



ARROW

ARROW COATED PRODUCTS LTD.



**23<sup>rd</sup>**  
**Annual Report 2014-2015**

**Innovative  
Eco-friendly Solutions**

**ISO 9001 : 2008 Certified**

# Financial Highlights at a Glance

## Turnover (₹ in Millions)



## Profit After Tax (in Lacs)



## Earning Per Share (in ₹)



# Advantages of Water Soluble Film



## Eco Friendly

Dissolves without leaving any harmful residue

## Safe

Avoids direct contact with the toxic product / Cross Contamination

## Easy to Dose

It is precisely dosed = no product wastage

## Convenient

Doses has less storage space and easy to handle

## Varied Industries

Used in varied Industries in multiple ways



Eco Friendly Solutions



## CHAIRMAN'S MESSAGE



Dear Partners in Prosperity,

It gives me immense pleasure to write to you at the end of another exciting year in our journey. The year 2014-15, saw Arrow surpassing many new landmarks along the way.

Our approach to creating value and achieving profitable growth has clearly delivered results. Your Company achieved Net Sales of Rs. 48.53 Crores in fiscal 2014-15 with a growth of 135.78%. Net Profit for the year increased to Rs. 22.91 Crores, up 144.72% over the previous year.

In such a challenging environment, your Company was not only able to post strong growth in sales but also improve upon profitability.

What was most encouraging was that this growth was achieved despite difficult external environment across many of our markets, with unprecedented geopolitical challenges, currency volatility and sluggish demand. While the headwinds somewhat abated in India and the domestic market started showing signs of stability, the ground revival in businesses was slow as consumer demand did not show signs of any significant revival.

Despite the turbulent external environment, Arrow's sound strategy and motivated employees helped us report good growth momentum across our key categories and geographies. Both our Domestic Consumer Goods Business and International Consumer Goods Business reported a steady volume driven growth during the year as our brands reinforced their strong position across categories and markets.

Our investments in brands, distribution network, new products and consumer connect activities continued building momentum for future growth. In this letter, I will briefly describe what we have done, and will continue to do, to not just take on the increased competition in the marketplace but also position ourselves for leadership and growth in the months and years ahead. Innovation is a core philosophy at Arrow. This year, your Company embarked on a new journey to make itself future ready, both with its products and its communication.

Our commitment to preserve the environment for our future generation stabilizes our focus on building 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 solutions. Our strategy has been simple. Innovate, Protect (Patents and IP), find the best in the field and make a strategic alliance to produce the patented product or outlicense our technology. The focus will always be on Environment friendly technologies and we look for like minded partners having expertise in their field and who can add value to our targets.

We see a large canvas of opportunities in front of us and we are fully prepared to leverage them with the cooperation of our people, partners and associates. I would like to take this opportunity to thank all of them, as also the Board of Directors for their invaluable guidance through this journey. 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**



**CORPORATE IDENTIFICATION NUMBER (CIN): L21010MH1992PLC069281**

**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

**CHIEF FINANCIAL OFFICER**

Mr. Navin Narayan Jha

**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,  
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.





## NOTICE

**Notice** is hereby given that the 23<sup>rd</sup> Annual General Meeting of **Arrow Coated Products Limited** will be held on Tuesday, the 29<sup>th</sup> September 2015 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 31<sup>st</sup> March, 2015 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 31<sup>st</sup> March, 2015.
3. To appoint a Director in place of Mr. Neil Patel, 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 Mr. Haresh Mehta (DIN: 00376589) 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. Haresh Mehta (DIN: 00376589), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and is eligible for appointment and in respect of whom Company has received notice in writing along with requisite deposit from a member proposing his candidature for the office of Director under Section 160 of the said Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years with effect from April 1, 2015 to March 31, 2020”.

### 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 Friday, the 25<sup>th</sup> September to Tuesday, the 29<sup>th</sup> September 2015 (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.



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8. In case the Dividend has remained unclaimed for the financial year 2012-13 & 2013-14 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.
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 28, 2015. 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 Registered 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 29<sup>th</sup> May, 2015 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 3 (three) 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 Saturday, 26<sup>th</sup> September, 2015** and ends on **5.00 pm on Monday, 28<sup>th</sup> September, 2015**. 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 **25<sup>th</sup> September 2015**, 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](http://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"**



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- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,**
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
  - 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](http://www.evotingindia.com) and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) **Click on the EVSN for the relevant Arrow Coated Products Limited on which you choose to vote.**
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) **Note for Institutional Shareholders**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.





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A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

### Other Instructions:

17. The e-voting period commences on Saturday, September 26, 2015 from 9:00 A.M. onwards and ends on Monday, September 28, 2015 at 5:00 P.M. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on September 25, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. 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 September 25, 2015.
19. Mr. Rajendra Vaze, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two 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 Managing Director of the Company.
21. 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 28, 2015. Ballot Form received after this date will be treated as invalid.
22. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
23. The results shall be declared after the Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website [www.arrowcoated.com](http://www.arrowcoated.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges, where the shares of the Company are listed.

### ***Brief resume of directors being appointed/reappointed (pursuant to Clause 49 of the Listing Agreement):***

**Mr. Haresh Mehta**, aged 62 years, is a science graduate. He has vast experience in packaging industry. He is also director in Jayna Packaging Pvt. Ltd. He is Chairman of Stakeholder Relationship Committee and member of Nomination & Remuneration Committee & CSR Committee of the Company. As on 31<sup>st</sup> March 2015, he held 53466 shares of the Company.

**Mr. Neil Patel**, aged 29 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 6 years and is working on Mouth Melting Strip (MMS) project. He is also Director in Avery Bio-Tech Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Almighty Natures Developers Private Limited and Arrow Coated Products (UK) Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on 31<sup>st</sup> March 2015, he held 5,19,810 shares in the Company



**Explanatory Statement as required under Section 102(1) of the Companies Act, 2013:**

**Item No. 5**

Mr. Haresh Mehta was appointed as Non-Executive Directors of the Company. Pursuant to Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Haresh Mehta as Independent Director of the Company for a term of 5 (five) consecutive years with effect from 29<sup>th</sup> September 2015, to 28<sup>th</sup> September, 2020. The Company has received notices, along with requisite deposit pursuant to Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director of the Company.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement and such Independent Director is independent of the management. Further, the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board of Directors believes that vast experience and knowledge of the aforesaid director shall be beneficial for the progress of the Company. Hence in the interest of the Company, the Board recommend the appointment of Mr. Haresh Mehta as an Independent Directors as set out at Item Nos. 5 of the Notice. The draft letter of appointment of aforesaid Independent Director, setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except the said Independent Director and his relatives in his respective appointment, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out at Item Nos. 5 of the Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement. The Board commends the Ordinary Resolutions set out at Item Nos. 5 of the Notice for approval by the shareholders.

By order of the Board of Directors  
For **Arrow Coated Products Limited**

Poonam Bansal  
**Company Secretary**

Mumbai, 14<sup>th</sup> August 2015.

**Registered Office:**

Arrow House  
5-D, Laxmi Industrial Estate  
New Link Road, Andheri (W),  
Mumbai – 400053  
CIN: L21010MH1992PLC069281  
Website: [www.arrowcoated.com](http://www.arrowcoated.com)