



Arrow Webtex Limited

23rd
Annual Report 2001-2002

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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.*

AUDIT COMMITTEE

Mr. Jaydev M. Mody — *Chairman*
 Mrs. Urvi A. Piramal
 Mr. Chand V. Arora

REGISTERED OFFICE AND PLANT

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

SOLICITORS

Gagrat & Co.
 Mumbai.

AUDITORS

M/s. Anil A. Jain & Co.,
 Mumbai.

BANKERS

State Bank of India, Satpur, Nasik - 422 007.

COMPANY SECRETARY & COMPLIANCE OFFICER

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_nsk@sancharnet.in

SHARES LISTED AT

The Stock Exchange, Mumbai
 The Stock Exchange, Ahmedabad
 The Delhi Stock Exchange Association Limited

DEMAT OF SHARES AVAILABLE THROUGH

National Securities Depository Limited
 Central Depository Services (India) Limited



NOTICE

NOTICE is hereby given that the 23rd 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 Monday, the 30th day of September, 2002 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, 2002 and the annexures thereto along with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jaydev M. Mody who retires by rotation and being eligible, offers himself 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 the matter of erosion in the peak net worth of the Company by 50% as at the end of the financial year ended on 31st March, 2002 and consequently referring the Company to the Board for the Industrial and Financial Reconstruction (BIFR) as a potentially sick company as defined under the provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985.

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 Monday the 7th day of October, 2002 to Friday, the 11th day of October, 2002, both days inclusive.

The explanatory statement pursuant to the provisions of Section 173 of the Companies Act, 1956 in respect of the above item is attached.

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, August 30th 2002.

EXPLANATORY STATEMENT UNDER THE PROVISIONS OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF ITEM NO. 4 ABOVE

ITEM NO. 4 :

Due to the losses made by the Company during last two/three financial years on account of continued recession prevailing in the market, the peak net worth of the Company stands eroded by 50% as at the end of the financial year ended on 31st March, 2002. The brief balance sheet details for the previous two years are as follows: (Rs. in lacs)

Liabilities	As on 31.3.2001	As on 31.3.2002	Assets	As on 31.3.2001	As on 31.3.2002
A. Paid up Capital	575.44	575.44	F. Fixed Assets	402.33	320.22
B. Reserves	132.60	132.60	G. Non Current Assets	18.24	18.22
C. Term Liabilities	233.25	251.11	H. Current Assets	501.83	362.63
D. Current Liabilities	363.60	329.03	I. Others	35.44	26.57
E. Others	NIL	NIL	J. P & L A/c Balance	347.25	560.54
Total	1,304.89	1,288.18	Total	1,304.89	1,288.18

The causes for such erosion are, inter-alia, difficult market situation, high rate of interest charged by the lenders of the Company on the loans. The Government policy with regard to the labour laws also had their contribution to some extent.

Provisions of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 requires any such company to refer itself to the BIFR as a potentially sick industrial company. Accordingly, a reference shall be made to the BIFR under the provisions of this section.

Your directors request you to consider the matter.

None of the directors of the company is 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, August 30th 2002.

Arrow Webtex Limited

Registered Office: Plot 101/102, 19th Street, MIDC Industrial Area, Satpur, Nasik- 422 007

PROXY FORM

I/We, _____
 of _____ being member(s) of the
 above named Company hereby appoint _____
 of _____ or failing him _____
 of _____

as my /our proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the said Company to be held at 09.00 A.M. (S.T.) on Monday, the 30th day of September, 2002 or at any adjournment thereof.

As witness my/ our hand (s) this _____ day of _____ 2002.

Signed by the said _____

Affix 30
Paise
Revenue
Stamp

N.B: This proxy must be deposited at the Registered Office of the Company not later than 48 hours before time of the meeting .

**Arrow Webtex Limited**

Registered Office: Plot 101/102, 19th Street, MIDC Industrial Area, Satpur, Nasik- 422 007.

ATTENDANCE SLIP

Please complete this Attendance slip before coming to the Meeting Hall and hand over at the entrance duly signed .

NAME AND ADDRESS OF THE MEMBER: _____

FOLIO NO: _____

NO OF SHARES HELD : _____

I hereby record my presence at the 23rd Annual General Meeting of the Company being held at Plot No. 101/ 102, M.I.D.C. Industrial Area, 19th Street, Satpur, Nasik – 422 007 on Monday, the 30th September, 2002 at 9.00 A.M (S.T)

NAME OF PROXY : _____

MEMBER/ PROXY SIGN.

MEMBERS ARE REQUESTED TO BRING THEIR COPIES OF THE ANNUAL REPORT AT THE ANNUAL GENERAL MEETING.



DIRECTORS' REPORT

The Directors are pleased to present to the Members of the Company their 23rd report on the working of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

(Rupees in Lacs)

	Year ended 31.03.2002	Year ended 31.03.2001
Income for the year	540.12	785.47
Profit / (Loss) before Finance Charges and Depreciation	(55.44)	119.62
Interest and finance charges	67.88	67.29
Profit / (Loss) before Depreciation	(123.32)	52.33
Less Depreciation	89.97	88.49
Net Loss transferred to Balance Sheet	(213.29)	(36.16)

OPERATIONS

The company has incurred losses basically on account of adverse market conditions and the overall recession prevailing. Certain political factors did have their contribution as well.

The Company has restored some of its customers and has progressed to get new customers in its fold. The working for the current fiscal till 31st July, 2002 have shown improvement over the corresponding previous year period. The management is confident of the improvements in this year as never before.

Under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 the company will be referred to the Board for Industrial and Financial Reconstruction as a potentially sick company.

DIRECTORS

Mr. Jaydev M. Mody retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed.
2. Appropriate accounting policies have been selected and applied consistently and judgements and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs at the end of the financial year and loss of the company for the financial year ended 31st March, 2002.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The annual accounts have been prepared on the going concern basis.

AUDIT COMMITTEE

The Company has established the Audit Committee with Mr. Jaydev M. Mody, Mrs. Urvi A. Piramal and Mr. Chand V. Arora as its members. Mr. Jaydev M. Mody is the Chairman of the Audit Committee. The Audit Committee has all the powers as detailed under Section 292 A of the Companies Act, 1956.

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 appointment and fixing their remuneration.

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

The information under the provisions of Section 217(1)(e) is enclosed.


Arrow Webtex Limited

The information under the provisions of Section 217(2A) is NIL.

DEMAT AND LISTING DETAILS

The total number of shares held in dematerialised form as on 30th August, 2002 are 23,24,000 which represents 40.39 % of the total paid up shares of the Company.

The shares of the Company are listed on the Stock exchanges at Mumbai, Ahmedabad and New Delhi and the Company has paid the annual listing fees to these exchanges till 31.03.2002. The Company is seeking voluntary de-listing of its shares from the stock exchanges at Ahmedabad and New Delhi.

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 August, 2002.

FORM - A

Disclosure of particulars with respect to conservation of energy

A. Power and Fuel consumption:

	2001 - 2002	2000 -2001
1. Electricity:		
a. Purchased		
Unit:		
('000 KWH)	651.49	772.38
Total Amount (Rs. in lacs)	27.39	31.74
Rate / per unit (KWH)	4.20	4.11
b. Own Generation		
(i) Through diesel generator	NIL	NIL
(ii) Through steam turbine/generator	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil, LSHS & L.D. Oil	NIL	NIL
4. Others / Internal Generation	NIL	NIL
B. Consumption per unit of Production:		
Electricity		
Narrow Fabrics (per mtr.) :	0.031	0.031
Labels (per piece) :	0.008	0.008

The consumption of electricity depends upon the product mix used and the nature of the product manufactured. Thus the above indicates an average consumption per unit of production.

FORM - B

Disclosure of particulars with respect to technology absorption etc.:

RESEARCH AND DEVELOPMENT:

- Specific Areas in which R & D has been carried out by the Company : NIL
- Benefits derived as a result of the above R & D : Not Applicable.
- Future plan of action :
Efforts are being taken towards product improvement, development, launching of a new consumer product and cost reduction etc.
- Expenditure on R & D : NIL

TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year, the foreign exchange outgo was Rs. 8.50 Lacs. The foreign exchange earned was Rs. 0.97 Lacs.

On behalf of the Board,

Mumbai,
Dated : 30th August, 2002.

Jaydev M. Mody
Chairman