



ARROW

ARROW COATED PRODUCTS LTD.



22nd

Annual Report 2013-2014

**Innovative
Eco-friendly Solutions**

ISO 9001 : 2008 Certified

Why Carez?

- The product comes in form of small thin strips making it very convenient to carry and use.
- The soap strips are economically priced, no wastage, hassle free – so just take a strip and wash!
- It does not leave any residue after wash. Therefore it is an environment-friendly product.
- Carez soap strips are ideal for everyone and for any occasion.
- Each soap strip is easily disposable – so no worry of re-packing or storing!
- They are very gentle on the skin – absolutely harmless!
- Totally hygienic soap strips – as it is laboratory tested.

Fragrances Available



Pure Antiseptic



Orange Tango



Nature's Extract



Peach Passion



Aqua Splash

How to use?

- Remove one sheet with dry hands and place it on your palm.
- Add a little water and rub your hand to create lather.
- The sheet will disappear once the cleansing is complete.



10 Soap Strips



ARROW
CARE

> MELTZ - Super in Mints will help you get your fresh breath back.

Through a special formula, a small breath strip when placed on the tongue instantly dissolves. It creates an extreme minty flavor, as it does so, it creates fresher breath, a new revolutionary way of freshening one's mouth.

Our breath strips will melt on your tongue within seconds creating a volcano of freshness, killing all the bad breath germs. Not only that, it's also **Sugar Free** so you don't have to worry about calories.

> Flavours Available



Icymint



Peppermint

Directions:

- 1 Remove one Superthin breath strip.

- 2 Place it on your tongue and let it dissolve.


> Benefits Of Meltz

Convenience: Light weight, Easy to carry 'on the go' | Discreet & Portable

Unique for Indian Market | Higher aesthetic value | Edge over candies in many ways



24 Fresh
Breath Strips



CHAIRMAN'S MESSAGE



Dear Partners in Growth,

It gives me immense pleasure to write to you at the end of another significant year in the history of Arrow. The financial year 2013-14 marked 21 years of Arrow's existence and this landmark was celebrated by recording one of our best-ever performances in terms of all-round growth and improvement in profitability metrics of the Company.

Fiscal 2013-14 marked successful completion of our vision to improve the quality of life through pioneering initiatives and responsible business with positive impact on environment, with revenues crossing the 35 crores. Your company achieved Net Sales of ₹ 35.74 crores during 2013-14 growing by 137.89%. Net Profit for the year increased to 15.82 crores recording an increase of 514.70%.

In such a challenging environment, your Company was not only able to post strong growth in sales but also improve upon profitability. The Company's EBITDA increased to ₹ 19.97 crores in fiscal 2013-14 reporting an increase of 507.12%.

Our commitment to preserve the environment for our future generation stabilizes our focus on building is lasting and trusting relationships with our partners, employees and consumers, along with a passion for setting standards in the development and implementation of cutting edge eco-friendly packaging solutions.

This year, we have major plans to broaden our canvas and explore diverse possibilities from the plethora of opportunities that exist in abundance. Our breakthrough innovations in **Meltz**, **CAREZ** and **KLENZ** will be one of our focal points in business building. We are pleased to inform you all that we have equipped ourselves with the requisite technologies and strategic alliances to make this a grand success. Arrow also will enter very aggressively into **MMS** (Mouth Melting Strips—technology platform for delivery pharma and agro-chem based active ingredients). These projects relates to one or more of our Health and Hygiene Patent portfolio.

I would like to take this opportunity to thank our Board of Directors, consumers, business partners, the management and all our valued employees for their outstanding efforts during 2013-14. We would also like to thank you, our shareholders, who have supported us loyally for many years. I am grateful to you for your unwavering support. It is our privilege to continue to build shareholder value for you over the long term. Thank you again for the trust that you have placed in our Company. We shall continue to strive to deliver excellence and superior value to all our stakeholders.

Yours Sincerely,

Shilpan Patel

Chairman & Managing Director



ARROW COATED PRODUCTS LTD.

BOARD OF DIRECTORS :

Mr. Shilpan P. Patel	Chairman & Managing Director
Mr. Neil Patel	Whole Time Director
Mr. Haresh Mehta	
Mr. Harish Mishra	
Ms.Suneeta Thakur	
Mr. Dinesh Modi	

COMPANY SECRETARY

Ms. Poonam Bansal

REGISTERED OFFICE :

5-D, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400 053

WORKS :

5310, GIDC,
ANKLESHWAR - 393 002

AUDITORS :

J. A. Rajani & Co.
Chartered Accountants
Mumbai

REGISTRAR AND SHARE TRANSFER AGENTS :

System Support Services
209, Shivai Industrial Estate,
Near Park Davis,
89-Andheri Kurla Road,
Sakinaka, Andheri (East)
Mumbai - 400 072

BANKERS :

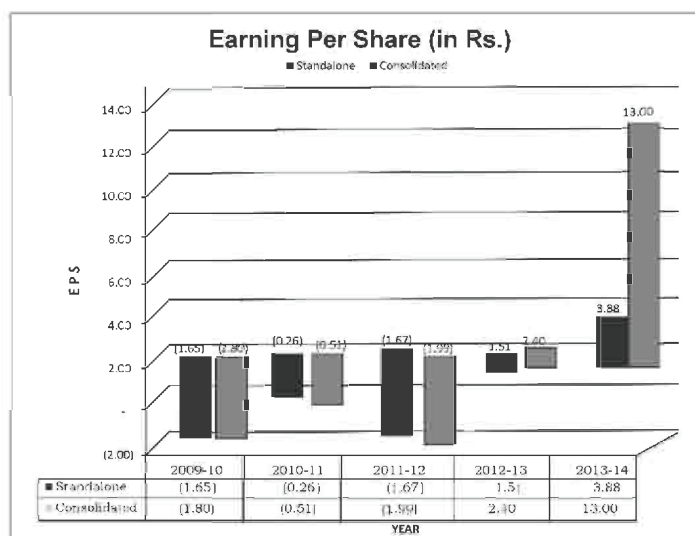
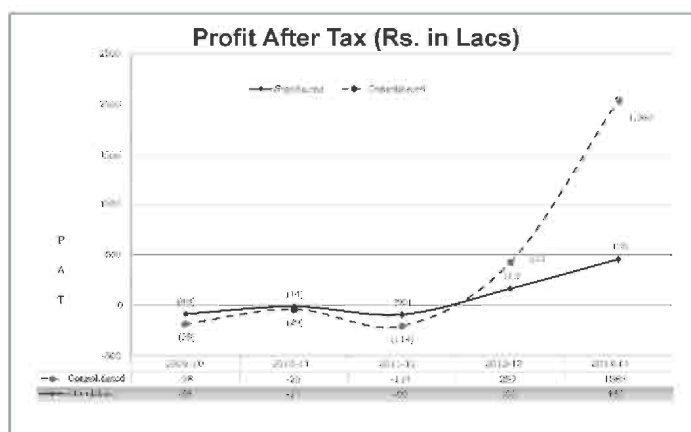
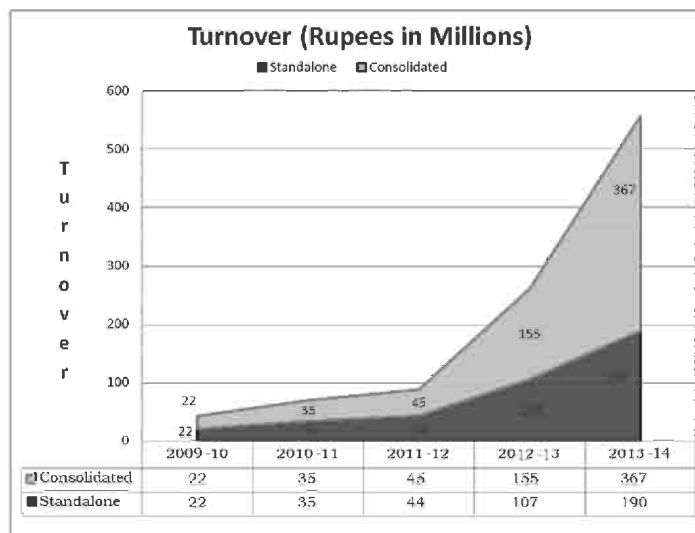
Bank of Baroda
HDFC Bank Ltd

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.



Financial Highlights at a Glance





NOTICE

Notice is hereby given that the 22nd Annual General Meeting of **Arrow Coated Products Limited** will be held on Monday, the 29th September 2014 at 10.30 a.m. at The Classique Club, Behind Infinity Mall, New Link road, Oshiwara, Andheri (West), Mumbai – 400 053 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2014 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the the year ended 31st March, 2014.
3. To appoint a Director in place of Mr. Haresh Mehta, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration by passing the following Resolution with or without modification(s), as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s J.A. Rajani & Co., Chartered Accountants (Registration No. 108331W), be and are hereby re-appointed as the auditors of the Company till the conclusion of the next Annual General Meeting and the Board of Directors/ Audit Committee of the Company be and is hereby authorised to fix their remuneration.”

SPECIAL BUSINESS

5. To appoint Shri Harish Mishra (DIN: 05301127) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri Harish Mishra (DIN: 05301127), who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under section 160 of the Companies Act, 2013 proposing himself as candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (five) consecutive years for a term up to 28th September, 2019.”

6. To appoint Ms. Suneeta Thakur (DIN: 06864894) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Suneeta Thakur (DIN: 06864894), who was appointed as Additional Director of the Company w.e.f. 31st May, 2014 pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and whose term expires at this Annual General Meeting and in respect of whom Company has received notice in witting from a member proposing her candidature for the office of Director under Section 160 of the said Act, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office upto 28th September, 2019.

7. To appoint Mr. Dinesh Modi (DIN: 00004556) as an Independent Director 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Dinesh Modi (DIN: 00004556), who was appointed as Additional Director of the Company w.e.f. 5th August, 2014 pursuant to Section 161 and other applicable provisions of the Companies Act, 2013 and whose term expires at this Annual General Meeting and in respect of whom Company has received notice in witting from a member proposing his candidature for the office of Director under Section 160 of the



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said Act, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, to hold office upto 28th September, 2019.

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT in supersession to the earlier resolution passed by the shareholders of the Company at 21st Annual General Meeting of the Company held on 28th September 2013 and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded for the re-appointment of Shri Shilpan P Patel (DIN: 00341068) as Managing Director of the Company for a period of 3 (three) years with effect from 1st April, 2014 on such terms and conditions as set out in the attached explanatory statement, with the liberty to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions of the said appointment that may be agreed to between the Board of Directors and Mr. Shilpan P Patel.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Shilpan P Patel as Managing Director, Company shall make payment of remuneration to Mr. Shilpan P Patel at the same substantive level as specified in the attached explanatory statement and that such remuneration shall be considered as the Minimum Remuneration payable to the said Managing Director in accordance with the provisions of the Companies Act, 2013 including any statutory amendments or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“RESOLVED THAT in supersession to the earlier resolution passed by the shareholders of the Company at 21st Annual General Meeting of the Company held on 28th September 2013 and pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment thereof, for the time being in force) consent of the Company be and is hereby accorded for the re-appointment of Mr. Neil S Patel (DIN: 00607101) as Whole-time of the Company for a period of 3 (three) years with effect from 1st April, 2014 on such terms and conditions as set out in the attached explanatory statement, with the liberty to the Board of Directors to revise, amend, alter or otherwise vary the terms and conditions of the said appointment that may be agreed to between the Board of Directors and Mr. Neil S Patel.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit in any financial year during the currency of the tenure of Mr. Neil S Patel as Whole-time Director, Company shall make payment of remuneration to Mr. Neil S Patel at the same substantive level as specified in the attached explanatory statement and that such remuneration shall be considered as the Minimum Remuneration payable to the said Whole-time Director in accordance with the provisions of the Companies Act, 2013 including any statutory amendments or re-enactment thereof.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution, do all such acts, deeds, matters and things as may be necessary and sign and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters concerned therewith or incidental thereto.”

10. To increase the Authorised Share Capital and consequent alteration of the Memorandum of Association of the Company to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:

“RESOLVED THAT, pursuant to the provisions of Section 61 read with section 64 and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹ 12,00,00,000 (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs only) Equity Shares of ₹ 10/- each (Rupees Ten only), be and is hereby increased to ₹ 15,00,00,000 (Rupees Fifteen Crores only) comprising of 1,50,00,000 (One Crore fifty Lakhs only) Equity Shares of ₹ 10/- each (Rupees Ten only).



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RESOLVED FURTHER THAT, the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof with the following new Clause V:

“V. The Share Capital of the Company is ₹ 15,00,00,000 (Rupees Fifteen Crores only) comprising of 1,50,00,000 (One Crore Fifty Lakhs only) Equity Shares of ₹10/- each (Rupees Ten only).”

RESOLVED FURTHER THAT, for the purpose of giving effect to this Resolution, the Board or a Committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard, as the Board or a Committee in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

11. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND IN CASE OF POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the 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 a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
4. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, the 25th September to Monday, the 29th September 2014 (both days inclusive)**.
6. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
7. Shareholders are requested to bring their copies of Annual Report to the meeting.
8. During the year, amount of Un-claimed Dividend for the financial year 2005-06 has been deposited in the Investors Education and Protection Fund. In case the Dividend has remained unclaimed for the financial year 2012-2013 the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
9. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
10. 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 the Company / Registrar and Share Transfer Agents.



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11. 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.
12. Members are requested to address all correspondences to the Registrar and Share Transfer Agents.
13. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
14. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
15. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this Annual Report) so as to reach the Scrutinizer, Mr. Rajendra Vaze, Practising Company Secretary, at the Registered Office of the Company not later than September 24, 2014. Ballot Form received after this date will be treated as invalid.

Members may contact Ms. Poonam Bansal, Company Secretary, for any grievances connected with electronic means at the Corporate Office of the Company at '5-D, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Tel. # 022-40749000.

16. The Board vide its Resolution passed on 3rd May, 2014 has appointed Mr. Rajendra Vaze, Practising Company Secretary, (Membership No. F4247, COP No. 1975), as Scrutinizer for conducting the e-voting and postal ballot process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company and on the website of the agency within 2 (two) days of passing of the resolution at the relevant general meeting of members.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

The instructions for members for voting electronically are as under:-

- (i) The voting period begins on **9.00 am on Monday, 22nd September, 2014** and ends on **6.00 pm on Wednesday, 24th September, 2014**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **29th August, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) **The shareholders should log on to the e-voting website www.evotingindia.com during the voting period**
- (iii) **Click on "Shareholders" tab.**
- (iv) **Now, select the "Arrow Coated Products Limited" from the drop down menu and click on "SUBMIT"**
- (v) **Now Enter your User ID**
 - a. **For CDSL: 16 digits beneficiary ID,**
 - b. **For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
 - c. **Members holding shares in Physical Form should enter Folio Number registered with the Company.**
- (vi) **Next enter the Image Verification code/Captcha code as displayed and Click on Login.**
- (vii) **If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any**