

SIXTH ANNUAL REPORT 1997-98

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	NA		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

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ARCEE INDUSTRIES LIMITED

**ARCEE INDUSTRIES LIMITED****MANAGEMENT****BOARD OF DIRECTORS**

SH. R.C. GUPTA CHAIRMAN
 SMT. KRISHNA GUPTA DIRECTOR
 SH. B.L. GUPTA DIRECTOR
 SH. R.K. GOYAL DIRECTOR
 SH. AJIT MOHAN SHARAN, I.A.S., NOMINEE DIRECTOR OF HFC

MANAGER (FINANCE) & COMPANY SECRETARY

SH. VISHESH CHUGH

AUDITORS

Messers AGGARWAL & MAHAJAN
 Chartered Accountants,
 202, Ravee Arcade,
 Old Govt. College Ground,
 Hisar - 125 001 (Haryana)

BANKERS

Punjab National Bank
 (Main Branch), Sirsa Road,
 Hisar - 125 001 (Haryana)

REGD. OFFICE & WORKS

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

UNIT-II

A-50, RIICO Industrial Area,
 Sadulpur - 331 023
 Distt - Churu (Rajasthan)

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ARCEE INDUSTRIES LIMITED

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NOTICE

NOTICE is hereby given that the 'SIXTH ANNUAL GENERAL MEETING' of members of ARCEE INDUSTRIES LIMITED will be held at the Registered office of the Company at 7th K.M. Barwala Road, Talwandi Rana, Hisar on Monday, the 28th September, 1998 at 10 A.M. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited statement of accounts for the year ended 31st March, 1998 and reports of Directors and Auditors thereon.
2. To appoint director in place of Sh. R. C. Gupta who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

1. To pass with or without modification, the following resolution as a special resolution:

"The Company accords its approval to appoint Sh. R. C. Gupta as wholetime Director for a period of five years w.e.f. 22-01-1998.

It is further resolved that pursuant to provisions of section 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company is hereby accorded for remuneration (including minimum remuneration) to be paid to Sh. R.C. Gupta as Wholetime Director for a period of five years effective from 22nd day of January, 1998 as detailed in explanatory statement attached with this notice formal part thereof.

Resolved further that the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to give effect to this resolution".

NOTES :

1. The Register of members and Share Transfer Books of the Company will remain closed from 24th September, 1998 to 28th September, 1998 (both days inclusive).
2. Members are requested to quote their Folio No. in all their correspondence.
3. Shareholders intending to enquire about accounts, to be explained in the meeting, are required to inform the Company at least 10 days in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
4. Members are requested to immediately intimate to the Company any change in their addresses as registered with the Company, mentioning the Pin Code Number.
5. The Company does not distribute copies of the Annual Reports at the meeting. Members may, therefore, bring their copy with them.
6. In deference to the Govt. Policy, no gift will be distributed at the Annual General Meeting.



7. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A blank form is sent herewith. The Instrument appointing the proxy should however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.

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

Sh. R.C. Gupta resigned from Managing Directorship w.e.f. 20-01-1998 due to his personal reasons. The Board think it prudent to appoint Sh. R.C. Gupta as Wholetime Director of the Company w.e.f. 22-01-1998. Therefore, Board of Directors recommended the resolution for your approval as special resolution at the following terms :

1. SALARY

Salary of Rs. 10,000/- per month in the scale of 10000-1000-20000.

2. COMMISSION

A commission at the rate of 1% on the net profit of the Company subject to a limit of 50% of salary or Rs. 90,000/- per annum whichever is less. Net profits for this purpose shall be computed in accordance with the provision of Section 309 (5) read with Section 198, 349 & 350 of the Companies Act, 1956.

3. PERQUISITES

In addition to salary and commission he will be entitled to the following :-
The perquisites in Category (A) and Category (B) mentioned herein below will be restricted to an amount equivalent to the annual salary as per para (1) above or Rs.1,15,000/- per annum whichever is less.

CATEGORY 'A'

- i) **Housing I** : The expenditure by the company on hiring furnished accommodation for the appointee will be subject to the following ceiling :-

- Bombay, Calcutta, Delhi and Madras - Sixty percent of the salary over and above ten percent payable by the Director himself.
- Other place - Fifty percent of the salary over and above ten percent payable by the Director himself.

Housing II : In case the accommodation is owned by the company, ten percent of the salary of the appointee shall be deducted by the Company.

Housing III : In case no accommodation is provided by the company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the appointee.

- ii) **Medical Reimbursement** : Medical benefit for self and family Reimbursement of expenses actually incurred, subject to a ceiling of one month salary in a year or three months salary over a period of three years.



- iii) **Leave Travel Allowance** : Leave Travel Allowance to him, his wife and dependent children once a year. To and fro from any place in India, subject to the condition that only actual fare and no hotel expenses etc. will be allowed.
- iv) **Membership of Club** : Membership of two clubs of which the Whole Time Director desires to become a Member. This will not include admission and life membership fees.
- v) **Personal Accident Insurance** : Premium not to exceed Rs. 4000/- per annum.
- vi) In addition to the perquisites at (i), (ii), (iii), (iv) and (v) above, whole-time director shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on perquisites :-
 - (a) **Children education allowance** : In case of children studying in or outside India, an allowance limited to a maximum of Rs. 5000/- per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.
 - (b) **Holiday passage for children studying outside India** : Return holiday passage is admissible once in a year by economy class or once in two years by first class to children from their place of study abroad to India.
 - (c) **Leave travel concession** : In case it is proposed that the leave be spent in home country instead of anywhere in India, return passage may be allowed for self and family in accordance with the rules specified by the company.

Explanation : For the purpose of category 'A' "family" means the spouse, the dependent children and dependent parents of the appointee.

CATEGORY 'B'

- i) **PROVIDENT FUND**
Participation in a recognised provident fund to which the company shall contribute in accordance with the rules subject to ceiling 12 % of the salary.
- ii) **PENSION/SUPERANNUATION FUND**
Participation in a pension/superannuation fund but it shall not together with Company's contribution to provident fund exceed 25% of the salary.
- iii) **GRATUITY**
Gratuity not exceeding half months salary for each completed year of service subject to a ceiling of Rs. 2,50,000/-.
- iv) **LEAVE**
One month leave with full pay for every completed eleven months, which may be accumulated upto a maximum of four months.

CATEGORY 'C'

- i) **MOTOR CAR**
Motor Car for his exclusive use for the business of the company.

**ARCEE INDUSTRIES LIMITED****4****ii) TELEPHONE**

Free telephone facility at his residence. Personal long distance calls shall be billed by the company.

The above remuneration payable to the Whole Time Director shall be subject to the limits of 5% and 10% of net profits of the company as the case may be as laid down in Section 309 (3) of the Companies Act, 1956 and the overall limit of 11% of net profits of the company as laid down in Section 198 (1) of the said Act in the absence of inadequacy of profits in any year, he shall be paid minimum remuneration of 10% less than the salary mentioned as above.

Sh. B.L. Gupta and Smt. Krishna Gupta being the relative of Sh. R.C. Gupta, hence all these Directors may be deemed to be interested in this resolution

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

BY ORDER OF THE BOARD

Dated : 30th July, 1998

(VISHESH CHUGH)

Manager (Finance) & Company Secretary

**DIRECTORS' REPORT**

To
The Shareholders,

Your directors have pleasure in presenting their 'SIXTH ANNUAL REPORT' together with the Audited Accounts of the Company for the year ending 31st March, 1998.

1. FINANCIAL HIGHLIGHTS**(Rs. in Lacs)**

	1997-98	1996-97
Sales and other income	708	1112
Profit/(Loss) before depreciation	(83)	31
Depreciation for the year	26	26
Profit/(Loss) before Income Tax	(109)	5
Provision for Income Tax/Tax Paid relating to earlier years	7	1
Profit/(Loss) after Income Tax	(116)	4
Balance brought forward	31	77
Amount transferred from/(to) General Reserve	100	(50)
Balance carried to the Balance Sheet	15	31

2. OPERATIONS

During the year under report the Production and Sales of the Company were adversely affected due to stiff competition in PVC Pipe Industry and rates offered by various Govt. Departments, not being favourable. Since the Company is mainly dependent on the Govt. for orders, this also had a bearing on the sale of the Company, which resulted in loss. However, now the Company is also emphasising in establishing the market of its Product in Non-Government Sector and it is expected that sale and profits of the Company will improve during the current financial year.

3. DIRECTORS

During the year Sh. R.C. Gupta ceased to be Managing Director and was appointed as Whole Time Director w.e.f. 22-01-1998.

Sh. Suresh Chander Gupta resigned from the Board w.e.f. 22-07-1998. The Board of Directors convey their thanks for his valuable guidance during his tenure as Director of the Company.

Smt. Krishna Gupta has been appointed as Director on 22-07-1998 to fill the casual vacancy caused by resignation of Sh. Suresh Chander Gupta.

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Sh. R.C. Gupta retire by rotation being eligible and offer himself for reappointment.

4. PARTICULARS OF EMPLOYEES

During the year there was no employee in respect of whom information as per section 217 (2A) of the Companies Act, 1956 is required to be given in the Director's Report.

5. FIXED DEPOSITS

The Company has not accepted any fixed deposits from the public in terms of provisions of Section 58A of the Companies Act, 1956 and rules made thereunder.



6. PARTICULARS REGARDING CONSERVATION OF ENERGY ETC.

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

7. COMPLIANCE OF GUIDELINES OF SEBI/STOCK EXCHANGES

Guidelines issued by SEBI/Stock Exchanges from time to time have been duly complied with. In accordance with the amendment in the listing agreement with the stock exchanges, Mr. Vishesh Chugh, Manager (Finance) & Company Secretary has been appointed as compliance officer.

The shares of the Company are listed at Delhi, Mumbai, Jaipur and Hyderabad stock exchanges. The Company is regular in paying the annual listing fees to each of stock exchanges.

8. INSURANCE

The Company's properties have been adequately insured.

9. PERSONNEL

The relations between the employees and the management continued to be cordial. Directors take this opportunity to place on record their appreciations for the devoted and loyal services rendered by all members of the staff and workers.

10. AUDITORS

The Auditor of the Company informed the Board that now they will conduct the audit under M/s Aggarwal & Mahajan, in which he is partner. Same was approved by the Board of Directors in their Meeting held on 01-04-1998. So M/s Aggarwal & Mahajan, Chartered Accountants retire and are eligible for reappointment. The Auditors have furnished to the Company the requisite certificate under section 224 (1) of the Companies Act, 1956 that their appointment, if made, would be within the prescribed limit.

11. AUDITORS OBSERVATIONS

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

12. ACKNOWLEDGEMENT

Your directors express their sincere appreciations for the abundant assistance, sincere co-operation and valuable guidance from the Financial Institutions, Banks and Central and State Government Authorities. The Board members also convey their gratitude to all the well wishers, customers and suppliers for their continued support and encouragement and the most important of all, the excellent support of our Shareholders.

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

FOR AND ON BEHALF OF THE BOARD

Dated : 30th July, 1998

(R. C. GUPTA)
Chairman