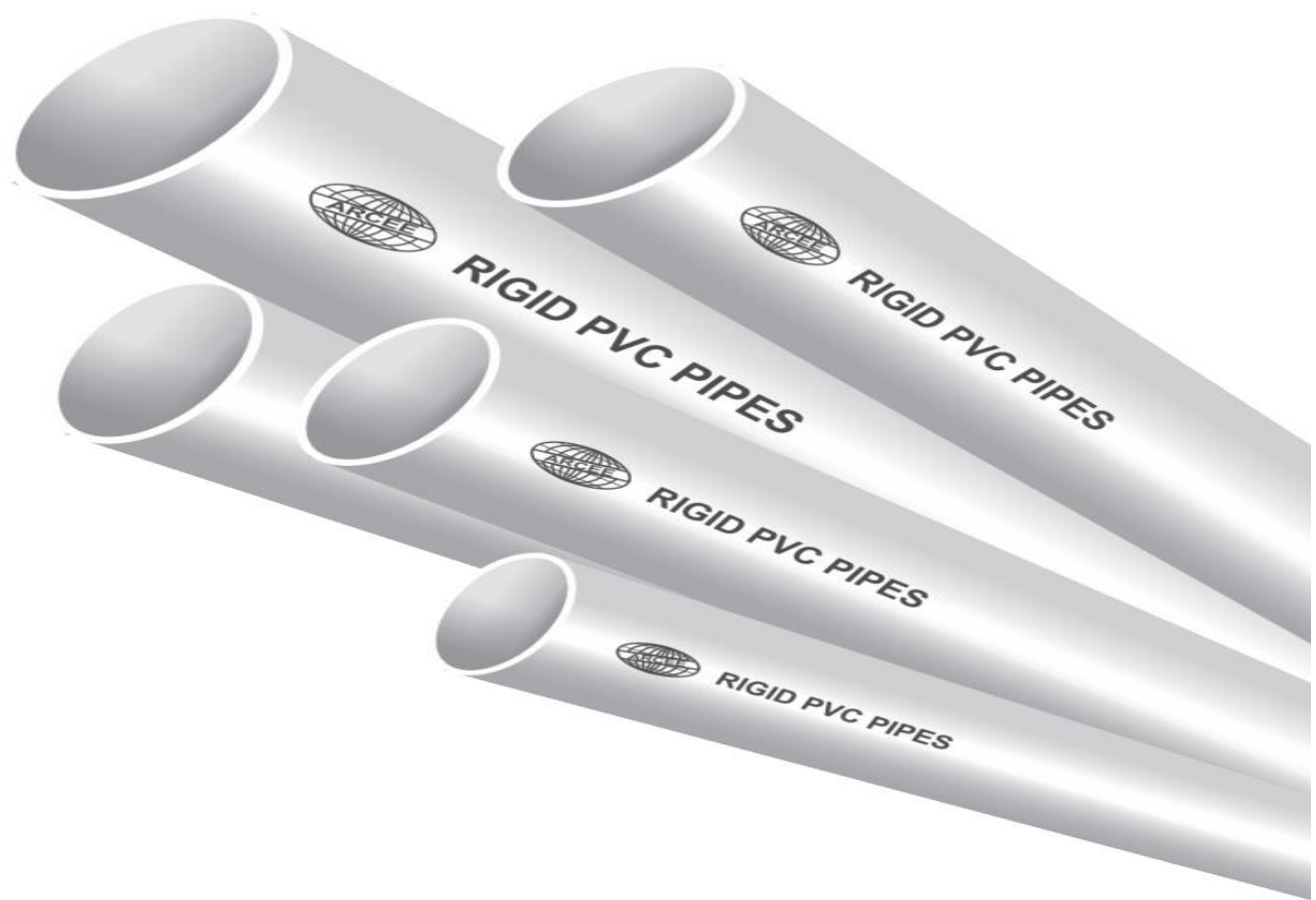


# 28<sup>th</sup> ANNUAL REPORT

**2019-2020**



 **ARCEE INDUSTRIES LIMITED**

## BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

SMT. SHRUTI GUPTA  
SH. GOURAV JINDAL  
SH. S. P. KANODIA  
SH. MANOJ GOYAL  
SH. PANKAJ AGARWAL

WHOLE TIME DIRECTOR (DIN – 01742368)  
DIRECTOR (DIN – 08382031)  
DIRECTOR (DIN – 00284918) (Resign on August 14, 2020)  
DIRECTOR (DIN – 00067155)  
DIRECTOR (DIN – 00020220)

## KMP OF THE COMPANY

MS. SRISHTI  
MR. OM PARKASH

COMPANY SECRETARY & COMPLIANCE OFFICER  
CHIEF FINANCIAL OFFICER

## AUDITORS

M/S. JAIN MITTAL CHAUDHARY & ASSOCIATES  
CHARTERED ACCOUNTANTS  
SCO - 144, 1<sup>ST</sup> FLOOR, RED SQUARE MARKET  
HISAR – 125 001 (HARYANA)

## REGD. OFFICE & WORKS

7<sup>th</sup> K.M. BARWALA ROAD  
TALWANDI RANA  
HISAR - 125 001 (HARYANA)  
PH. : 98120-20111, 98120-40111  
E-mail ID : arceeind@rediffmail.com  
Website : www.arceeindustries.in

## 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

## CONTENTS

Notice _____	1
Directors' Report _____	10
Report on Corporate Governance _____	30
Auditors' Report _____	43
Balance Sheet _____	51
Statement of Profit & Loss _____	53
Cash Flow Statement _____	54
Accounting Policies _____	56
Additional Information to the Financial Statements _____	67

## NOTICE

NOTICE is hereby given that the **28<sup>th</sup> Annual General Meeting (AGM) of ARCEE INDUSTRIES LIMITED** will be held on **Tuesday, the 29<sup>th</sup> day of September, 2020** at 9:00 A.M. at its Registered office of the Company at 7th K.M. Barwala Road, Talwandi Rana, Hisar – 125001 to transact the following business :-

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the Financial year ended **31<sup>st</sup> March, 2020**, the Reports of the Board Directors and Auditors' thereon.
2. To appoint a director in place of Smt. Shruti Gupta (DIN - 01742368), who retires by rotation and being eligible, offers herself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without modification:

##### a) To fill the casual vacancy:

**"RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and upon recommendation of the Audit Committee & Board of Directors, M/s. Akanksha Chug & Associates, Chartered Accountants (ICAI Registration No. 017327N), be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants, having FRN.: 015140N.

**RESOLVED FURTHER THAT** M/s. Akanksha Chug & Associates, Chartered Accountants (ICAI Registration No. 017327N), be and are hereby appointed as Statutory Auditors of the Company to hold the office from 14th August, 2020, until the conclusion of the ensuing 28<sup>th</sup> Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors."

##### b) For a period of five years:

**"RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint M/s. Akanksha Chug & Associates, Chartered Accountants (ICAI Registration No. 017327N), as the Statutory Auditors of the Company to conduct the statutory audit for a period of five years commencing from the conclusion of this 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company at such remuneration and out-of-pocket expenses, as may be mutually agreed with the Board of Directors."

#### 4. Approval for Related Party Transactions

To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without modification:

**"RESOLVED that** pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, *if any*, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Company’s policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded for approval of material related party transaction entered by the company with Related party namely M/s. Arcee Ispat Udyog Ltd. for take on lease the Land measuring 24 Kanals 5 Marlas comprised in Khewat No. 704/689 , Khatuni No.896 and Khasra Nos. 139//3/2/2 (0-18), 4/2(2-0), 5/2(1-18), 6(6-19), 7(7-7), 8(5-3) Situated at Village Talwandi Rana, Tehsil & District Hisar alongwith building and Plant & machinery, of the said M/s. Arcee Ispat Udyog Ltd., Hisar, on such terms and conditions as the Board of Directors may deem fit, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

**RESOLVED further that** the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

**BY ORDER OF THE BOARD**

**REGISTERED OFFICE**

7th K.M. Barwala Road  
Talwandi Rana, Hisar – 125001

**Date** : 14th August, 2020  
**CIN** : L29120HR1992PLC031681  
**Phone** : 98120-2011, 98120-40111  
**Email** : arceeind@rediffmail.com  
**Website**: www.arceeindustries.in

**SRISHTI**  
**Company Secretary**

## NOTES:

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy so appointed need not be a member of the Company.**
2. The instrument appointing a proxy, duly completed, should be received not less than 48 hours before the commencement of the meeting at the registered office of the Company in order to make the proxies effective. A person appointed as proxy shall act on behalf of not more than fifty members and holding in the aggregate not more than ten percent of total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorising their representative to attend and vote on their behalf at the meeting.
4. Members can inspect proxies lodged with the Company during the period from 24 hours before the meeting to the conclusion of the meeting by giving notice, in writing, at-least three days in advance.
5. Members/proxies/authorised representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. Members are advised to nominate a person in respect of all the shares held by them.
9. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to RTA/Company, for consolidation into a single folio.
10. 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.
11. The Statement as per Section 102(1) of the Companies Act, 2013 with respect to the special business in this Notice is annexed herein-below.
12. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under Note No. 20. The Company will also send communication relating to remote e-voting which inter alia would contain details about User ID and password along with a copy of this Notice to the members, separately.
13. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September, 2020 to Tuesday, 29<sup>th</sup> September, 2020 (both days inclusive).
14. All documents referred to in the Notice will be available for inspection at the Registered Office of the Company during business hours on working days up to the date of the AGM.

15. Members holding shares in dematerialized form are requested to update the details pertaining to their shareholding such as change of address/name, bank details, ECS mandate, nominations, power of attorney etc. with their Depository Participants. However the members who hold shares in physical form may write to the Company Secretary or RTA at M/S. Mas Services Limited, T-34, 2<sup>nd</sup> Floor, Okhla Indl. Area, Phase – II, New Delhi – 110020 PH.: 011-26387281, 26387282 E-mail ID: info@masserv.com
16. The Securities and Exchange Board of India ('SEBI') has mandated the transfer of securities to be carried out only in dematerialised form (except in case of transmission or transposition of securities) effective from 1st April, 2019. Accordingly, requests for physical transfer of securities of listed entities shall not be processed from 1st April, 2019 onwards. In view of such amendment and in order to eliminate the risks associated with physical holding of shares, Members who are holding shares in physical form are hereby requested to dematerialized their holdings
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Registrar and Share Transfer Agent or the Company.
18. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
19. The Notice of the AGM alongwith the Annual Report 2019-2020 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. The Notice of the AGM alongwith the Annual Report 2019-2020 will also be available on the Company's website: [www.arceeindustries.in](http://www.arceeindustries.in). Instructions and other information relating to remote e-voting are as under:
  - I. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting ('remote e-voting').
  - II. The facility for voting through ballot paper system shall also be made available at the venue of the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through above voting system.
  - III. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
  - IV. The Company has engaged the services of National Securities Depository Limited ("NSDL") as the Agency to provide e-voting facility.
  - V. The Board of Directors has appointed Mr. Vishesh Kumar Chugh, Chartered Accountant (Membership No 091914), as Scrutinizer to scrutinise the remote e-voting and voting through ballot paper at the meeting in a fair and transparent manner.
  - VI. 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 i.e. 22<sup>nd</sup> September, 2020 only shall be entitled to avail the facility of remote e-voting or voting by ballot paper at the meeting.

- VII. You can also update your mobile number and e-mail addresses in the user profile details of the folio which may be used for sending future communication(s).
- VIII. 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 i.e. 22<sup>nd</sup> September, 2020.
- IX. Any person, who become a member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 22<sup>nd</sup> September, 2020 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
- X. The remote e-voting period commences on 26<sup>th</sup> September, 2020 (9:00 A.M.) and ends on 28<sup>th</sup> September, 2020 (5:00 P.M.). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 22<sup>nd</sup> September, 2020 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- XI. The Scrutinizer, after scrutinising the votes cast at the meeting and through remote e-voting, will, not later than two days of conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.arceeindustries.in](http://www.arceeindustries.in) and on the website of NSDL <https://evoting.nsdl.com>. The results shall simultaneously be communicated to the Stock Exchanges.
- XII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting, i.e. September 29, 2020.
- XIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990.

20. The process and manner for remote e-voting are as under

#### **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

#### **How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below :

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the point option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [akanksha\\_chugh@rediffmail.com](mailto:akanksha_chugh@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot UserDetails/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013**

**ANNEXURE TO THE NOTICE**

**Explanatory Statement**

[Pursuant to Section 102(1) of the Companies Act, 2013]

**Item No. 3: Appointment of Statutory Auditors**

The members of the Company at the 25<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2017 has approved the appointment of M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants (ICAI Registration No. **015140N**) as the Statutory Auditors of the Company for a term of five years till the conclusion of 30<sup>th</sup> Annual General Meeting.

M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants has tender their resignation as the Statutory Auditors of the Company, expressing their inability due to rejection of proposal of increment in professional fees, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. 14<sup>th</sup> August, 2020, as per section 139(8) of the Companies Act, 2013.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filled by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and conformation received from M/s. Akanksha Chug & Associates, Chartered Accountants, (ICAI Registration No. 017327N) on their eligibility, the Board recommends to the members for the appointment of M/s. Akanksha Chug & Associates, Chartered Accountants, as the Statutory Auditors of the Company:

a) to fill the casual vacancy caused by the resignation of M/s. Jain Mittal Chaudhary & Associates, Chartered Accountants and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting: and

b) for a period of five years, from the conclusion of the 28<sup>th</sup> Annual General Meeting till the conclusion of 33<sup>rd</sup> Annual General Meeting of the Company to be held in the year 2025.

In regards to appointment of Statutory Auditors referred to in item no. 3 of the Notice, the brief profile of the Auditors is as under:

M/s. Akanksha Chug & Associates, Chartered Accountants is a Hisar based Chartered Accountants firm, having its own office at Hisar. One of the oldest Chartered Accountant firm in Hisar. Registered with ICAI from 2001 and has been 19 years experience.

Provides services in the areas of Financial , Audit and Income Tax Consultants etc.

M/s. Akanksha Chug & Associates, Chartered Accountants will be paid annual remuneration of Rs. 0.10 Lacs plus out of pocket expensed as were being paid to outgoing auditors.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice. The Directors recommend the resolution for approval by the members.

**Item No. 4: Approval for Related Party Transaction**

Members of the Company are further requested to note that Section 188 of the Companies Act, 2013 and the applicable Rules framed there under provide that any Related Party Transaction will require prior approval of shareholders, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per last audited financial statements of the Company.