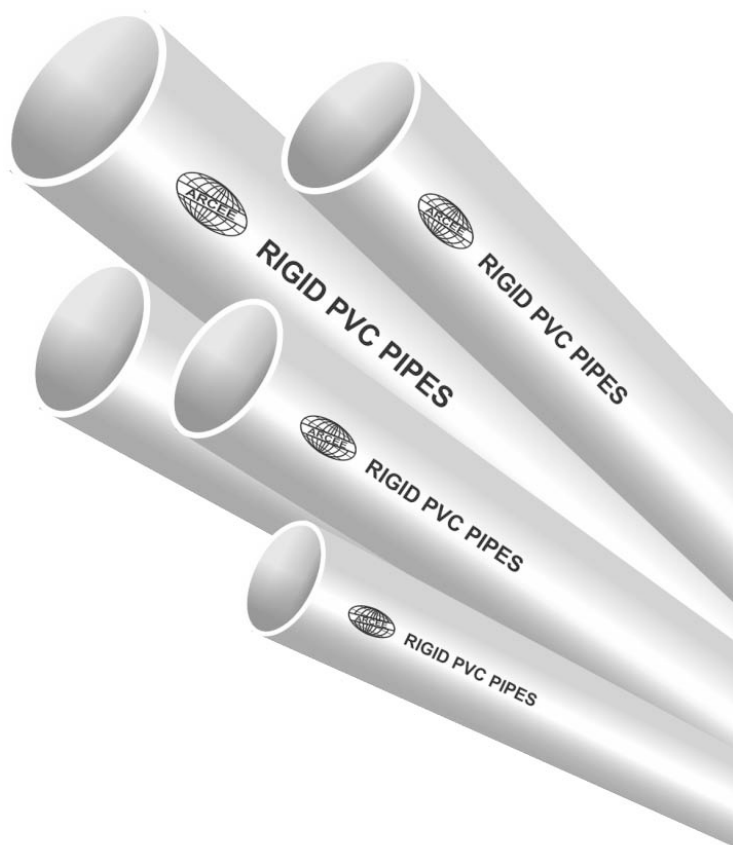


25th ANNUAL REPORT

2016-2017



 **ARCEE INDUSTRIES LIMITED**

BOARD OF DIRECTORS

SH. RAMESH CHANDER GUPTA

SMT. KRISHNA GUPTA

SH. SATYA PRAKASH KANODIA

SH. MANOJ GOYAL

SH. PANKAJ AGARWAL

SH. OM PARKASH

CHAIRMAN & WHOLE TIME DIRECTOR
(DIN – 00284823)

DIRECTOR (DIN – 00284849)

DIRECTOR (DIN – 00284918)

DIRECTOR (DIN – 00067155)

DIRECTOR (DIN – 00020220)

CHIEF FINANCIAL OFFICER

AUDITORS

M/S. JAIN MITTAL CHAUDHARY & ASSOCIATES

CHARTERED ACCOUNTANTS

ABOVE ICICI BANK, RED SQUARE MARKET

HISAR – 125 001 (HARYANA)

REGISTRAR & SHARE TRANSFER AGENT

MAS SERVICES LIMITED

T-34, 2ND 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

7th K.M. BARWALA ROAD

TALWANDI RANA

HISAR - 125 001 (HARYANA)

PH. : 01662-276178, 98120-40111

FAX : 01662-276145

E-mail ID : arceeind@rediffmail.com

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NOTICE is hereby given that the '**25th ANNUAL GENERAL MEETING**' of members of ARCEE INDUSTRIES LIMITED (CIN L29120HR1992PLC031681) will be held on Friday, 29th day of September, 2017 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, 2017, 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 and the Rules made thereunder M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (Firm Registration No. 015140N) be and is hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual Meeting until the conclusion of the Sixth AGM (i.e. 30th AGM), and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors."

REGISTERED OFFICE:

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

Date : 30th May, 2017

BY ORDER OF THE BOARD

Om Parkash
(Chief Financial Officer)

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. Pursuant to the provision of section 105 of the Companies Act 2013, 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 **Saturday, September 23, 2017 to Friday, September 29, 2017** (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 and Regulation 44 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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 Friday, 22nd September, 2017, 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 Tuesday, September 26, 2017 and will end at 5.00 p.m. on Thursday, September 28, 2017. The Notice of the Meeting will also be available on the website of NSDL: 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 mr_vishesh@rediffmail.com with a copy marked to evoting@nsdl.co.in.
- II. In case of Members receiving Physical copy of Notice of 25th 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 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 22nd September, 2017.
 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. 22nd September, 2017, 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 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 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. Vishesh Kumar, Chartered Accountants (Membership No. 091914), 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 : 30th May, 2017

BY ORDER OF THE BOARD

Om Parkash
(Chief Financial Officer)

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

DIRECTORS' REPORT

To

The Members,

Your directors have pleasure in presenting the '25th ANNUAL REPORT' together with the Audited Accounts for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2016-2017	2015-2016
Revenue from Operation	3.59	428.34
Profit/(Loss) before depreciation, Interest & Taxes	(32)	(42)
Depreciation & Amortization Expenses	15	1
Finance Cost	1	7
Profit/(Loss) before Taxes	(48)	(65)
Provision of Tax/Tax Paid (Incl. Deferred Taxation)	-	(20)
Profit/(Loss) after Tax	(48)	(45)
Balance brought forward	(190)	(145)
Balance Carried to the Balance Sheet	(238)	(190)

BUSINESS PERFORMANCE

During the year the company has suffered loss (after tax) of Rs. 47.98 Lacs. Your company has squared up the working capital limits in October, 2015 as per instruction of Punjab National Bank. But Punjab National Bank is not releasing the title deeds of property (Unit at 7th K M Barwala Road, Talwandi Rana, Hisar-125001) mortgage to bank because account of Arcee Ispat Udyog Ltd. (Associate Concern of Arcee Industries Ltd) has been declared NPA. So the production has stopped since April 2016. We are trying to convince the PNB for releasing the title deeds of property so that we may avail working capital limits from any other bank and may resume production.

DIVIDEND

The Board does not recommend any dividend for the financial year ended 31st March, 2017.

SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2017 was Rs.5,13,87,770/-. During the year under review the company has not issued any shares or any convertible instruments.

CREDIT FACILITIES

The company has squared up the working capital limits during October, 2015 as per instruction of Punjab National Bank.

MANAGEMENT DISCUSSION & ANALYSIS

The production has stopped since April, 2016 due to non availability of working capital limits. Your company has squared up the working capital limits during October, 2015 as per instruction of Punjab National Bank. But Punjab National

Bank is not releasing the title deeds of property (Unit at 7th K. M. Barwala Road, Talwandi Rana, Hisar-125001) mortgage to bank because account of Arcee Ispat Udyog Ltd (Associate Concern of Arcee Industries Ltd.) has been declared NPA. The management is trying to settle the account of Arcee Ispat Udyog Limited with Bank and hopeful Title deed of property will be realized & production activation will resume soon.

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 erstwhile 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 no 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.

Mr. Vishesh Kumar Chugh, Company Secretary & Compliance Officer has resigned from the post of Company Secretary on 03.05.2017.

Mr. Om Parkash, Chief Financial Officer of the Company has been appointed as Compliance Officer of the Company w.e.f. 03.05.2017.

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 regulation 16(b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION

Pursuant to the provisions of companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 Six 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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: