

ARCO LEASING LIMITED

33rd ANNUAL REPORT 2016-17

BOARD OF DIRECTORS:

**SHRI RAJENDRA RUIA
SHRI NARENDRA RUIA
SMT MEENAKSHI RUIA**

AUDITORS:

**BHATTER & PALIWAL
CHARTERED ACCOUNTANTS
MUMBAI**

REGISTERED OFFICE:

**PLOT NO 123, STREET NO 17,
MIDC-MAROL, ANDHERI (EAST),
MUMBAI - 400093.**

BANKERS:

IDBI BANK LTD.

NOTICE

NOTICE is hereby given that the Thirty Third Annual General Meeting of Arco Leasing Ltd. will be held at the Registered office of the Company at Plot No.123, Street No.17, MIDC (Marol), Andheri-East, Mumbai-400093, on Friday, 15th September, 2017 at 3.00 p. m. to transact the following business:

1. To receive, consider and adopt the Audited Balance Statement i.e. Balance Sheet as at and the Statement of Profit and Loss and the Cash Flow statement for the financial year ended on March 31, 2017 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Narendra Ruia, (holding Director Identification Number 01228312) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers him for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board



RAJENDRA M. RUIA
CHAIRMAN

Place: Mumbai

Date: 15th May, 2017

Note:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a member of the Company. Proxies in order to be effective must be received by the company not less than 48 hours before commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 11th September, 2017 to 15th September, 2017 (both days inclusive).
3. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking re-appointment at the Annual General Meeting, is separately annexed hereto. The Director seeking re-appointment has furnished the declaration under the Companies (Disqualification of Directors under Section 274 (1) (g) of the Companies Act, 1956 Rules, 2003.
4. Members are requested to notify any change in address to the Company on E-mail ID: arcoleasingltd@gmail.com

ARCO LEASING LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Thirty Third Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

	FOR THE YEAR ENDED 31-03-2017 (Rs. in Lacs)	FOR THE YEAR ENDED 31-03-2016 (Rs. in Lacs)
Gross Receipts	0.83	0.45
Gross Profit / (Loss) before Depreciation	-2.22	-2.91
Less: Depreciation	-	-
Net Profit / (Loss) Before Tax	-2.22	-2.91
Less: Provision for Taxation	-	-
Less : Short Provision for Taxation for earlier years	-	-
Less: Deferred Tax Liabilities created	-	-
Net Profit / (Loss)	-2.22	-2.91

REVIEW OF OPERATIONS :

Gross Receipts of the Company have gone up from Rs 0.45 lacs in previous year to Rs.0.83 lacs in current year. However due to high operating costs our company has incurred Net loss of Rs.2.22 lacs as against net loss of Rs.2.91 lacs in previous year.

DIVIDENDS:

Your Directors do not recommend any dividend.

NUMBER OF THE MEETINGS OF THE BOARD

The details of the Board meetings held during the year 2016-17 are as under :-

a. Meetings of the Board of Directors:

Date of the meeting	Place of the meeting
17 th June, 2016	Mumbai
28 th July, 2016	Mumbai
27 th October, 2016	Mumbai
30 th January, 2017	Mumbai

DIRECTORS' RESPONSIBILITY STATEMENT:-

As stipulated in Section 134(3) (c) read with sub section 5 of the Companies Act, 2013, Directors subscribe to the "Directors Responsibility statement" and confirm that

- in preparation of Annual Accounts, the applicable Accounting Standards have been followed and there has been no material departure;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2016-17 (as on 31st March, 2017) and the profit and loss of the Company for that year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts of the Company on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operational effectively, and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The company has not paid any remuneration to the Directors of the Company.

AUDITORS REPORT

The observations made in the Auditors Report are self-explanatory and do not call for any further comments u/s 134(3)(f) of the Companies Act, 2013

LOANS, GUARANTEES OR INVESTMENTS

Your Company has neither given any loan or guarantee nor has made any investment during the year under report attracting the provisions of Section 186 of the Companies Act, 2013.

DEPOSITS

Your Company has neither accepted any deposits during the year under report nor did any deposits remain unpaid or unclaimed at the end of the year.

CONTRACTS /ARRANGEMENTS WITH RELATED PARTIES

Details of contracts/arrangement with the Related Parties are appearing under note no. 7 and form part of this report.

MATERIAL CHANGES AND COMMITMENTS

There have not been any material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company as on 31st March, 2017 and the date of this report i.e. 25th May, 2017.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information relating to Conservation of Energy Technology Absorption and Foreign Exchange Earning and Outgo, required under section 134(3) (m) of the Companies Act, 2013 are not applicable to the Company.

PARTICULARS OF EMPLOYEES

The Company does not have any employee hence, the information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not furnished.

RISK MANAGEMENT POLICY

The Company is aware of the risk associated with the business. It regularly analyses and takes corrective actions for managing/mitigating the same. Your Company' Risk management framework ensures compliance with the provisions of Clause 49 of the Listing Agreement.

Your company has institutionalized the process for identifying, minimizing and mitigating risks which is periodically reviewed. Some of the risks identified and been acted upon by your Company are; securing critical resources; ensuring sustainable plant operations ensuring cost competitiveness including logistics; completion of CAPEX; maintaining and enhancing customer service standards and resolving environmental and safety related issues.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

At this stage, the Company has not implemented any initiatives on corporate social responsibilities as the said clause is not applicable to it as on date.

DIRECTORS/ KEY MANAGERIAL PERSONNEL

Mr. Narendra Ruia, a Director of the Company is retiring by rotation and being eligible offers herself for re-appointment for the office of Director.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance and the Directors individually.

AUDITORS

Your Directors request you to appoint Auditors for current accounting year and fix up their remuneration. M/s. Bhattar & Paliwal, Chartered Accountants, Mumbai the existing Auditors of the Company retiring at the ensuing Annual General Meeting are available for a fresh term and have furnished certificate of their eligibility for re-appointment.

Auditor's appointment is proposed from the conclusion of the ensuing Annual General Meeting to the next Annual General Meeting.

COST AUDITORS

The appointment of Cost Auditors is not applicable to the Company.

HUMAN RESOURCES

The Company does not have any employee.

CORPORATE GOVERNANCE

A separate section on Corporate Governance, in line with clause 49 of the Listing Agreement with the Stock Exchange, forms part of this Report.

ENVIRONMENT REPORT

We regard social, economic and environmental responsibility as integral element of the Business.

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation for co-operation received by the company from its Bankers and business associates.

For and on behalf of the Board



Rajendra Ruia
Chairman

Place: Mumbai
Date: 15th May, 2017

ARCO LEASING LIMITED

Management's Discussion and Analysis

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', estimates' and so on. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate and will be realized.

Overview

Financial Year 2016-17 was a challenging year for business community in general. Our Company has incurred loss of Rs. 2.22 lacs in comparison with previous year loss of Rs. 2.91 lacs. It was mainly for increase of Listing Fees paid to Bombay Stock Exchange from Rs. 2,24,720/= during Financial Year 2015-16 to Rs. 2,29,000/=. The Company is debt free.

Internal Controls

Our Company's governance and compliance processes, which include the review of internal controls over financial reporting ensure that all the assets of the Company are safeguarded and protected against any loss and that all transactions are properly authorized recorded and reported.

Report on Corporate Governance

Arco Leasing Ltd. recognizes the ideals and importance of corporate governance and acknowledges its responsibilities towards all its shareholders, employees, business associates and regulatory authorities. The Company believes that a good corporate governance process aims to achieve a balance between the shareholders' interest and corporate goals of the Company. It aims to attain highest level of transparency, accountability and integrity to all its shareholders by implementing transparent corporate governance, thereby enhancing the value of the shareholders and their Company.

Accountability improves decision-making and transparency helps to explain rationale behind decision-making and reinforces the shareholders' confidence in the Company.

BOARD OF DIRECTORS

BOARD MEETINGS

During the year 2016-17, Four Board Meetings were held on the following dates: 17th June, 2016, 28th July, 2016, 27th October, 2016 and 30th January, 2017.

The details of attendance of the Directors at the Meetings are as follows:

Name of the Director	Attendance of the board meetings	Attendance at the last AGM
Mr. Rajendra Ruia	4	Yes
Mr. Narendra Ruia	4	Yes
Mrs. Meenakshi Ruia	4	Yes

REMUNERATION TO DIRECTORS

The Company has not paid any remuneration to non-executive Directors. The Company has not paid sitting fees to the Directors for attending Board meetings during the year.

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE:

Re-appointment of Mr. Narendra Ruia (Item No. 2 of the Notice convening the Annual General Meeting)

Mr. Narendra Ruia joined the Board as a Non-Executive Director of the Company on 25th July, 1989. Mr. Narendra Ruia is qualified as B. A. (Economics) from University of Mumbai

Mr. Narendra Ruia is holding Directorship of the Board of Directors of the following other companies in India: Arco Electro Technologies Private Limited, Schori Blasting And Metal Spraying Private Limited.

Mr. Narendra Ruia holds 40,195 Equity Shares in the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail Services of Mr. Narendra Ruia as a Director. Accordingly, the Board recommends his re-appointment.

Mr. Narendra Ruia may be deemed to be interested or concerned in the Resolution at Item No.2.

ANNUAL GENERAL BODY MEETINGS

Details of Previous General Body Meetings of the Company held during last three years:

Accounting Year Ending	Date	Time	Venue
31-3-2014	29-9-2014	4.00 p. m.	Plot No. 123, Street No. 17, MIDC (Marol), Andheri (East), Mumbai 400093
31-3-2015	29-9-2015	4.00 p. m.	Plot No. 123, Street No. 17, MIDC (Marol), Andheri (East), Mumbai 400093
31-3-2016	30-9-2016	4.00 p. m.	Plot No. 123, Street No. 17, MIDC (Marol), Andheri (East), Mumbai 400093