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Arrow Webtex Limited

19th Annual Report 1997-1998



Arrow Webtex Limited

BOARD OF DIRECTORS

MR. J.M.MODY – *Chairman*

MRS. U. A. PIRAMAL

MRS. K. G. SINGHANIA

MR. C. V. ARORA – *Managing Director*

REGISTERED OFFICE

PLOT NO.101 / 102,
MIDC INDUSTRIAL AREA,
19TH STREET, SATPUR,
NASIK 422 007.

SOLICITORS

GAGRAT & CO.
MUMBAI.

AUDITORS

M/S. ANIL A. JAIN & CO.
MUMBAI.

BANKERS

STATE BANK OF INDIA,
SATPUR INDUSTRIAL BRANCH,
NASIK.

COMPANY SECRETARY

GIRISH G. PARALIKAR



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NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Members of the Company shall be held at the Registered Office of the Company at Plot No. 101 / 102, 19th Street, MIDC Industrial Area, Satpur, Nasik 422 007 on Wednesday, the 30th day of September, 1998 at 09.00 A.M. (S.T.) to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at and the Profit & Loss Account for the year ended 31st March, 1998 along with the reports of the Directors and Auditors.
2. To appoint a Director in place of Mrs. U.A. Piramal who retires by rotation and being eligible, offers herself for re - appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

4. 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 31 of the Companies Act, 1956 and other applicable provisions, if any, and subject to such other consents, sanctions and approvals, if any, and as may be required in this behalf, the Articles of Association of the Company be and is hereby altered as follows:

- I. Article 2 shall include the following definitions at the appropriate places :

"Member means duly registered holder of the Shares of the Company from time to time and includes the beneficial owner as defined under the Depositories Act, 1996 or any modification(s) or re-enactment(s) thereof."

"Records includes records maintained in the form of books or stored in Electronic Media or in such other form as may be permitted / prescribed."

"Dematerialised Shares means shares held under fungible form as prescribed

under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof."

- II. The following words and sentences be added at the end of Article 10 :

PROVIDED HOWEVER THAT where any Member has dematerialised his Shares, the Depository shall be recognised as the Registered Owner thereof and the term Depository and Registered Owner shall have the same meaning as is defined under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof."

- III. The following words and sentences be added at the end of Article 13 :

PROVIDED HOWEVER THAT where the Member has dematerialised his Shares, the above provision shall stand modified to the effect that there will not be any Certificate issued by the Company and the title of such shares shall be made out as provided under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof."

- IV. The following words and sentences be added at the end of Article 14 :

PROVIDED HOWEVER THAT where the Member has dematerialised his Shares, the above provision shall stand modified to the effect that there will not be any Certificate issued by the Company and such shares shall not have any specific distinctive numbers.

- V. The following words and sentences be added at the end of Article 15 :

PROVIDED HOWEVER THAT where any Member has dematerialised his Shares, the provisions under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof shall be applicable in respect of issuance and / or delivery of Certificates in respect of such shares.

- VI. The following words and sentences be added at the end of Article 16 :

PROVIDED HOWEVER THAT where any Member has dematerialised his Shares, the Shares of the Company shall be in



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fungible form unless the Member requests for rematerialisation of his Shares as prescribed under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof."

VII. The following Article be added after Article 54 :

54 A. The provisions relating to Transfer and Transmission of Shares as contained in Article Nos. 39 to 54 shall stand modified in respect of those Shares of the Company which have been dematerialised and shall be regulated as provided under the Depositories Act, 1996 or any of its modification(s) or re-enactment(s) thereof.

VIII. By alteration of Article 114 (1) as follows :

The figure Rs. 250/- wherever appearing in the said Article be replaced with the figure Rs.1,000/-.

A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member of the Company.

The Register of the Shareholders and the Share Transfer Books of the Company shall remain closed from Wednesday the 23rd day of September, 1998 to Wednesday, the 30th day of September, 1998, both days inclusive.

The Articles of Association of the Company with the proposed modifications as above is open for inspection at the Registered Office of the Company during Office Hours from 09.00 A.M. to 02.30 P.M. on any working day of the Company.

The Explanatory Statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of Item No. 4 above is enclosed.

By order of the Board,

Girish G. Paralikar.
Company Secretary

Registered Office,

Plot No. 101 / 102, 19th street,
MIDC Industrial Area, Satpur,
Nasik 422 007.

Monday, June 29th, 1998.

EXPLANATORY STATEMENT UNDER THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 ABOVE IN THE ACCOMPANYING NOTICE DATED 29TH JUNE, 1998.

ITEM NO. 4 :

Sub Item Nos. I to VII :

The Stock Exchanges are actively considering for the Shares to be traded under Dematerialised segment and it is also in the interests of the members of the Company that the Shares are held under Dematerialised form which has lot of trading convenience.

The Shares of the Company are listed on the Stock Exchanges at Mumbai, New Delhi and Ahmedabad. Taking stock of the future plans of these Exchanges, it is advisable to pass enabling resolutions for the Shares of the Company to be held under Dematerialised form and hence this resolution.

None of the Directors of the Company is concerned or interested in this resolution.

Sub Item No. VIII :

This relates to the Sitting Fees payable to the Directors of the Company for the meetings attended by them. Looking to the valuable time spent by the Directors on the meetings attended by them, it is thought fit to enable the directors to make an upward revision in the sitting fees payable, if they think the same fit.

The Directors of the Company generally may be deemed to be concerned with or interested in this resolution as far as the sitting fees payable to them are concerned.

By order of the Board,

Girish G. Paralikar.
Company Secretary

Registered Office,

Plot No. 101 / 102, 19th street,
MIDC Industrial Area, Satpur,
Nasik 422 007.

Monday, June 29th, 1998.



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DIRECTORS' REPORT

The Directors are pleased to present their 19th report on the working of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

(Rupees in Lacs)
Year ended Year ended
31.03.1998 31.03.1997

Income for the year	691.87	588.00
Profit before interest and Depreciation	76.48	71.35
Interest	74.93	86.84
Profit before depreciation	1.55	(15.49)
Providing there from the following :		
Depreciation	80.91	80.92
Transfer to Balance Sheet	(79.36)	(96.41)

DIVIDENDS

In light of inadequacy of profits, the Directors have thought it fit, not to distribute any dividends for the year.

OPERATIONS

The directors are pleased to state that the Company has recorded a rise in sales of around 28 % over the previous year with overall growth in the sales in all the products of the Company. The focussed efforts towards growth in sales has started yielding results and the trend is rather encouraging.

In the ensuing year, the Company has plans to add more capacities in its Elastic, Woven Label and Printed Label division to cater to the expanding market. Also, there are plans to enter into new product lines which will be supportive to the existing business of the Company.

However, the provision for depreciation and higher manufacturing costs have had their impact on the bottomline. The Company is striving to overcome this with strict measures to reduce the overall costs and in turn , achieve healthy bottomline.

DIRECTORS

Mrs. Urvi A. Piramal and Mr. Jehangir R. Gagrat

retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

AUDITORS

The present auditors of the Company, M/s. Anil A.Jain & Co. have certified that their appointment, if made, at the ensuing Annual General Meeting shall be in accordance with the provisions of Section 224 of the Companies Act, 1956. The Directors commend the resolution for their re-appointment and fixing their remuneration.

STATEMENTS UNDER SECTION 217(1)(e) AND 217(2A) OF THE COMPANIES ACT, 1956

The information under section 217(1)(e) is enclosed.

The information under Section 217(2A) is enclosed.

ACKNOWLEDGEMENTS

The Board wishes to thank State Bank of India, Satpur, Nasik Branch and the Industrial Development Bank of India for their continued support and co-operation extended to the Company.

The Board puts on record it's appreciation for the continued support extended to the Company by it's suppliers and customers which has resulted in a mutually beneficial and rewarding relationship.

On behalf of the Board,

Sd/-

Jaydev M. Mody

Chairman

Mumbai,

Dated : 29th June, 1998.

ADDENDUM TO THE DIRECTORS REPORT

Consequent to the resignation tendered by Mr. J.R. Gagrat on 22.07.1998, he will not be re-appointed as a Director of the Company and the resolution seeking his re-appointment has been withdrawn from the Notice.

On behalf of the Board,

Sd/-

Jaydev M. Mody

Chairman

Mumbai,

Dated : 31st July, 1998.