



Arrow Textiles Limited

Annual Report
2013-14



THE BOARD OF DIRECTORS

Mr. Jaydev Mody Chairman
Mr. Chand Arora Managing Director
Mr. Aditya Mangaldas
Ms. Anjali Mody
Mr. Aurobind Patel
Mr. Harshvardhan Piramal
Dr. Vrajesh Udani

Company Secretary & Compliance Officer

Ms. Sushama Vesvikar

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
Bank of Baroda

Share Transfer Agents

Freedom Registry Limited
Plot No. 101 / 102, MIDC, 19th Street,
Satpur, Nasik - 422 007, Maharashtra.
Phone : (0253) 2354032, 2363372
Facsimile : (0253) 2351126
e-mail : support@freedomregistry.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 7th Annual General Meeting of Members of Arrow Textiles Limited will be held on Thursday, 25th September, 2014 at 1.00 p.m. at Hotel Express Inn, Nashik Pathardi Phata, Ambad, Mumbai Agra Road, Nashik - 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, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to provisions of Section 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) the vacancy caused by the retirement by rotation of Mr. Harshvardhan Piramal (DIN : 00044972), Director, who has not sought re-appointment, be not filled in at this meeting or at any adjournment thereof.”
3. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to provisions of Section 139, 142 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and pursuant to recommendations of the Audit Committee and Board of Directors, M/s. Amit Desai & Co., Chartered Accountants (Firms Registration No.: 130710W) be and are hereby re-appointed as Statutory Auditors of the Company, provided that the re-appointment of M/s. Amit Desai & Co., shall be from the conclusion of this 7th Annual General Meeting till the conclusion of the 10th Annual General Meeting of the Company, and re-appointment shall be subject to ratification by the Members at every Annual General Meeting to be held during the period.

RESOLVED FURTHER THAT the Board of Directors or Audit Committee thereof, be and is hereby authorised to decide and finalise the terms and conditions of appointment, including the remuneration of the Statutory Auditors.”

Special Business:

4. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), consent of the members of the Company be and is hereby accorded for amending the terms of re-appointment of Mr. Jaydev Mody (DIN: 00234797), Director of the Company, to the extent that he shall not be liable to retire by rotation.
RESOLVED FURTHER THAT the Board of Directors and/or Company Secretary of the Company be and is hereby jointly and/or severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”
5. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:
“**RESOLVED THAT** pursuant to provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the

Company are listed, Ms. Anjali Mody (DIN: 02784924), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company under the Act, liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Dr. Vrajesh Udani (DIN : 00021311), who was appointed as an Additional Director of the Company in terms of Section 161 of the Act, to hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years, from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

7. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Mr. Aditya Mangaldas (DIN: 00032233), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years, from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

8. To consider and if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule IV of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time) entered with the Stock Exchanges where shares of the Company are listed, Mr. Aurobind Patel (DIN: 00016628), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and whose period of office was liable to determination by retirement of Directors by rotation under the provisions of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member, proposing his candidature for the office of the Director, be and is hereby appointed as Non-Executive Independent Director of the Company under the Act, to hold office for a term of five consecutive years, from the conclusion of this Annual General Meeting, not liable to retire by rotation.”

9. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 148 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and subject to such approvals as may be required, the Company

hereby approves and ratifies the remuneration of ₹ 50,000/- p.a. payable to M/s Shilpa & Co., Cost Accountants as Cost Auditors (Firm Registration No.: 100558) of the Company for the Financial Year 2014-15.”

10. 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 Sections 196, 197, 198, 203 and any other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, read with Schedule V of the Act (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force), and subject to such approvals, consents, permissions and sanctions of appropriate and/or concerned authorities, and subject to such other conditions and modifications, as may be prescribed, imposed or suggested by any of appropriate and/or concerned authorities while granting such approvals, consents, permissions and sanctions, and as are agreed to by the Board of Directors of the Company without any further approval of the members of the Company (hereinafter referred to as “the Board” which term shall deemed to include any Committee thereof which the Board may have constituted / reconstituted or hereinafter constitute / reconstitute to exercise its powers including the powers conferred by this Resolution) the consent of the members of the Company be and is hereby accorded to the re-appointment of and payment of remuneration to Mr. Chand Arora (DIN: 00016583), as Managing Director of the Company, liable to retire by rotation, for a period of 2 years commencing on 1st April, 2014 and ending on 31st March, 2016 on the terms and conditions stated hereunder and also set out in the letter of re-appointment issued by the Company, with powers to the Board of Directors to alter, amend, vary and modify the terms and conditions of the said appointment/re-appointment and remuneration payable from time to time as it deems fit in such manner as may be mutually agreed upon:

Terms and conditions:

- A) Basic Salary: ₹ 3,00,000/- per month with liberty to the Board of Directors to increase the same as it may in its absolute discretion determine from time to time provided that the salary does not exceed ₹ 5,00,000/- per month during the tenure.
- B) Accommodation/House Rent Allowance: Rent free furnished accommodation or 50% of the salary as house rent allowance in lieu of accommodation.
- C) Perquisites: The appointee shall be entitled to perquisites, allowances, benefits, facilities and amenities (collectively called “perquisites”) such as medical reimbursement, leave travel assistance/allowance, hospitalization and accident insurance, transport allowance, self development allowance, uniform allowance, education allowance, books and periodicals allowance and any other perquisites as per the policy/rules of the Company in force or as may be approved by the Board from time to time.

In addition to the above, the appointee shall also be entitled to the following benefits as per policy/rules of the Company in force or as may be approved by the Board from time to time:

- (i) Company maintained two cars with driver or cash equivalent thereof;
- (ii) Telecommunication facilities at residence;
- (iii) Company paid abroad vacation with spouse every year.

The appointee shall be entitled to following perquisites which will not be included in the computation of the ceiling of remuneration:

- (i) Company’s contribution to Provident Fund and Superannuation Fund;
- (ii) Payment of gratuity and other retiral benefits and;
- (iii) Encashment of leave.

D) Commission: The appointee shall also be entitled to, in addition to the aforesaid salary and perquisites, Commission not exceeding ₹ 18,00,000/- per annum.

E) The Board is authorised to fix actual remuneration and revise it from time to time within the aforesaid ceilings.

RESOLVED FURTHER THAT the Board be and is hereby authorized at its discretion from time to time to fix the actual remuneration and/or perquisites of Mr. Chand Arora and revise such remuneration and/ or perquisites from time to time within the maximum limits specified as above. The Board be and is hereby further authorized to vary/modify/ amend any of the aforesaid terms and conditions, provided such variation/ modification/ amendment is in conformity with the applicable provisions of the Act, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company, be and are hereby severally authorised to make necessary application to such authorities, as may be required, for seeking its approval to the said re-appointment and to do all such acts, deeds, matters and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

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. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
3. An explanatory statement under Section 102 of the Companies Act, 2013 in respect of item No. 4 to 10 to be transacted at the meeting is appended hereto.
4. 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.
5. In terms of Section 152 of the Companies Act, 2013, Mr. Harshvardhan Piramal, Director, retire by rotation at the ensuing Annual General Meeting and has not sought re-appointment.
6. Brief resume of the Directors proposed to be appointed/ re-appointed, nature of their expertise in specific functional areas, names of the Companies in which they 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.
7. Members are requested to bring their attendance slip duly completed and signed along with their copy of annual report to the Meeting.
8. 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.
9. The Register of Beneficial Owners, Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 23rd September, 2014, To Thursday, 25th September, 2014 (both days inclusive), for the purpose of the Annual General Meeting of the Company.

10. Members are requested to:

- (a) intimate to the Company's Share Transfer Agents (STA), changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
- (b) intimate to the respective Depository Participant, changes, if any, in their registered addresses/ email ID or bank mandates to their DP with whom they are maintaining their demat accounts.
- (c) quote their folio numbers/Client ID/DP ID in all correspondence; and
- (d) consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

11. 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/ STA 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.

12. Pursuant to sections 101 and 136 of the Companies Act, 2013 read with the Rules framed thereunder, the Notice calling the Annual General Meeting along with the Annual Report 2013-14 would be sent by electronic mode to those Members whose e-mail addresses are registered with the Depository or the Company's STA, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to register/update their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with STA (in case of Shares held in physical form).

13. Voting through electronic means:

Pursuant to Section 108 of the Companies Act, 2013, and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the facility to exercise their right to vote at the 7th Annual General Meeting (AGM) by electronic means.

The instructions for members for voting electronically are as under:-

(A) The voting period begins on Friday, 19th September, 2014 at 10.00 a.m and ends on Sunday, 21st September, 2014 at 5.30 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.

- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant Arrow Textiles Limited on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

(B) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(C) Common Instructions

- (i) E-voting shall not be allowed beyond 5.30 p.m. on 21st September, 2014. During e-voting period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22nd August, 2014 may cast their vote electronically. Once the vote on a resolution is cast by the members, the members shall not be allowed to change it subsequently.
- (ii) The voting rights of shareholders shall be in proportion to their shares in the paid up equity capital of the Company as on the cut-off date of 22nd August, 2014.
- (iii) Mr. Ashish Kumar Jain (membership no. 6058) from A. K. Jain and Co., Practicing Company Secretary, has been appointed as a scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iv) The Scrutinizer shall within a period not exceeding 3 working days from the conclusion of e-voting period unblock the votes in presence of at least two witnesses not in the employment of the Company and make a scrutinizers report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (v) In case of Members who are entitled to vote but have not exercised their right to vote by electronic



Arrow Textiles Limited

means, the Chairman may offer an opportunity to such members to vote at the meeting for all businesses specified in the accompanying Notice. For abundant clarity, please note that the Members who have exercised their right to vote by electronic means shall not vote at the meeting. The voting right of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company. If a Member cast votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

(vi) The results shall be declared on or after the AGM of the Company. The resolution will be deemed to be passed on the AGM date subject to receipt of the requisite Number of votes in favour of the resolutions. The results declared along with the scrutinizers report shall be placed on the Company's website www.arrowtextiles.com and on the website of CDSL within 2 days of passing of resolutions at the AGM of the Company and communicated to the Stock Exchanges.

14. 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,

SUSHAMA VESVIKAR
Company Secretary

Mumbai, 4th August, 2014

Registered Office:

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