individuals/HUF		519002	10700	10.31	519002	10700	10.31	Nil
(b) Central Govt.								
(c) State Govt. (s)								
(d) Bodies Corporate		690605	1600	13.47	690605	1600	13.47	Nil
(e) Banks/FI								
(f) Any Other (specify)								
<b>Sub-Total (A)(1)</b>		<b>1209607</b>	<b>12300</b>	<b>23.78</b>	<b>1209607</b>	<b>12300</b>	<b>23.78</b>	<b>Nil</b>
2. <b>Foreign</b>								
(a) NRIs-Individual								
(b) Other Individual								
(c) Bodies Corporate								
(d) Banks/FI								
(e) Any Other (specify)								
<b>Sub-Total (A)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Nil</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>		<b>1209607</b>	<b>12300</b>	<b>23.78</b>	<b>1209607</b>	<b>12300</b>	<b>23.78</b>	<b>Nil</b>



**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% in share change holding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of Total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1	APL FINECAP LIMITED	690605	13.44	Nil	690605	13.44	Nil	Nil
2	RAMESH CHANDER GUPTA	221600	4.31	Nil	221600	4.31	Nil	Nil
3	KRISHNA GUPTA	203902	3.97	Nil	203902	3.97	Nil	Nil
4	RAMESH CHANDER GUPTA (HUF)	51000	0.99	Nil	51000	0.99	Nil	Nil
5	AKSHAT GUPTA	42500	0.83	Nil	42500	0.83	Nil	Nil
6	VIMAL KUMAR SINGAL	5000	0.10	Nil	5000	0.10	Nil	Nil
7	VIMAL KUMAR SINGAL	3900	0.08	Nil	3900	0.08	Nil	Nil
8	APL FINECAP LIMITED	900	0.02	Nil	900	0.02	Nil	Nil
9	ARCEE ISPAT UDYOG LTD	700	0.01	Nil	700	0.01	Nil	Nil
10	VIMAL KUMAR SINGAL	500	0.01	Nil	500	0.01	Nil	Nil
11	KAMLESH SINGAL	400	0.01	Nil	400	0.01	Nil	Nil
12	BHAGWATI DEVI SINGAL	300	0.01	Nil	300	0.01	Nil	Nil
13	DEEPAK GUPTA	200	0.00	Nil	200	0.00	Nil	Nil
14	RUCHI GUPTA	100	0.00	Nil	100	0.00	Nil	Nil
15	SANTOSH GUPTA	100	0.00	Nil	100	0.00	Nil	Nil
16	S. C. GUPTA	200	0.00	Nil	200	0.00	Nil	Nil
<b>TOTAL</b>		<b>1221907</b>	<b>23.78</b>	<b>Nil</b>	<b>1221907</b>	<b>23.78</b>	<b>Nil</b>	<b>Nil</b>

**(iii) Change in Promoters' Shareholding** (Please specify, if there is no change)

S. No.		Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No changes during the year			
	Data wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat/equity etc.)	No changes during the year			
	At the end of the year	No changes during the year			

**(iv) Shareholding Pattern of top ten Shareholders** (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Fanishprasad Bhanwarlal Mundhra	123488	2.40	48545	0.94
2	Surekha Bhagawatiprasad Mundada	106802	2.08	106802	2.08
3	Rahul Mittal	98650	1.92	100238	1.95
4	Narendra Kumar Gadia	95401	1.86	95401	1.86
5	Madhu Goyal	70051	1.36	70051	1.36
6	Ashok Kumar Mittal	67252	1.31	220399	4.29
7	Sunil Kumar	50000	0.97	50000	0.97
8	Mohinder Kumar Bansal	50000	0.97	50000	0.97
9	Shantidevi Fanishprasad Mundhra	40000	0.78	0	0.00
10	Sahil Kansal	38200	0.74	38200	0.74
11	Rahul Mittal	35591	0.69	35591	0.69

**(v) Shareholding of Directors and Key Managerial Personnel**

S. No.	For Each of the Directors and KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Ramesh Chander Gupta At the beginning of the year	221600	4.31	221600	4.31
	Data wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat/equity Shares etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	221600	4.31
2	Krishna Gupta At the beginning of the year	203902	3.97	203902	3.97
	Data wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat/equity Shares etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	203902	3.97
3	Sanjay Kumar Agarwal At the beginning of the year	200	0.00	200	0.00
	Data wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat/equity Shares etc.)	N.A.	N.A.	N.A.	N.A.
	At the end of the year	N.A.	N.A.	200	0.00

**Note:** None of the Directors or KMPs other than the above hold any shares in the Company.



**(V) INDEBTEDNESS**

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

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	1,86,83,248	4,50,000	-	1,91,33,248
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,86,83,248</b>	<b>4,50,000</b>	<b>-</b>	<b>1,91,33,248</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	35,53,612	4,50,000	-	40,03,612
<b>Net Change</b>	<b>(35,53,612)</b>	<b>(4,50,000)</b>	<b>-</b>	<b>(40,03,612)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	1,51,29,636	-	-	1,51,29,636
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,51,29,636</b>	<b>-</b>	<b>-</b>	<b>1,51,29,636</b>

**(VI) Remuneration of Directors and Key Managerial Personnel**
**a. Remuneration to Managing Director, Whole-time Director and/or Manager**

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Sh. Ramesh Chander Gupta Whole Time Director	
1	Gross Salary		
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10,08,000	10,08,000
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of Profit - others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>10,08,000</b>	<b>10,08,000</b>

**b. Remuneration to other Director**

S.No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	a) Fee for attending board/committee meetings	-	-
	b) Commission	-	-
	c) Others, please specify	-	-
	<b>Total (1)</b>	-	-
2	Other Non-Executive Directors		
	a) Fee for attending board/committee meetings	-	-
	b) Commission	-	-
	c) Others, please specify	-	-
	<b>Total (2)</b>	-	-
	<b>Total (B) = (1+2)</b>	-	-
	<b>Total Managerial Remuneration</b>	-	-

**c. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Sh. Sanjay Agarwal Chief Financial Officer	Sh. Vishesh Chugh* Company Secretary	
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2,11,800	3,53,226	5,65,026
	b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	
	c) Profits in lieu of salary u/s. 17(3) of the Income Tax Act, 1961	-	-	
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of Profit - others, specify	-	-	
5	Others, please specify	-	-	
	<b>Total</b>	<b>2,11,800</b>	<b>3,53,026</b>	<b>5,65,026</b>

\* Sh. Vishesh Chugh, Company Secretary of the company left the organization on 24<sup>th</sup> March, 2015.

**(VII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Compounding Punishment/ fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
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**A. COMPANY**

Penalty

Punishment

None

Compounding

**B. DIRECTORS**

Penalty

Punishment

None

Compounding

**C. OTHER OFFICER IN DEFAULT**

Penalty

Punishment

None

Compounding

**Corporate Governance Report for the Financial Year 2014-2015**
**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.

**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 2014-2015, the Board of Directors met 7 times on: 10.05.2014, 13.05.2014, 28.06.2014, 14.08.2014, 14.11.2014, 06.02.2015 & 25.03.2015.

**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. Ramesh Chander Gupta* DIN-00284823	Promoter and Whole Time Director	7	Yes	2	Nil
Smt. Krishna Gupta* DIN-00284849	Promoter and Non-Executive Director	4	No	2	Nil
Sh. Satya Prakash Kanodia DIN-00284918	Non-Promoter, Non-Executive, Independent	7	Yes	3	Nil
Sh. Manoj Goyal DIN-00067155	Non-Promoter, Non-Executive, Independent	4	No	2	Nil
Sh. Pankaj Agarwal DIN-00020220	Non-Promoter, Non-Executive, Independent	5	Yes	4	Nil

\* Sh. Ramesh Chander Gupta & Smt. Krishna Gupta are related to each other.

As required by the Companies Act, 2013 and Clause 49 of Listing Agreement, none of the directors:

- i. Hold directorship in more than 10 public companies or
- ii. Independent Directorship in more than 7 listed companies or
- iii. Holding whole time Directorship along with holding Independent Directorship in more than 3 Listed companies or
- iv. Holding membership of committees of the Board in excess of 10 (Audit Committee/ stakeholders Relationship committee) or chairmanship of 5 committees of the Board.

During the year, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

The company issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013.

The company has formulated a policy to familiarize the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

**Independent Directors Meeting**

As required under the Companies Act, 2013 and Listing Agreement Clause-49 (as amended) a separate meeting of Independent Directors of the Company was held on 30<sup>th</sup> March, 2015. All the Independent Directors viz. Sh. Satya Parkash Kanodia, Sh. Manoj Goyal & Sh. Pankaj Agarwal have attended the meeting.

**Shareholding of Non-Executive Director**

S. No.	Name of the Director	No. of Shares held
1	Smt. Krishna Gupta	203902
2	Sh. Satya Prakash Kanodia	Nil
3	Sh. Manoj Goyal	Nil
4	Sh. Pankaj Agarwal	Nil

**Code of conduct for Board members and Senior Management**

The Board of Directors has laid down the code of conduct for all the Board members and members of the Senior Management of the Company. Additionally all independent directors of the company shall be bound by duties of independent directors as set out in the Companies Act, 2013 read with the Schedules and Rules thereunder.

All the Board members and Senior Management personnel have affirmed compliance with the code of conduct.

**Board Committees**

The terms of reference of Board Committees are determined by the Board from time to time. Presently the Company has three committees i.e Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. All the decisions pertaining to the constitution of the Committees, appointment of members, and fixing of terms of reference for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and the related attendance, are provided below:

**Audit Committee**

The audit committee was reconstituted in accordance with the provisions of Companies Act, 2013 and clause 49 of listing agreement at a board meeting held on 25.03.2015. The major tasks performed by the audit committee may be grouped under the following heads:-

**Statutory audit, internal audit, reporting and other aspects**

- i. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to the financial Information.
- ii. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible and ensuring timely submission to statutory authorities.

- iii. Reviewing the Management Discussion & Analysis of financial and operational performance.
- iv. Reviewing with the management, the quarterly financial statements and annual financial statements and auditor's report thereon before submission to the board for approval.
- v. Review the adequacy and effectiveness of the company's system and internal control.
- vi. Evaluation of internal financial controls and risk management systems.
- vii. To review the functioning of the Whistle Blower mechanism.

**Audit & other duties**

- i. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ii. Discussion with internal auditors of any significant findings and follow up there on.
- iii. Review and recommend to the Board the appointment/re-appointment of the Statutory Auditors and internal Auditors considering their independence and effectiveness and their replacement and removal.
- iv. To recommend to the Board the remuneration of the Statutory Auditors and internal auditors.
- v. To grant approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

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.

During the Financial Year 2014-2015, the Audit Committee met 5 times on 13.05.2014, 28.06.2014, 14.08.2014, 14.11.2014 & 06.02.2015. 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.

**Nomination and Remuneration Committee :**

The remuneration committee was renamed and reconstituted as Nomination and Remuneration Committee at a board meeting held on 25.03.2015.

The terms of reference of the committee are as follows:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Devising a policy on Board diversity;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The remuneration policy as adopted by the company envisages payment of remuneration according to qualification, experience and performance at different levels of the organization. The workers at the factory as well as those rendering clerical, administrative and professional services are suitably remunerated according to the industry norms.

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

**Nomination and Remuneration Committee Meeting (Attendance) :** The committee met once during the year on 13.05.2014 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 Nomination and 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. Ramesh Chander Gupta, Whole Time Director for the F.Y. 2014-2015****(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.

**Stakeholders Relationship Committee :**

The Share Transfer and Shareholders/Investors Grievance Committee was renamed and reconstituted as Stakeholders Relationship Committee at a board meeting held on 25.03.2015.

This committee has been formed to specifically focus on the services to shareholders/investors. The committee periodically reviews the services rendered to the shareholders particularly redressal of complaints of the shareholders like delay in transfer of shares, non-receipt of Annual Report, non receipt of declared dividends etc., and also the action taken by the Company on the above matters.

The committee consists of the following Directors as its members:

1. Sh. Manoj Goyal – Chairman
2. Sh. Pankaj Agarwal – Member

During the year under review 3 letters/complaints were received from the investors which were adequately addressed to the satisfaction of the investors. No complaint/query is remaining unresolved as on 31.03.2015.

The Committee met 5 times during the financial year ended 31<sup>st</sup> March, 2015, on 13.05.2014, 28.06.2014, 14.11.2014, 06.02.2015 & 30.03.2015. The attendance of the members of the Committee is given below:

Committee Members	Category	No. of Stakeholders Relationship Committee Meeting Attended
Sh. Manoj Goyal Chairman	Non-Promoter, Non-Executive, Independent Director	5
Sh. Pankaj Agarwal Member	Non-Promoter, Non-Executive, Independent Director	5

**Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The board also carried out annual performance evaluation of the working of its Audit, Nomination and Remuneration as well as stakeholder relationship committee. The Directors expressed their satisfaction with the evaluation process.

**Subsidiary Company**

The Company does not have any subsidiary Company.



**CEO/CFO Certification**

The CEO/CFO of the Company have certified to the Board with regard to the compliance by them in terms of Clause 49 (IX) of the Listing Agreement and a certificate forms part of Annual Report.

**Prevention of Insider Trading**

The Company has adopted Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company.

**Disclosures**

The Company has adopted a Related Party Transaction Policy. The transactions with related parties are monitored in accordance with the policy. There were no materially significant related party transactions that would have potential conflict with the interests of the Company at large. Details of related party transactions are given elsewhere in the Annual Report as per Accounting Standard AS-18.

It is confirmed that:

- no penalty or strictures have been imposed on the Company by any Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- a Whistle Blower Policy is adopted by the Company, the whistle blower mechanism is in vogue and no personnel has been denied access to the Audit Committee.
- no differential treatment from the prescribed accounting standard is followed in preparation of financial statements.
- All the mandatory requirements have been duly complied with.
- The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

**Disclosure of Directors Inter-se Relationships**

As on 31st March, 2015, Sh. Ramesh Chander Gupta & Smt. Krishna Gupta are related to each other, none of other Directors of the Company are related to each other.

**General Body Meetings**

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

Year	Location	Date	Time
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.
2013-2014	7th K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)	Tuesday, 30/09/2014	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	28/09/2012	None
2	30/09/2013	None
3	30/09/2014	None

No resolution was passed through postal ballot last year.

### **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/Financial Express (Delhi Edition) & Business Standard/Jansatta (Regional Language) (Haryana Edition).

### **General Shareholder Information :**

#### **23<sup>rd</sup> Annual General Meeting**

Day, Date & Time	: Tuesday, 29 <sup>th</sup> September, 2015 at 10.00 A.M.
Venue	: 7 <sup>th</sup> K.M. Barwala Road, Talwandi Rana, Hisar (Haryana)
Financial Year	: April to March
Date of Book Closure	: 23 <sup>rd</sup> September, 2015 to 29 <sup>th</sup> September, 2015 (Both days inclusive)
Listing on Stock Exchange	: BSE Limited, Mumbai
Stock Code	: 520121
Demat ISIN in NSDL & CDSL	: INE276D01012
Financial Calendar	: The Board of Director of the Company approves audited/unaudited results for each quarter within such number of days as may be prescribed under Listing Agreement from time to time.

**Market Price Data :** High, Low during each month in the financial year 2014-2015:

MONTHS	HIGH PRICE	LOW PRICE
APRIL, 2014	2.67	2.67
MAY, 2014	3.06	2.54
JUNE, 2014	3.88	2.75
JULY, 2014	3.96	3.42
AUGUST, 2014	3.67	3.35
SEPTEMBER, 2014	3.95	3.61
OCTOBER, 2014	4.55	4.14
NOVEMBER, 2014	4.33	3.35
DECEMBER, 2014	3.59	3.14
JANUARY, 2015	3.59	3.42
FEBRUARY, 2015	3.40	3.40
MARCH, 2015 (No Trading)	-	-

These data is from BSE Site : [www.bseindia.com](http://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.

### **Registrar & Transfer Agent (RTA)**

All the works relating to the shares 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, 2<sup>nd</sup> Floor, Okhla Industrial Area  
Phase-II, New Delhi – 110 020  
Tel. No. : 011- 26387281, 26387282  
Email : [info@masserv.com](mailto:info@masserv.com)

### **Share Transfer System**

Investors may kindly take note that SEBI has mandated that in case of securities market transactions and off-market/private transactions involving transfer of shares of a listed company in physical mode, it shall be compulsory for the transferee(s)

to furnish a copy of the PAN card to the Company/RTA, together with the transfer documents for registering transfer of such shares.

MAS Services Limited, New Delhi handles the investor services of the Company and also share transfer related work in respect of shares held in physical form. Such transfers are registered within the stipulated time prescribed under applicable laws, if the documents are found correct and valid in all respects.

As per the requirement of clause 47(c) of the listing agreement, company has regularly obtained the necessary certificate from a company secretary in practice and submitted the same to BSE Limited on half-yearly basis, confirming due compliance of share transfer related activities by the Company.

As per the requirement of SEBI guidelines, the Company's shares are to be traded only in dematerialized form.

#### **Distribution of Shareholding as on 31.03.2015:**

No. of equity shares held	Total Holders	% of share holder	No. of shares held	% of share holding
Upto 500	5,211	83.37	10,62,837	20.67
501 to 1000	596	9.54	5,02,836	9.79
1001 to 5000	368	5.89	7,79,057	15.16
5001 to 10000	29	0.46	2,14,638	4.18
10001 to 50000	37	0.59	8,19,411	15.95
50001 to 100000	3	0.05	2,16,452	4.21
100001 and above	6	0.10	15,43,546	30.04
<b>TOTAL</b>	<b>6,250</b>	<b>100.00</b>	<b>51,38,777</b>	<b>100.00</b>

#### **Shareholding Pattern as on 31.03.2015:**

Category	No. of Shares	% of Paid-up Capital
Indian Promoters	12,21,907	23.78
Private Corporate Bodies	1,72,500	3.36
Indian Public	37,44,370	72.86
<b>TOTAL</b>	<b>51,38,777</b>	<b>100.00</b>

**Dematerialisation of Shares** : As on 31<sup>st</sup> March, 2015, 35,44,711 shares (68.98%) are in Electronic Form and 15,94,066 shares (31.02%) are in Physical Form.

**Plant Location** : 7<sup>th</sup> K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)

**Address for Correspondence** : Arcee Industries Limited  
7<sup>th</sup> K.M. Barwala Road, Talwandi Rana,  
Hisar – 125 001 (Haryana)  
CIN – L29120HR1992PLC031681  
Ph. : 01662-276178,98120-40111  
Fax : 01662-276145  
Email : arceeind@rediffmail.com

**Compliance Officer** : The name and designation of the  
Compliance Officer of the company is Mr.  
Ramesh Chander Gupta, Whole Time  
Director.

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

**Details of Director seeking appointment/re-appointment/retiring by rotation**  
(In pursuance of clause 49 of Listing Agreement)

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 31.03.2015	1) Arcee Ispat Udyog Limited 2) Phoenix Irrigation Limited
Membership/Chairmanship of Committees of other public companies as on 31.03.2015	Nil
Shareholding in Arcee Industries Limited	2,03,902

**REGISTERED OFFICE**

7th K.M. Barwala Road  
Talwandi Rana, Hisar–125 001

**FOR AND ON BEHALF OF THE BOARD**

**Date : 30<sup>th</sup> May, 2015**

**Krishna Gupta**  
(Director)  
DIN – 00284849

**Ramesh Chander Gupta**  
(Whole Time Director)  
DIN – 00284823

**CIN** : L29120HR1992PLC031681  
**Phone** : (01662) 276178 Fax : (01662) 276145  
**Email** : arceeind@rediffmail.com

**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 for the year ended on 31<sup>st</sup> March, 2015 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 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, 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 JAIN MITTAL CHAUDHARY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Registration No.015140N**

**Place : Hisar  
Date : 30<sup>th</sup> May, 2015**

**(Sachin Kumar )  
Partner  
Membership No. 528180**

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

### **Annual Confirmation pursuant to Clause 49(IX) of the Listing Agreement**

As required by Clause 49(IX) of the Listing Agreement with Stock Exchanges, we hereby certify that:

We, Ramesh Chander Gupta, Whole Time Director and Sanjay Agarwal, Chief Financial Officer of ARCEE INDUSTRIES LIMITED certify that :

We have reviewed the financial statements and the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
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 fraud, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**PLACE : HISAR**

**Date : 30<sup>th</sup> May, 2015**

**Ramesh Chander Gupta**  
**(Whole Time Director)**  
**DIN-00284823**

**Sanjay Agarwal**  
**(Chief Financial Officer)**

**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 31<sup>st</sup> March, 2015, 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**

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

**Auditors' Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable



assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations, if any, on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.

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

**Place : Hisar**  
**Date : 30<sup>th</sup> May, 2015**

**Sachin Kumar**  
**Partner**  
**Membership No. 528180**

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

1. In respect of its Fixed Assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The Company has physically verified fixed assets during the year in accordance with a regular and phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and 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 as compared to the book records.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
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 the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in such internal control system.
5. According to the information and explanations given to us, the Company has not accepted any deposits during the year from public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. We have broadly reviewed the cost records maintained by the Company, and are of the opinion that prima facie the specified cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. According to the information and explanations given to us and on the basis of our examination of the records of the Company in respect of the statutory dues:
  - a. The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State insurance, Income tax, Sales Tax, Wealth tax, Service Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2015 for a period of more than six months from the date they became payable.
  - b. The provisions relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the Company during the year.
8. The company has 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 Financial Year covered by our audit but the company has incurred cash losses of Rs.35.75 Lacs during the Preceding Year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
10. During the year the company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
11. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans during the year and did not have any outstanding loans taken in previous years.
12. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year that causes the financial statements to be materially misstated.

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

**Place : Hisar**  
**Date : 30<sup>th</sup> May, 2015**

**(Sachin Kumar )**  
**Partner**  
**Membership No. 528180**

**BALANCE SHEET AS AT 31ST MARCH, 2015**
**(Amount in Rs.)**

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	5,13,87,770	5,13,87,770
b) Reserve and Surplus	2	57,81,983	46,37,748
<b>2. Non-Current Liabilities</b>			
Long Term Borrowings	3	--	4,50,000
<b>3. Current Liabilities</b>			
a) Short Term Borrowings	5	1,54,55,587	1,89,67,537
b) Trade Payable	6	34,96,700	89,40,394
c) Other Current Liabilities	7	25,51,188	13,79,542
d) Short Term Provisions	8	--	--
<b>TOTAL</b>		<b>7,86,73,228</b>	<b>8,57,62,991</b>
<b>II. ASSETS</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets	9	1,39,71,056	1,34,27,745
ii) Intangible Assets		1	1
b) Non Current Investments	10	15,82,256	15,82,256
c) Deferred Tax Assets (Net)	4	46,67,381	51,06,061
d) Long Term Loans and Advances	11	48,80,199	20,16,178
<b>2. Current Assets</b>			
a) Inventories	12	1,09,59,477	1,01,72,962
b) Trade Receivables	13	1,43,18,153	1,46,55,096
c) Cash and Cash Equivalents	14	74,61,831	50,16,370
d) Short Term Loans and Advances	15	2,08,32,874	3,37,86,322
<b>TOTAL</b>		<b>7,86,73,228</b>	<b>8,57,62,991</b>
Significant accounting policies	24		
Additional information to the Financial Statements	25		

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

For and on behalf of Board of Director

Sachin Kumar  
Partner

Sanjay Agarwal  
(Chief Financial Officer)

Ramesh Chander Gupta  
(Whole Time Director)  
DIN-00284823

Krishna Gupta  
(Director)  
DIN-00284849

Membership No. 528180  
Hisar : 30<sup>th</sup> May, 2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015**  
**(Amount in Rs.)**

Particulars	Note No.	2014-2015	2013-2014
I. Revenue from Operation	16	<b>16,86,51,753</b>	16,67,07,841
II. Other Income	17	<b>25,020</b>	5,90,037
<b>Total Revenue (I+II)</b>		<b><u>16,86,76,773</u></b>	<b><u>16,72,97,878</u></b>
III. <b>EXPENSES :</b>			
Cost of Materials Consumed	18	<b>14,39,01,525</b>	14,55,34,145
Purchases of Traded Goods		--	--
Changes in Inventories of Finished Goods, Work-in-progress and Traded Goods	19	<b>(28,82,268)</b>	(1,64,350)
Employee Benefits Expenses	20	<b>57,38,726</b>	62,05,788
Finance Cost	21	<b>25,44,595</b>	34,10,941
Depreciation and amortization expenses	9	<b>14,91,614</b>	23,43,268
Other Expenditure	22	<b>1,52,89,533</b>	1,58,86,202
<b>Total Expenses</b>		<b><u>16,60,83,725</u></b>	<b><u>17,32,15,994</u></b>
IV. Profit/(Loss) before exceptional and extraordinary items and tax		<b>25,93,048</b>	(59,18,116)
V. Exceptional Items		--	--
VI. Profit/(Loss) before extraordinary items and tax		<b>25,93,048</b>	(59,18,116)
VII. Extraordinary Items		--	--
VIII. Profit/(Loss) before Tax		<b>25,93,048</b>	(59,18,116)
IX. Tax Expenses			
Current Tax		--	--
Deferred Tax		<b>7,50,811</b>	(17,86,618)
X. <b>Profit/(Loss) for the period</b>		<b><u>18,42,237</u></b>	<b><u>(41,31,498)</u></b>
XI. Earning per equity Share (Face Value Rs. 10/-)			
Basic		<b>0.36</b>	(0.80)
Diluted		<b>0.36</b>	(0.80)
Significant accounting policies	24		
Additional information to the Financial Statements	25		

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

For and on behalf of Board of Director

Sachin Kumar  
Partner

Sanjay Agarwal  
(Chief Financial Officer)

Ramesh Chander Gupta  
(Whole Time Director)  
DIN-00284823

Krishna Gupta  
(Director)  
DIN-00284849

Membership No. 528180  
Hisar : 30<sup>th</sup> May, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015**

(Amount in Rs.)

Particulars	2014-2015	2013-2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before Tax	<b>25,93,048</b>	(59,18,116)
<b>Adjustments for :</b>		
Depreciation & Amortisation	<b>14,91,614</b>	23,43,268
Financial Costs	<b>25,44,595</b>	34,10,941
(Profit) / Loss on sale of fixed assets	<b>(20,172)</b>	(5,73,888)
Dividend	<b>(2,948)</b>	(2,680)
<b>Operating profit/(Loss) before working capital changes</b>	<b>66,06,137</b>	(7,40,475)
<b>Changes in Working Capital</b>		
Trade and other receivables	<b>3,36,943</b>	1,52,59,398
Inventories	<b>(7,86,515)</b>	38,32,998
Short Term Loans & Advances	<b>1,29,53,448</b>	(9,80,264)
Long Term Loans & Advances	<b>(28,64,021)</b>	(2,00,000)
Trade payables, Current Liabilities & Other Provisions	<b>(42,72,048)</b>	(30,55,303)
<b>Cash generated from operations</b>	<b>1,19,73,944</b>	1,41,16,354
Income Tax	-	-
<b>Net Cash from operating activities</b> → (A)	<b>1,19,73,944</b>	1,41,16,354
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed assets	<b>(31,68,386)</b>	(3,38,950)
Proceeds from Sale of Fixed assets	<b>1,43,500</b>	6,55,000
Dividend	<b>2,948</b>	2,680
<b>Net Cash used in investing activities</b> → (B)	<b>(30,21,938)</b>	3,18,730
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Financial Costs	<b>(25,44,595)</b>	(34,10,941)
Bank Borrowings -Working Capital	<b>(35,11,950)</b>	(1,00,82,060)
Repayment of Long Term Loan	<b>(4,50,000)</b>	4,50,000
<b>Net Cash used in financing activities</b> → (C)	<b>(65,06,545)</b>	(1,30,43,001)
<b>Net increase/(Decrease) in Cash and Cash equivalents</b> → (A+B+C)	<b>24,45,461</b>	13,92,083
Cash and Cash equivalents (Opening Balance)	<b>50,16,370</b>	36,24,287
Cash and Cash equivalents (Closing Balance)	<b>74,61,831</b>	50,16,370

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

For and on behalf of Board of Director

Sachin Kumar  
 Partner

Sanjay Agarwal  
 (Chief Financial Officer)

Ramesh Chander Gupta  
 (Whole Time Director)  
 DIN-00284823

Krishna Gupta  
 (Director)  
 DIN-00284849

Hisar : 30<sup>th</sup> May, 2015

**NOTES FORMING PART OF FINANCIAL STATEMENTS****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. SIGNIFICANT ACCOUNTING POLICIES****BASIS OF ACCOUNTING AND PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared under historical cost convention and on accrual basis and in accordance with the provisions of the Companies Act, 2013 and accounting principles generally accepted in India and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, provisions of the Companies Act, 2013 to the extent notified and guidelines issued by the Securities and Exchange Board of India. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**USE OF ESTIMATES**

The preparation of financial statements are in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialized.

**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.

**FIXED ASSETS**

- i. Tangible assets are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition of its intended use. The costs comprises of the purchase price, borrowings costs if capitalization criteria are met and directly attributable costs of bringing the



## NOTES FORMING PART OF FINANCIAL STATEMENTS

asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the cost of the tangible asset. Any subsequent expenses related to a tangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other day to day repairs and maintenance expenditure and the cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- ii. Cost of borrowing for assets taking substantial time to be ready for use is capitalized for the period up to the time the asset is ready for use.
- iii. Intangible assets are stated at cost of construction less accumulated amortized amount and accumulated impairment losses, if any.

## DEPRECIATION AND AMORTIZATION

- i. Depreciation on all assets of the Company is charged on straight line method over the useful life of assets at the rates and in the manner provided in Schedule II of the Companies Act, 2013 for the proportionate period of use during the year.
- ii. Leasehold lands are amortized over the lease period.

## 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.

## 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.

## 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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS****EXPENDITURE**

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

**TAXES ON INCOME**

Current Tax is determined as per the provisions of the Income-tax Act, 1961 in respect of taxable income for the year and based on the expected outcome of assessment /appeals.

Deferred Tax assets and liabilities are recognised on timing differences between accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax assets, other than those arising on account of unabsorbed depreciation or carry forward of losses under tax laws, are recognised and carried forward subject to consideration of prudence only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying amount of the asset exceeds its estimated recoverable value. Carrying amounts of fixed assets are reviewed at each balance sheet date to determine indications of impairment, if any, of those assets. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss equal to the excess of the carrying amount over its recoverable value is recognised as an impairment loss. The impairment loss, if any, recognised in prior accounting period is reversed if there is a change in estimate of recoverable amount.

**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.

**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,

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

or a possible obligation arising from past events where the probability of outflow of resources is remote.

Contingent Assets are neither recognized nor disclosed.

**LEASES**

For assets acquired under operating lease, rentals payable are charged to statement of profit and loss on a straight line basis over a lease term.

For assets acquired under finance lease, the assets are capitalized at lower of their respective fair value and present value of minimum lease payments after discounting them at an appropriate discount rate.

**EVENTS OCCURRING AFTER THE DATE OF BALANCE SHEET**

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

**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.

**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.

**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.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rs.)

Particulars	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	Amount	No. of Shares	Amount
<b>NOTE - 1 SHARE CAPITAL</b>				
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
<b>Issued Subscribed &amp; Paid-up</b>				
Equity Shares of Rs. 10/- each	51,38,777	5,13,87,770	51,38,777	5,13,87,770
<b>Reconciliation of number of shares outstanding at the beginning &amp; at the end of year</b>				
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

The Company has not issued any bonus shares during the last five years.

The Company does not have any holding company or ultimate holding company.

The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Shareholders holding Equity Shares more than 5% :**

Particulars	Shares held	% of Total Shares	Shares held	% of Total Shares
APL FINCAP LTD.	6,91,505	13.46%	6,91,505	13.46%

No Equity Shares have been reserved for issued under options and contracts/ commitments for the sale of shares/disinvestment as at the Balance Sheet date.

No Equity Shares have been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**(Amount in Rs.)**

Particulars	As at 31.03.2015	As at 31.03.2014
<b>NOTE - 2 RESERVE AND SURPLUS</b>		
i Capital Reserve	90,500	90,500
ii General Reserve	2,09,16,015	2,09,16,015
<b>iii Surplus/(deficit) in the statement of Profit &amp; Loss</b>		
Opening Balance	(1,63,68,767)	(1,22,37,269)
Add : Profit/(Loss) for the current year	18,42,237	(41,31,498)
Less : Write down of carrying amount of assets whose remaining useful lives is Nil as per Schedule II of Companies Act, 2013 (Net of Deferred Taxes)*	6,98,002	-
Sub Total	(1,52,24,532)	(1,63,68,767)
<b>Total (i + ii + iii)</b>	<b>57,81,983</b>	<b>46,37,748</b>

\*As per the requirement of the provisions of Schedule II of the Companies Act, 2013 the management has adopted the useful lives as per Part C of Schedule II of the Act, with effect from 1st April 2014 for all its fixed assets. Pursuant to such adoption, in accordance with the transitional provisions under Schedule II of the Act, an amount of Rs.6,98,002/- (net of deferred tax of Rs.3,12,131/-) has been recognised in the opening retained earnings, pertaining to assets whose balance useful life as on 1st April 2014 was Nil.

**NOTE - 3 LONG TERM BORROWING**
**Unsecured Loan**

Loan From Directors	-	4,50,000
<b>Total</b>	-	4,50,000

**NOTE - 4 DEFERRED TAX ASSETS (Net)**

Fixed Assets	46,67,381	51,06,061
<b>Total</b>	46,67,381	51,06,061

**NOTES FORMING PART OF FINANCIAL STATEMENTS****(Amount in Rs.)**

<b>Particulars</b>	<b>As at 31.03.2015</b>	<b>As at 31.03.2014</b>
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**NOTE - 5 SHORT TERM BORROWINGS****Secured**

Loans repayable on demand

Cash Credit from Punjab National Bank	<b>1,54,55,587</b>	1,89,67,537
<b>Total</b>	<b>1,54,55,587</b>	1,89,67,537

**Security**

Cash Credit Limits is secured by way of Hypothecation of Stocks, Book Debts, Current Assets, First Charge on the Block Assets of Hisar Unit and guaranteed by two directors of the Company.

**NOTE - 6 TRADE PAYABLES****Trade Payables**

- MSME	<b>3,05,958</b>	4,77,115
- Others	<b>31,90,742</b>	84,63,279
<b>Total</b>	<b>34,96,700</b>	89,40,394

**NOTE - 7 OTHER CURRENT LIABILITIES**

Expenses Payable	<b>5,31,970</b>	4,34,165
Advances from Customer	<b>3,22,500</b>	39,217
Salary, Bonus & PF Payable	<b>5,16,064</b>	5,75,003
Other Liabilities	<b>11,80,654</b>	3,31,157
<b>Total</b>	<b>25,51,188</b>	13,79,542

**NOTE - 8 SHORT TERM PROVISIONS**

Provision for Income Tax	--	--
<b>Total</b>	--	--

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**NOTE - 9 FIXED ASSETS**

PARTICULARS	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK				
	Balance as at 01/04/2014	Additions/ Adjustments	Deduction/ Amortisation	Balance as at 01/04/2014	For the Year	Adjusted against Retained Earnings	On Disposals	Balance as at 31/03/2015	Balance as at 31/03/2014	
<b>TANGIBLE ASSETS</b>										
Land (Freehold)	1,27,161	-	-	1,27,161	-	-	-	1,27,161	1,27,161	
Land (Leasehold)	7,01,111	-	-	7,01,111	7,081	-	-	1,37,576	5,63,535	
Shed & Building	50,54,596	-	-	33,73,911	1,49,640	-	-	35,23,551	15,31,045	
Plant & Equipments	3,95,18,131	31,68,386	-	4,26,86,517	3,09,36,860	7,52,138	-	3,25,72,601	1,01,13,916	
Office Equipments	1,36,677	-	-	1,36,677	73,743	-	-	1,29,843	6,834	
Lab. Equipments	6,42,176	-	-	6,42,176	5,92,198	-	-	6,23,290	18,886	
Furniture & Fixtures	6,59,360	-	-	98,830	5,68,716	17,215	93,888	5,26,170	34,360	
Other Assets	15,600	-	-	15,600	3,606	2,243	-	5,849	9,751	
Vehicles	42,94,582	-	-	5,21,533	37,73,049	20,45,955	2,086	4,03,578	15,65,289	
Computer	2,55,913	-	-	81,728	1,74,185	2,52,078	-	81,297	279	
<b>TOTAL</b>	<b>5,14,05,307</b>	<b>31,68,386</b>	<b>7,02,091</b>	<b>5,38,71,602</b>	<b>3,79,77,562</b>	<b>14,91,614</b>	<b>10,10,133</b>	<b>5,78,763</b>	<b>3,99,00,546</b>	<b>1,39,71,056</b>
<b>INTANGIBLE ASSETS</b>										
Computer Software	24,500	-	-	24,500	24,499	-	-	24,499	1	
<b>TOTAL</b>	<b>5,14,29,807</b>	<b>31,68,386</b>	<b>7,02,091</b>	<b>5,38,96,102</b>	<b>3,80,02,061</b>	<b>14,91,614</b>	<b>10,10,133</b>	<b>5,78,763</b>	<b>3,99,25,045</b>	<b>1,39,71,057</b>
<b>As at 31.03.2014</b>	<b>5,13,90,857</b>	<b>3,38,950</b>	<b>3,00,000</b>	<b>5,14,29,807</b>	<b>3,59,58,792</b>	<b>23,43,268</b>	<b>-</b>	<b>2,99,999</b>	<b>3,80,02,061</b>	<b>1,34,27,746</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**(Amount in Rs.)**

Particulars	As at 31.03.2015	As at 31.03.2014
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**NOTE - 10 NON-CURRENT INVESTMENTS**
**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
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<b>Sub Total (A)</b>	<b>2,25,000</b>	<b>2,25,000</b>
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**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
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(Market Value Rs. 2,43,250/-, previous year Rs. 2,77,380/-)

2,400 (Previous Year 2,400) Equity Shares of VLS Finance Limited of Rs. 10/- each fully Paid.	1,60,000	1,60,000
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(Market Value Rs. 83,040/-, previous year Rs. 31,200/-)

<b>Sub Total (B)</b>	<b>2,21,700</b>	<b>2,21,700</b>
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**Long Term Investment in Immovable Properties**

Shops ( At Cost)	11,35,556	11,35,556
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<b>Sub Total (C)</b>	<b>11,35,556</b>	<b>11,35,556</b>
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<b>Total (A+B+C)</b>	<b>15,82,256</b>	<b>15,82,256</b>
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**NOTE - 11 LONG TERM LOANS AND ADVANCES**
**(Unsecured - Considered Goods)**

Security and Earnest Money Deposit	48,80,199	20,16,178
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<b>Total</b>	<b>48,80,199</b>	<b>20,16,178</b>
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**NOTE - 12 INVENTORIES**

Raw Materials	35,22,147	56,53,062
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Finished Goods	63,11,095	37,26,082
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Scrap & By Product	3,86,297	89,042
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Store & Spares	15,700	31,200
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Others	7,24,238	6,73,576
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<b>Total</b>	<b>1,09,59,477</b>	<b>1,01,72,962</b>
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**Valuation Methodology**

- 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.



**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rs.)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>NOTE - 13 TRADE RECEIVABLES</b>		
<b>(Unsecured - Considered Goods)</b>		
Trade Receivables outstanding for a period less than six months from the date they are due for payment	1,06,39,033	1,25,64,056
Trade Receivables outstanding for a period exceeding six months from the date they are due for payment	36,79,120	20,91,040
<b>Total</b>	<b>1,43,18,153</b>	<b>1,46,55,096</b>
<b>NOTE - 14 CASH &amp; CASH EQUIVALENTS</b>		
Balances with Banks		
- In Current Accounts	5,219	1,22,136
- In Fixed Deposits (Maturity Period less than 12 months)	-	26,89,287
Cash in Hand	74,56,612	22,04,947
<b>Total</b>	<b>74,61,831</b>	<b>50,16,370</b>
<b>NOTE - 15 SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured - Considered good)</b>		
Advance to Supplies	1,94,63,695	3,18,79,485
Cenvat	4,66,085	10,46,058
VAT/Sale Tax / Service Tax	3,547	-
Interest Receivable	4,90,919	3,04,753
Prepaid Expenses	1,98,489	2,21,773
TDS & Income Tax Refundable	2,07,663	3,32,113
Others	2,476	2,140
<b>Total</b>	<b>2,08,32,874</b>	<b>3,37,86,322</b>
<b>NOTE - 16 REVENUE FROM OPERATIONS</b>		
Sale of Product	18,86,11,881	18,49,40,988
Other Operative Revenue	7,97,458	21,24,593
	18,94,09,339	18,70,65,581
Less : Excise Duty	2,07,57,586	2,03,57,740
<b>Total</b>	<b>16,86,51,753</b>	<b>16,67,07,841</b>
<b>NOTE - 17 OTHER INCOME</b>		
Dividend Received	2,948	2,680
Profit on Sale of Assets	20,172	5,73,888
Misc. Income	1,900	13,469
<b>Total</b>	<b>25,020</b>	<b>5,90,037</b>
<b>NOTE - 18 COST OF MATERIAL CONSUMED</b>		
<b>Raw Materials</b>		
Opening Stock	56,53,062	92,52,824
Add : Purchases	14,17,70,610	14,19,34,383
	14,74,23,672	15,11,87,207
Less : Closing Stock	35,22,147	56,53,062
<b>Total</b>	<b>14,39,01,525</b>	<b>14,55,34,145</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**(Amount in Rs.)**

Particulars	As at 31.03.2015	As at 31.03.2014
<b>NOTE - 19 INCREASE/(DECREASE) IN VALUE OF STOCK</b>		
<b>Finished Goods</b>		
Opening Stock	38,15,124	36,50,774
Closing Stock	66,97,392	38,15,124
<b>Total</b>	<b>(28,82,268)</b>	<b>(1,64,350)</b>
<b>NOTE - 20 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Bonus & Allowances	46,03,219	49,88,394
Contribution to P.F., ESI and Gratuity Funds	6,61,277	6,42,355
Staff Welfare Expenses	4,74,230	5,75,039
<b>Total</b>	<b>57,38,726</b>	<b>62,05,788</b>
<b>NOTE - 21 FINANCE COST</b>		
Interest	24,35,524	32,90,049
Bank Charges	1,09,071	1,20,892
<b>Total</b>	<b>25,44,595</b>	<b>34,10,941</b>
<b>NOTE - 22 OTHER EXPENDITURE</b>		
Advertisement and Sales Promotions	1,36,894	79,860
Auditors' Remuneration	25,000	25,000
Bad Debts	4,75,584	--
Carriage Inward	7,73,694	16,16,769
Donation & Charity	1,100	2,200
Fee, Taxes & Subscription	2,59,953	1,44,160
Insurance	2,63,979	2,64,718
Lease Rent	84,900	-
Misc. Expenses	1,20,512	1,27,038
PF Admin. Expenses	44,388	46,252
Postage & Telephones	1,13,489	91,751
Power & Fuel	1,21,57,163	1,08,98,319
Printing & Stationery	53,964	49,000
Professional Charges	38,625	65,000
Rent	7,704	10,200
Repair to Machinery & Shed Building	1,58,386	14,48,568
Sale Tax/Service Tax/ED Paid	54,443	66,503
Store, Spares & Tools Consumed	1,86,707	4,27,945
Vehicle upkeep	3,33,048	5,22,919
<b>Total</b>	<b>1,52,89,533</b>	<b>1,58,86,202</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**25. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**
**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 31.03.2015 is as under :-

(Amount in Rs.)

	<b>2014-2015</b>	2013-2014
W.D.V. as per Books	<b>1,39,71,057</b>	1,34,27,746
W.D.V. as per Income Tax	<b>1,01,79,785</b>	83,21,806
Difference	<b>37,91,272</b>	51,05,940
Less : Unabsorbed Depreciation	<b>1,78,91,744</b>	1,78,91,744
Less : Unabsorbed Business Loss	<b>10,04,321</b>	37,38,666
	<b>(1,51,04,793)</b>	(1,65,24,470)
Effective Tax Rate	<b>30.90%</b>	30.90%
Total Deferred Taxation Assets	<b>46,67,381</b>	51,06,061
<b>Current Year Provision for increase/ (decrease) in Deferred Taxation Assets (A)</b>	<b>4,38,680</b>	17,86,618
Add : Impact of change in Depreciation Policy as per Companies Act, 2013 (B)	<b>3,12,131</b>	--
<b>Total (A+B)</b>	<b>7,50,811</b>	17,86,618

**Disclosure required by AS-29 "Provisions, Contingent Liabilities and Contingent Assets" Movement in provisions:**

	<b>2014-2015</b>	2013-2014
Opening Balance	6,00,000	6,00,000
Provision during the year	-	-
Provision used during the year	-	-
Provision reversed during the year	-	-
<b>Closing Balance</b>	<b>6,00,000</b>	6,00,000

**NOTES FORMING PART OF FINANCIAL STATEMENTS**
**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 31<sup>st</sup> March, 2015, amount to Rs. 3,05,958/- (Previous Year Rs. 4,77,115/-).

**Auditors Remuneration** (Amount in Rs.)

Particulars	2014-2015	2013-2014
Audit Fees & Certification	<b>25,000</b>	25,000

**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           | (vi) Sh. Sanjay Agarwal, CFO      |
| (vii) Sh. Vishesh Chugh, Company Secretary |                                   |

**Disclosure on related party transaction:** (Amount in Rs.)

Transactions for the year ended 31.03.2015	Key Management Personnel		Associate Concerns	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Managerial Remuneration (Salary & Company's contribution to Provident Fund)	<b>15,73,026</b>	10,08,000	-	-
Loan Given	-	-	-	1,79,80,000
Loan Taken	-	4,50,000	-	71,50,000
Freight Paid	-	-	<b>7,63,075</b>	7,53,745
Lease Rent Paid	-	-	<b>94,385</b>	-
Sale of Finished Goods	-	-	-	2,520
Interest Received	-	-	-	1,18,751
<b>Outstanding as on 31.03.2015</b>				
Due to	-	4,50,000	<b>11,44,047</b>	2,86,587
Due from	-	-	-	-

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

(Amount in Rs.)

<b>Particulars</b>	<b>2014-2015</b>		<b>2013-2014</b>	
<b>Inventory Related Details</b>				
<b>A. FINISHED GOODS</b>				
OPENING STOCK				
Pipes	<b>37,26,082</b>		33,51,910	
Scrap	<b>89,042</b>		2,98,864	
TURNOVER				
Pipes	<b>18,82,08,809</b>		18,40,57,408	
Scrap	<b>4,03,072</b>		8,83,580	
CLOSING STOCK				
Pipes	<b>63,11,095</b>		37,26,082	
Scrap	<b>3,86,297</b>		89,042	
<b>B. CONSUMPTION OF RAW MATERIALS</b>				
PVC Resin	<b>12,67,27,899</b>		12,53,59,142	
Cal. Carbonate	<b>68,65,442</b>		84,11,177	
Chemicals	<b>1,03,08,184</b>		1,17,63,826	
<b>C. CIF VALUE OF IMPORTS</b>				
CIF Value of Imports	<b>NIL</b>		<b>NIL</b>	
	<b>2014-2015</b>		<b>2013-2014</b>	
	<b>%</b>	<b>RUPEES</b>	<b>%</b>	<b>RUPEES</b>
<b>D. COMPOSITION</b>				
RAW MATERIAL				
Imported	-	-	-	-
Indigenous	<b>100</b>	<b>14,39,01,525</b>	100	14,55,34,145
STORE & SPARES				
Imported	-	-	-	-
Indigenous	<b>100</b>	<b>1,86,707</b>	100	4,27,945
<b>Earning per Share</b>				
	(Amount in Rs.)			
	<b>2014-2015</b>		<b>2013-2014</b>	
Net Profit/(Loss) for the Year	<b>18,42,237</b>		(41,31,498)	
Weighted Average Number of Equity Shares	<b>51,38,777</b>		51,38,777	
Basic/Diluted EPS (Face Value Rs.10/- per Share)	<b>0.36</b>		(0.80)	

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

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

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

Punjab National Bank vide their letter dated 03.11.2014 has decided to reduce the working capital limits gradually to NIL by 31.07.2015 which may adversely impact on the working of the Company. The Company is seeking alternate sources of financing.

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

As per our report of even date attached

For : JAIN MITTAL CHAUDHARY & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No. 015140N

For and on behalf of Board of Director

Sachin Kumar

Partner

Membership No. 528180

Hisar : 30<sup>th</sup> May, 2015

Sanjay Agarwal

(Chief Financial Officer)

Ramesh Chander Gupta

(Whole Time Director)

DIN-00284823

Krishna Gupta

(Director)

DIN-00284849



# ARCEE INDUSTRIES LIMITED

Regd. Office & Works: 7th K.M. Barwala Road, Talwandi Rana, Hisar – 125 001 (Haryana)  
PH No. 01662-276178, 98120-40111, Fax No. 01662-276145  
CIN – L29120HR1992PLC031681, E-mail Id: arceelnd@rediffmail.com

## PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

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 **23rd Annual General Meeting** of the Company to be held on Tuesday, the 29<sup>th</sup> day of September, 2015 at 10.00 A.M. at its Regd. Office at 7<sup>th</sup> K.M. Barwala Road, Talwandi Rana, Hisar - 125 001 and at any adjournment thereof in respect of such resolutions as indicated below:

Resolution No.	Description of Resolutions
	<b>ORDINARY BUSINESS</b>
1	Adoption of Financial Statements, Reports of the Board of Directors and Auditors.
2	Re-appointment of Mrs. Krishna Gupta, who retires by rotation
3	Ratification of the appointment of the Auditors

Signed this \_\_\_\_\_ Day of \_\_\_\_\_, 2015

AFFIX  
ONE  
RUPEE  
REVENUE  
STAMP

**Signature of the Shareholder**

**Notes:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.





If undelivered please return to :

**ARCEE INDUSTRIES LIMITED**

7th K.M. Barwala Road

Talwandi Rana, Hisar-125 001 (Haryana)