



Arrow Webtex Limited



21st

Annual Report 1999-2000



Arrow Webtex Limited

BOARD OF DIRECTORS

Mr. Jaydev M. Mody — *Chairman*
Mrs. Urvi A. Piramal
Mrs. Kalpana G. Singhania
Mr. Chand V. Arora — *Managing Director.*

REGISTERED OFFICE

Plot No. 101 / 102, 19th Street,
MIDC Industrial Area, Satpur,
Nasik 422 007.
e-mail: arrow@bom2.vsnl.net.in

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

SHARE TRANSFER AGENTS

Amtrac Management Services Ltd.
Plot No. 101 / 102, 19th Street,
MIDC Industrial Area,
Satpur,
Nasik 422 007.
e-mail : amtrac@bom3.vsnl.net.in



NOTICE

NOTICE is hereby given that the 21st 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 Friday, the 29th day of September, 2000 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, 2000 and the annexures thereto along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Kalpana G. Singhania 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 an Ordinary Resolution :

“ RESOLVED

THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (“ the said Act”) and subject to such other consents, sanctions and approvals as may be required in this behalf, Mr. Chand V. Arora be and is hereby appointed as the Managing Director of the Company with effect from 01.09.2000 for a term of 5 (five) years, with liberty to the Board of Directors to alter and vary the terms and conditions as to his appointment with powers to grant increase in the remuneration in such manner as the Board may, in its absolute discretion, deem fit within the limits prescribed by the said Act or its enactments from time to time, on a remuneration computed @ 5 % of the Net Profits of the Company as computed in accordance with the aforesaid provisions.

PROVIDED HOWEVER THAT in the case of absence or inadequacy of profits, Mr. Chand V. Arora shall be eligible to receive the following remuneration :

1. Salary : Rs.72,000/- per month, inclusive of all the optional perquisites, inter alia as follows:
 - i. House Rent Allowance,

- ii. Medical Reimbursement for self and his family subject to the ceiling of one months salary in a year or three months salary over a period of three years,
- iii. Leave Travel Allowance for self and family once in a year incurred in accordance with the rules specified by the Company,
- iv. Club Fees excluding admission and life membership fees for any two clubs,
- v. Premium for personal accident insurance.

Over and above, he will be also eligible for the following:

- i. Company's contribution to Provident Fund, Super Annuation Fund and / or Annuity Fund in respect of the salary payable to the Managing Director in accordance with the rules of the Company in this regard,
- ii. Gratuity @ not exceeding one half months salary for each completed year of service subject to a ceiling as may be laid down by the rules of the Company ,
- iii. Leave with full pay and other leaves with encashment benefits at the end of the tenure as per rules of the Company.
- iv. Provision of a car for use on Company's business and telephone at his residence. Personal long distance calls on telephone shall be billed on Mr. Chand V. Arora.

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 Members and the Share Transfer Books of the Company shall remain closed from Friday, the 22nd day of September, 2000 to Friday, the 29th day of September, 2000, both days inclusive.

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.
Friday, June 30th 2000.



Arrow Webtex Limited

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 30TH JUNE, 2000.

ITEM NO. 4:

Recently, the Government has further liberalised the provisions for payment of managerial remuneration to the managerial personnel in the Companies. In line with that and also to retain the managerial personnel to take advantage of their skills, talents and experience for the progress of the Company, the management has thought it fit to appoint Mr. Chand V. Arora as the Managing Director of the Company for a further period of 5 (five) years w.e.f. 01.09.2000.

The remuneration payable to Mr. Arora is in line with the limits laid down by the provisions of Schedule XIII of the Companies Act, 1956.

The Board of Directors of the Company commend the resolution for your approval.

Mr. Chand V. Arora may be deemed to be concerned with or interested in this resolution.

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.

Friday, June 30th 2000.



DIRECTORS' REPORT

The Directors are pleased to present to the Members of the Company their 21st report on the working of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

(Rupees in Lacs)

	Year ended 31.03.2000	Year ended 31.03.1999
Income for the year	742.68	698.93
Profit before Finance Charges and Depreciation	86.60	85.38
Interest and finance charges	65.83	67.21
Profit before Depreciation	20.77	18.17
Less Depreciation	88.54	85.72
Net Loss transferred to Balance Sheet	<u>(67.77)</u>	<u>(67.55)</u>

DIVIDEND

In view of the losses made by the Company, the Directors regret to express their inability to pay any dividends for the current year.

OPERATIONS

Despite of severe adverse market conditions, the Company has recorded 12 % growth in sales and it is expected that this year also this shall continue. The Company is also trying hard to reduce the costs and is slowly progressing towards that end for the long term benefits of the shareholders.

The Company is exploring new markets and hopes to make inroads into the same. It has achieved certification for its products to meet pollution control norms. It is also planning for better customer services through computerisation and web-enabled reports facilities. At the same time, efforts are being taken on product improvement, inventory controls, receivables management etc.

DIRECTORS

Mrs. Kalpana G. Singhania retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself 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.

SHAREHOLDERS

The Management is pleased to inform the Members that the shares of the Company can be held and traded in Electronic Form (DEMAT form) and the necessary agreements have been signed with the Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL). The shares of the Company are under compulsory DEMAT trade for all the investors w.e.f. 24th July, 2000.

The necessary details for the above matter can be obtained from the Registered Office of the Company.

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

The information under the provisions of Section 217(1)(e) and 271(2A) is enclosed.

ACKNOWLEDGEMENTS

The Board does acknowledge with thanks the role of State Bank of India and the Industrial Development Bank of India in the functioning of the Company and their continued support and co-operation.

The Board also wishes to thank its suppliers, customers and employees for the support they have extended to the Company.

On behalf of the Board,

Jaydev M. Mody
Chairman

Dated : 30th June, 2000.