



Arrow Textiles Limited

Annual Report

2009-2010



CORPORATE INFORMATION

THE BOARD OF DIRECTORS

Mr. Jaydev Mody	Chairman
Mr. Aditya Mangaldas	
Mr. Aurobind Patel	
Mr. Chand Arora	Managing Director
Mr. Harshvardhan Piramal	

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Vinay Gupta

REGISTERED OFFICE & PLANT LOCATION

Plot No. 101-103,
19th Street, Satpur, MIDC,
Nasik - 422 007, Maharashtra.
Website: www.arrowtextiles.com

STATUTORY AUDITORS

M/s. Amit Desai & Co
Chartered Accountants

BANKERS

Axis Bank Limited

SHARE TRANSFER AGENTS

Freedom Registry Limited
Plot No. 101/102, MIDC, 19th Street,
Satpur, Nasik - 422 007, Maharashtra
Phone : (0253) 2354032
Facsimile : (0253) 2351126
e-mail : amtrac_nsk@sancharnet.in

SHARES LISTED ON

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

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NOTICE

Notice is hereby given that, the 3rd Annual General Meeting of Arrow Textiles Limited will be held on Thursday, 23rd September, 2010 at 12.30 p.m. at The Gateway Hotel, P-17 MIDC, Ambad, Mumbai Agra Road, Nasik - 422 010, Maharashtra, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2010 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Aurobind Patel, who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ONLY ON A POLL AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. 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.
3. In terms of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Mr. Aurobind Patel, Director of the Company, who retires by rotation at the ensuing Annual General Meeting and being

eligible, offer himself for re-appointment. The Board of Directors of the Company commends his re-appointment.

4. Brief resume of Director proposed to be re-appointed, nature of his expertise in specific functional areas, names of the companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are attached as Annexure to this notice.
5. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2010 to 23rd September, 2010 (both days inclusive).
8. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agents (RTA).
9. Non-Resident Indian Members are requested to inform RTA of the Company, immediately of :
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type,

account number and address of the bank with pin code number, if not furnished earlier.

10. Members may please note that, Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. SEBI has also mandated that for securities market transactions and off market/private transactions involving transfer of shares in physical form, it shall be necessary for the transferee(s) to furnish copy of PAN card to the Company/RTA for registration of such transfer of shares.

Members may please note that, SEBI has also made it mandatory for submission of PAN in the following cases viz., (i) Deletion of name of the deceased shareholder(s) (ii) Transmission of shares to the legal heir(s) and (iii) Transposition of shares.

11. Section 109A of the Companies Act, 1956, permits nomination by shareholders of the Company in prescribed Form No. 2B. Shareholders are requested to avail this facility. The duly filled in and signed Form No. 2B should be sent to the RTA of the Company at their Nasik address.
12. In order to render better and efficient services, we request you to consolidate the multiple folios which are in the same names and in identical order. Consolidation of folios does not amount to transfer of shares and therefore no stamp duty or other expenses are payable by you. In case you decide to consolidate your folios, you are requested to forward your share certificates to the RTA of the Company at their Nasik address.
13. The Company, consequent upon the introduction of the Depository System (DS), entered into

agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Members, therefore, have the option of holding and dealing in the shares of the Company in electronic form through NSDL or CDSL. In view of the numerous advantages offered by the Depository System, members holding shares of the Company in physical form are requested to avail of the facility of dematerialization.

14. To prevent fraudulent transactions, we urge the Members to exercise due diligence and notify the Company of any change in address/stay in abroad or demise of any shareholder as soon as possible. Members are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions so as to reach the Company at least 10 days before the Annual General Meeting, so that the same can be suitably replied.

By Order of the Board of Directors,

Vinay Gupta
Company Secretary

Mumbai, 30th July, 2010

Regd. Office:
Plot No. 101-103,
19th Street, MIDC,
Satpur, Nasik - 422 007,
Maharashtra.

**Brief Resume of Director seeking reappointment at this Annual General Meeting
(In pursuance of Clause 49 of the Listing Agreement)**



MR. AUROBIND PATEL

Date of Birth : 7th January, 1952

Date of Appointment : 1st October, 2008

Qualification : Bachelors in Commerce, MFA in Design from Southeastern Massachusetts University

Profile and Expertise :

Mr. Aurobind Patel, 58, holds a bachelors degree in commerce from Mumbai University and an MFA in design from Southeasten Massachusetts University. He began his career as a designer in New York before moving to India in 1982 to design and act as design consultant to India Today, a position he occupied till 1987. In 1987 he was appointed Design Director of The Economist, London. He also served as design consultant to leading UK newspapers, The Daily Telegraph and The Times. He is an acknowledged expert in publication design and publishing systems.

Number of shares held in the Company, Individually or Jointly/ on a beneficial basis : Nil

Directorship and committee memberships (Excluding Arrow Textiles Limited)

- i) **Directorships held in other Companies :** Nil
- ii) **Chairman of Board Committees :** Nil
- iii) **Member of Board Committees :** Nil

DIRECTORS' REPORT

Your Directors are pleased to present their Third Annual Report together with the Audited Statement of Accounts for the year ended 31st March 2010.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Income for the year	2296.13	1907.48
Profit before Interest, Depreciation and Tax	283.78	252.32
Finance Charges	130.03	121.67
Profit before Depreciation and Taxes	153.74	130.65
Depreciation	141.83	132.82
Provisions for Taxation/ Deferred Tax	(55.92)	(53.85)
Net Profit/(Loss) for the Current Year	(44.00)	(56.03)
Earlier Years Balance Brought forward	(56.15)	(0.12)
Balance carried to Balance Sheet	(100.15)	(56.15)

DIVIDEND

In view of the losses incurred by the Company, the Directors do not recommend any dividend for the Financial Year ended 31st March, 2010.

OPERATIONS

During the year under review, your Company recorded a total income of Rs. 2296.13 lacs. For further information, kindly refer to Management Discussion and Analysis Report, forming part of this Annual Report.

GROUP FOR INTER SE TRANSFER OF SHARES

As required under Clause 3(1)(e)(i) of the Securities & Exchange Board of India (Substantial Acquisition of

Shares and Takeovers) Regulations, 1997 (Takeover Regulations), persons constituting group (within the meaning of group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming exemption from applicability of the provisions of Regulations 10 and 12 of the Takeover Regulations, are given in Annexure A to this Report.

CORPORATE GOVERNANCE REPORT WITH STOCK EXCHANGES

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion & Analysis Report and Corporate Governance Report together with Certificate from Auditors of the Company, on compliance with the conditions of Corporate Governance as laid down, forms part of this report.

PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are set out in the Annexure to the Directors' Report. However, having regard to the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all members of the Company and other entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The operations of the Company are not energy intensive. However, wherever possible the Company strives to curtail the consumption of energy on continuous basis. The particulars as required under Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are furnished in the Annexure B to this Report.

DIRECTORS

At the ensuing Annual General Meeting Mr. Aurobind Patel will retire by rotation, and being eligible, offer himself for re-appointment in terms of provisions of Articles of Association of the Company.

The brief resume/details relating to Mr. Aurobind Patel, Director of the Company to be re-appointed is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

Your Directors recommend his reappointment at the ensuing Annual General Meeting.

CHANGE OF CORPORATE OFFICE OF THE COMPANY

During the year, the Company has changed its Corporate Office from 16/A, Ali Chambers, 2nd Floor, Nagindas Master Road, Fort Mumbai- 400001, Maharashtra to Bayside Mall, 1st Floor, Opp. Sobo Central Mall, Tardeo Road, Haji Ali, Mumbai - 400034. Maharashtra.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors confirm that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs as at 31st March, 2010 and of the profit of the Company for the year under review;
3. The Directors have taken proper and sufficient care 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 Directors have prepared the accounts for the financial year ended 31st March, 2010, on 'going concern' basis.

FIXED DEPOSITS

During the year under review, the Company has not accepted any fixed deposits from the public.

AUDITORS

The Board of Directors recommends to re-appoint M/s. Amit Desai & Co., Chartered Accountants as Statutory Auditors of the Company, who retire at the conclusion of forthcoming Annual General Meeting and are eligible for re-appointment. M/s. Amit Desai & Co. have given their consent to act as auditors, if re-appointed. Members are requested to consider their re-appointment. The auditors comments on the Company's accounts for the year ended on 31st March, 2010, are self explanatory in nature and do not require any explanation as per the provisions of Section 217(3) of the Companies Act, 1956.

ACKNOWLEDGEMENTS

Your Directors express their sincere appreciation of the co-operation received from shareholders, bankers and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

By Order of the Board of Directors,

Jaydev Mody
Chairman

Mumbai, 30th July, 2010

Regd. Office:
Plot No. 101-103,
19th Street, MIDC,
Satpur, Nasik-422 007,
Maharashtra.

Annexure A

The following are the persons constituting group (within the meaning of group defined in Monopolies and Restrictive Trade Practices Act, 1969) for the purpose of claiming exemption from applicability of the provisions of Regulations 10 and 12 of the Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Jaydev Mukund Mody	Delta Real Estate and Consultancy Private Limited
Zia Jaydev Mody	Delta Square Limited
Anjali Jaydev Mody	Elixir Infotech Private Limited
Aarti Jaydev Mody	Freedom Aviation Private Limited
Aditi Jaydev Mody	Freedom Training Academy Private Limited
Anjali J Mody Trust	Freedom Registry Limited
Aarti J Mody Trust	Highland Resorts Private Limited
Aditi J Mody Trust	Highstreet Cruises and Entertainment Private Limited
AAA Holding Trust	Intertrade Mercantile Company Private Limited
AAA Aviation Private Limited	J M Holding (USA) Inc.
AAA Township Private Limited	J M Holdings Limited, Dubai (UAE)
Aarti Management Consultancy Private Limited	J M Livestock Private Limited
Aditi Management Consultancy Private Limited	J M Property Management Private Limited
Alibagh Farming and Agriculturist Company Private Limited	J M Real Estates Private Limited
Anjoss Trading Private Limited	J M Realty Management Private Limited
Aryanish Finance and Investments Private Limited	J M Township and Real Estate Private Limited
Bayside Property Developers Private Limited	Jayem Properties Private Limited
Champs Elysee Enterprises Private Limited	Jayem Realty Solutions Private Limited
Coastal Sports Ventures Private Limited	Newplaza Multitrade Private Limited
Delta Adventures and Entertainment Private Limited	Onestar Mercantile Company Private Limited
Dacapo Brokerage India Private Limited	Outreach Mercantile Company Private Limited
Delta Corp East Africa Limited	PLL Delta Hotels Private Limited
Delta Corp Limited	Providence Educational Academy Private Limited
Delta Cruises and Entertainment Private Limited	Providence Education Institute Private Limited
Delta Hospitality and Entertainment Private Limited	Richtime Realty Private Limited
Delta Holding (USA) Inc.	Riteline Exports Private Limited
Delta Lifestyle and Entertainment Private Limited	Seastar Trading Company Private Limited
Delta Magnets Limited	Victor Hotels and Motels Limited
Delta Pan Africa Limited	West Star Agro -Realities Private Limited

Annexure B

INFORMATION UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A : CONSERVATION OF ENERGY

a) Energy conservation measures taken :

The Company continues its policy of giving priority to energy conservation measures including regular review of energy generation and consumption and effective control on utilization of energy.

The following energy conservation methods were implemented during the year:

- a) Use of energy efficient equipments
- b) Intensified internal audit aimed at detecting wastage of electricity.
- c) Campaign based synchronization of utilities with plant operations.

b) Additional investments:

- a) The Company is continuously installing electronic devices to improve quality of power and reduction of energy consumption.
- b) Continuing with energy conservation measures on above lines.
- c) Impact of above measures:

The adoption of energy conservation measures have resulted in savings and increased level of awareness amongst the employees. The energy conservation measures have also resulted in improvement of power factor, consequential tariff benefits.

- d) Total energy consumption and energy consumption per unit of production

As per Form A

B : TECHNOLOGY ABSORPTION

As per Form B

FORM - A
Disclosure of particulars with respect to conservation of energy

	2009-10	2008-09
A. Power & Fuel Consumption:		
1. Electricity		
a. Purchased		
Unit:		
('000 KWH)	1704.80	1531.79
Total Amount (Rs. in lacs)	84.36	72.40
Rate / per unit (KWH)	4.95	4.73
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:		
1. Electricity		
Narrow Fabrics (per mtr.)	0.16	0.16
Labels (per piece):	0.04	0.037
2. Coal	NIL	NIL
3. Furnace Oil, LSHS & L.D. Oil	NIL	NIL
4. Others	NIL	NIL

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.