

ARROW SECURITIES LIMITED

ANNUAL REPORT

2009-2010

REGD OFF: 9, Ankur Complex, B/h. Town Hall, Ellisebridge, Ahmedabad - 380006

NOTICE

NOTICE is hereby given that Annual General Meeting of **ARROW SECURITIES, LIMITED** will be held on 30th September, 2010 at 11:30 a.m. at the Registered office of the Company at 9, Ankur Complex, B/h. Town Hall, Ellisebridge, Ahmedabad - 380006 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Sanjay S. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

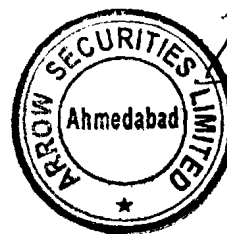
SPECIAL BUSINESS:

4. To Consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution.

RESOLVED THAT Mr. Sanjay S. Shah who was appointed as additional Director of the company by the Board of Directors with effect from 26th May, 2009 and who according to section 260 of the companies Act, 1956 hold office up to the date of this Annual General Meeting and in respect of whom the company has received a notice from shareholders in writing proposing his candidature for the office of the Directors be and is hereby appointed as a Director of the company.

Dated : 1st June, 2010
Place : AHMEDABAD

BY ORDER OF THE BOARD



P. Patel

CHAIRMAN

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 AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 27.09.2010 to 30.09.2010 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

DIRECTORS' REPORT

To
The Member,
Arrow Securities Limited

The Board of Directors of your company have the pleasure in presenting the Annual Report together with the Audited Statement of Accounts of your company for the year ended 31st March, 2010.

FINANCIAL RESULTS:

A summarized statement of the financial results for the year ended 31/3/2010 is given herein below: -

Sales	: 9,47,711.00
Expenses	: 3,51,029.00
Profit (Before Tax):	5,96,682.00

DIVIDEND:

The directors have decided to plough back the earnings in the business.

DEPOSITS:

Since the company has not accepted / invited deposits from the public, the provisions of section 58-A of Companies Act, 1956 and rules framed there under are not attracted.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm -

- (a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) That 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 & fair view of the state of affairs of the company at

the end of financial year ended on 31st March, 2010 and of the Profit of the Company for that year.

- (c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2010 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.
- (d) That the Directors had prepared the Annual Accounts on an going concern basis.

PERSONNEL:

Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees is not provided as none of the employees of the company is in receipt of remuneration which is more than the sum specified by the prevalent law.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

As required under Section 271 (1) (e) of the Companies Act, 1956, the particulars relating to conservation of Energy and Technology absorption are not provided here as the business of the Company relates to trading in securities not covered under the Schedule to the Annexure of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

AUDITORS: -

Virav S. Shah & Co., Ahmedabad retires at the ensuing Annual General Meeting. The Company has received a letter from the said Auditors to the effect that their appointment, if from the said Auditors to the effect that their appointment, if made, would be within the prescribed limits u/s 224(1B) of the Companies Act, 1956. You are requested to appoint auditors and fix their remuneration.


ACKNOWLEDGEMENTS:

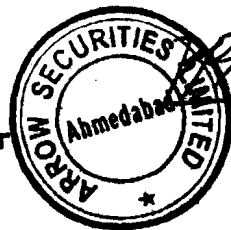
The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the smooth functioning of the Company. The Directors also express their gratitude to the Bankers of the Company, for their continued co-operation and support.

FUTURE PLANS:

Your management proposes to continue in the line of Trading in Securities It is envisaged to increase the quantum and turnover manifolds in the near future.

For, ARROW SECURITIES LIMITED.


Director


Director

Place: Ahmedabad

Date: 01/06/2010

REPORT ON CORPORATE GOVERNANCE

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under :

Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. As of the year ended 31st March, 2010, the Board of Directors had 3 members comprising of 1 Executive Directors and 2 Non-Executive Directors. All the Non-Executive Directors are Independent Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2010	Other Mandatory Committee** membership as at 31 st March 2010.	
					Chairman	Member
Mr. Parag Patel	Executive Director	9	Yes	NIL	NIL	NIL
Mr. Sanjay S. Shah	Non Executive Director	8	Yes	NIL	NIL	NIL
Mr. Prakashsinh Rehvar	Non Executive Director	2	No	NIL	NIL	NIL

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

b) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

c) Details of Board Meetings held during the Financial Year and the number of Directors present:

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	30.04.2009	3	3
2	26.05.2009	4	4
3	31.07.2009	4	4
4	01.09.2009	4	4
5	30.10.2009	4	4
6	25.01.2010	4	3
7	31.01.2010	4	4
8	11.03.2010	3	3
9	31.03.2010	3	3

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee**Composition:**

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of two Non Executive & Independent Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on			
		30.06.2009	31.07.2009	30.10.2009	30.01.2010
Mr. Sanjay S. Shah	Chairman	Yes	Yes	Yes	Yes
Mr. Prakashsinh Rehvar	Member	N.A.	N.A.	N.A.	N.A.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- a. Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.

- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of two directors. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Position held	Attendance at Shareholders' Committee meeting held on				
			30.04.2009	30.07.2009	30.09.2009	31.10.2009	31.03.2010
Mr. Parag Patel	Executive Director	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Sanjay S. Shah	Non – Executive Director	Member	N.A.	Yes	Yes	Yes	Yes

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI or shareholders were resolved satisfactory.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Parag Patel, Director of the company is the Compliance Officer of the Company.

3) Remuneration Committee:

The Remuneration Committee of the Company comprises of two members, all being non-executive independent directors. Details of composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Remuneration Committee meeting held on			
		30.04.2009	30.07.2009	30.10.2009	31.03.2010
Mr. Prakashsinh Rehvar	Chairman	N.A.	N.A.	N.A.	Yes
Mr. Sanjay S. Shah	Member	N.A.	Yes	Yes	Yes