



ARROW

ARROW COATED PRODUCTS LTD.



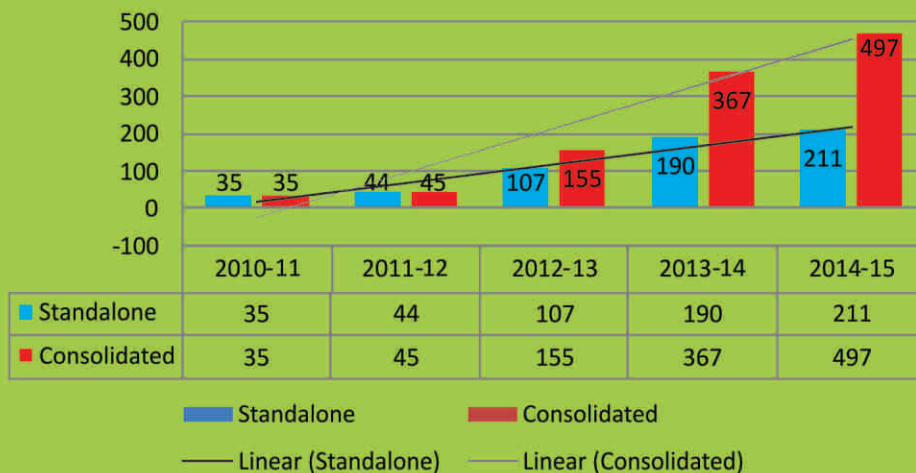
23rd
Annual Report 2014-2015

**Innovative
Eco-friendly Solutions**

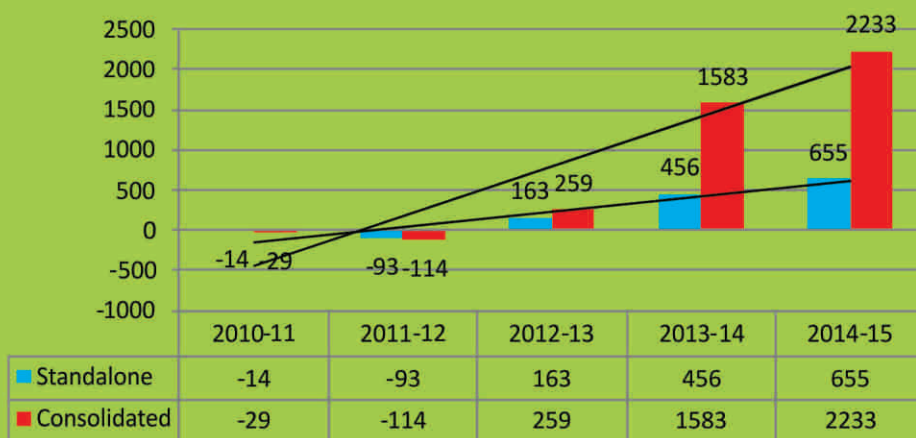
ISO 9001 : 2008 Certified

Financial Highlights at a Glance

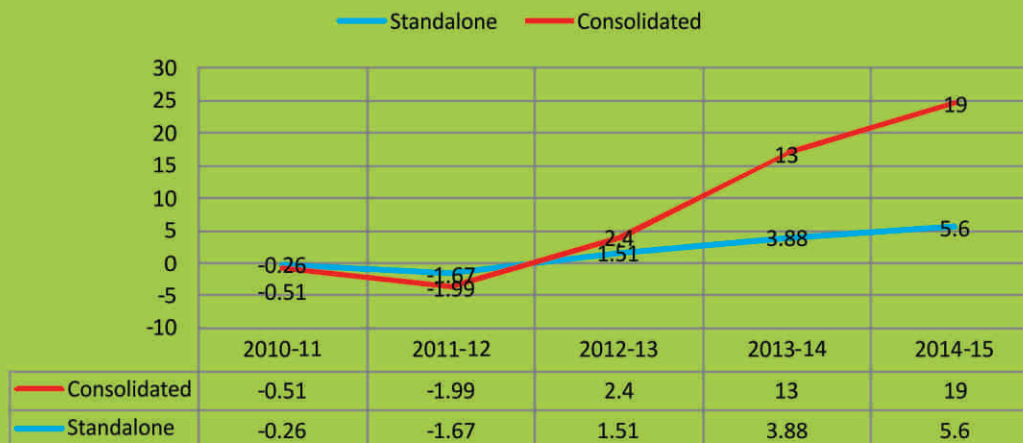
Turnover (₹ in Millions)



Profit After Tax (in Lacs)



Earning Per Share (in ₹)



Advantages of Water Soluble Film



Eco Friendly

Dissolves without leaving any harmful residue

Safe

Avoids direct contact with the toxic product / Cross Contamination

Easy to Dose

It is precisely dosed = no product wastage

Convenient

Doses has less storage space and easy to handle

Varied Industries

Used in varied Industries in multiple ways





CHAIRMAN'S MESSAGE



Dear Partners in Prosperity,

It gives me immense pleasure to write to you at the end of another exciting year in our journey. The year 2014-15, saw Arrow surpassing many new landmarks along the way.

Our approach to creating value and achieving profitable growth has clearly delivered results. Your Company achieved Net Sales of Rs. 48.53 Crores in fiscal 2014-15 with a growth of 135.78%. Net Profit for the year increased to Rs. 22.91 Crores, up 144.72% over the previous year.

In such a challenging environment, your Company was not only able to post strong growth in sales but also improve upon profitability.

What was most encouraging was that this growth was achieved despite difficult external environment across many of our markets, with unprecedented geopolitical challenges, currency volatility and sluggish demand. While the headwinds somewhat abated in India and the domestic market started showing signs of stability, the ground revival in businesses was slow as consumer demand did not show signs of any significant revival.

Despite the turbulent external environment, Arrow's sound strategy and motivated employees helped us report good growth momentum across our key categories and geographies. Both our Domestic Consumer Goods Business and International Consumer Goods Business reported a steady volume driven growth during the year as our brands reinforced their strong position across categories and markets.

Our investments in brands, distribution network, new products and consumer connect activities continued building momentum for future growth. In this letter, I will briefly describe what we have done, and will continue to do, to not just take on the increased competition in the marketplace but also position ourselves for leadership and growth in the months and years ahead. Innovation is a core philosophy at Arrow. This year, your Company embarked on a new journey to make itself future ready, both with its products and its communication.

Our commitment to preserve the environment for our future generation stabilizes our focus on building lasting and trusting relationships with our partners, employees and consumers, along with a passion for setting standards in the development and implementation of cutting edge eco-friendly solutions. Our strategy has been simple. Innovate, Protect (Patents and IP), find the best in the field and make a strategic alliance to produce the patented product or outlicense our technology. The focus will always be on Environment friendly technologies and we look for like minded partners having expertise in their field and who can add value to our targets.

We see a large canvas of opportunities in front of us and we are fully prepared to leverage them with the cooperation of our people, partners and associates. I would like to take this opportunity to thank all of them, as also the Board of Directors for their invaluable guidance through this journey. Thank you again for the trust that you have placed in our Company. We shall continue to strive to deliver excellence and superior value to all our stakeholders.

Yours Sincerely,

Shilpan Patel
Chairman & Managing Director



CORPORATE IDENTIFICATION NUMBER (CIN): L21010MH1992PLC069281

BOARD OF DIRECTORS :

Mr. Shilpan P. Patel Chairman & Managing Director
Mr. Neil Patel Whole Time Director
Mr. Haresh Mehta
Mr. Harish Mishra
Ms.Suneeta Thakur
Mr. Dinesh Modi

COMPANY SECRETARY

Ms. Poonam Bansal

CHIEF FINANCIAL OFFICER

Mr. Navin Narayan Jha

REGISTERED OFFICE :

5-D, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai – 400 053

WORKS :

5310, GIDC,
ANKLESHWAR - 393 002

AUDITORS :

J. A. Rajani & Co.
Chartered Accountants
Mumbai

**REGISTRAR AND SHARE
TRANSFER AGENTS :**

System Support Services
209, Shivai Industrial Estate,
89-Andheri Kurla Road,
Sakinaka, Andheri (East)
Mumbai - 400 072

BANKERS :

Bank of Baroda
HDFC Bank Ltd

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or M/s. System Support Services (RTA), to enable us to send all the documents through electronic mode in future.



NOTICE

Notice is hereby given that the 23rd Annual General Meeting of **Arrow Coated Products Limited** will be held on Tuesday, the 29th September 2015 at 10.30 a.m. at **The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara, Andheri (West), Mumbai – 400 053** to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2015 and Statement of Profit and Loss for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend on Equity Shares for the the year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Neil Patel, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and fix their remuneration by passing the following Resolution with or without modification(s), as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s J.A. Rajani & Co., Chartered Accountants (Registration No. 108331W), be and are hereby re-appointed as the auditors of the Company till the conclusion of the next Annual General Meeting and the Board of Directors/ Audit Committee of the Company be and is hereby authorised to fix their remuneration.”

SPECIAL BUSINESS

5. To appoint Mr. Haresh Mehta (DIN: 00376589) as an Independent Director and in this regard 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 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Haresh Mehta (DIN: 00376589), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and is eligible for appointment and in respect of whom Company has received notice in writing along with requisite deposit from a member proposing his candidature for the office of Director under Section 160 of the said Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five years with effect from April 1, 2015 to March 31, 2020”.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND IN CASE OF POLL, VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. 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.
4. Member / Proxy should bring the attendance slip duly filled in for attending the meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 25th September to Tuesday, the 29th September 2015 (both days inclusive).
6. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting, to enable the company to keep the information ready.
7. Shareholders are requested to bring their copies of Annual Report to the meeting.



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8. In case the Dividend has remained unclaimed for the financial year 2012-13 & 2013-14 the Shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend.
9. Members whose shareholding is in the electronic mode are requested to intimate any change in their address to their respective Depository Participants.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agents.
11. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
12. Members are requested to address all correspondences to the Registrar and Share Transfer Agents.
13. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed at the Annual General Meeting is given in the Annexure to the Notice.
14. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
15. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force). Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.

Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this Annual Report) so as to reach the Scrutinizer, Mr. Rajendra Vaze, Practising Company Secretary, at the Registered Office of the Company not later than September 28, 2015. Ballot Form received after this date will be treated as invalid.

Members may contact Ms. Poonam Bansal, Company Secretary, for any grievances connected with electronic means at the Registered Office of the Company at '5-D, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai – 400053, Tel. # 022-40749000.

16. The Board vide its Resolution passed on 29th May, 2015 has appointed Mr. Rajendra Vaze, Practising Company Secretary, (Membership No. F4247, COP No. 1975), as Scrutinizer for conducting the e-voting and postal ballot process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results declared along with the Scrutinizer's report shall be placed on the website of the Company and on the website of the agency within 3 (three) days of passing of the resolution at the relevant general meeting of members.

PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

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

- (i) The voting period begins on **9.00 am on Saturday, 26th September, 2015** and ends on **5.00 pm on Monday, 28th September, 2015**. 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 **25th September 2015**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) **The shareholders should log on to the e-voting website www.evotingindia.com during the voting period**
- (iii) **Click on "Shareholders" tab.**
- (iv) **Now, select the "Arrow Coated Products Limited" from the drop down menu and click on "SUBMIT"**



- (v) Now Enter your User ID
 - a. **For CDSL: 16 digits beneficiary ID,**
 - b. **For NSDL: 8 Character DP ID followed by 8 Digits Client ID,**
 - c. **Members holding shares in Physical Form should enter Folio Number registered with the Company.**
- (vi) **Next enter the Image Verification code/Captcha code as displayed and Click on Login.**
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing password is to be used.
- (viii) 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> <p>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 8 digits of the sequence number in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.</p> |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p> |

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) **Click on the EVSN for the relevant Arrow Coated Products Limited on which you choose to vote.**
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.



ARROW COATED PRODUCTS LTD.

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 compliance user should be created 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.

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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

Other Instructions:

17. The e-voting period commences on Saturday, September 26, 2015 from 9:00 A.M. onwards and ends on Monday, September 28, 2015 at 5:00 P.M. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on September 25, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
18. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date September 25, 2015.
19. Mr. Rajendra Vaze, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
20. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
21. Members who do not have access to e-voting facility may send duly completed Ballot Form (Attached to this Annual Report) so as to reach the Scrutinizer, Mr. Rajendra Vaze, Practising Company Secretary, at the Registered Office of the Company not later than September 28, 2015. Ballot Form received after this date will be treated as invalid.
22. A member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
23. The results shall be declared after the Annual General Meeting (AGM) of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website www.arrowcoated.com and on the website of CDSL www.evotingindia.com within three (3) days of passing of the resolution at the AGM of the Company and communicated to the stock exchanges, where the shares of the Company are listed.

Brief resume of directors being appointed /reappointed (pursuant to Clause 49 of the Listing Agreement):

Mr. Haresh Mehta, aged 62 years, is a science graduate. He has vast experience in packaging industry. He is also director in Jayna Packaging Pvt. Ltd. He is Chairman of Stakeholder Relationship Committee and member of Nomination & Remuneration Committee & CSR Committee of the Company. As on 31st March 2015, he held 53466 shares of the Company.

Mr. Neil Patel, aged 29 years, is Msc. (Bio medical science) from Kingston College, London. He possesses good entrepreneurship skills. He is associated with the Company since last 6 years and is working on Mouth Melting Strip (MMS) project. He is also Director in Avery Bio-Tech Private Limited, Arrow Agri-Tech Private Limited, Sphere Bio-polymer Pvt. Ltd and Almighty Natures Developers Private Limited and Arrow Coated Products (UK) Ltd. He is also a member of Audit Committee and Stakeholder Relationship Committee of the Company. As on 31st March 2015, he held 5,19,810 shares in the Company



Explanatory Statement as required under Section 102(1) of the Companies Act, 2013:

Item No. 5

Mr. Haresh Mehta was appointed as Non-Executive Directors of the Company. Pursuant to Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. Haresh Mehta as Independent Director of the Company for a term of 5 (five) consecutive years with effect from 29th September 2015, to 28th September, 2020. The Company has received notices, along with requisite deposit pursuant to Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director of the Company.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement and such Independent Director is independent of the management. Further, the aforesaid Independent Directors have given a declaration to the Board of Directors to the effect that he meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and are not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board of Directors believes that vast experience and knowledge of the aforesaid director shall be beneficial for the progress of the Company. Hence in the interest of the Company, the Board recommend the appointment of Mr. Haresh Mehta as an Independent Directors as set out at Item Nos. 5 of the Notice. The draft letter of appointment of aforesaid Independent Director, setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

Save and except the said Independent Director and his relatives in his respective appointment, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed Ordinary Resolutions as set out at Item Nos. 5 of the Notice. This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement. The Board commends the Ordinary Resolutions set out at Item Nos. 5 of the Notice for approval by the shareholders.

By order of the Board of Directors
For **Arrow Coated Products Limited**

Poonam Bansal
Company Secretary

Mumbai, 14th August 2015.

Registered Office:

Arrow House
5-D, Laxmi Industrial Estate
New Link Road, Andheri (W),
Mumbai – 400053
CIN: L21010MH1992PLC069281
Website: www.arrowcoated.com



ARROW COATED PRODUCTS LIMITED

CIN: L21010MH1992PLC069281

Registered Off: 5D, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053

Tel: 022 4074 9000, Fax: 022 4074 9099, email: poonam@arrowcoated.com

Dear Member,

Sub: Electronic Clearing Service (ECS)/ Bank particulars for payment of dividend

We wish to inform you that from last few years, we have extended ECS facility to our members by which they can receive their dividend directly in their bank account through electronic clearing.

The benefits of ECS are that, it provides protection against fraudulent interception and encashment of dividend warrants or damage of dividend warrants in transit or problem of revalidation/ issuance of duplicate dividend warrants and there is no extra cost.

We wish to further inform you that SEBI has also mandated the companies, the use of ECS facility for distributing the dividend and other cash benefits to the investors and only in the absence of availability of ECS facility, the Company may use warrants for disbursing dividend and other cash benefits. Further the bank particulars have to be printed on the warrants to obviate any fraudulent encashment and interception in postal transit.

You are, therefore, requested to follow the procedure given below:

i. Physical Shares

In order to avail the ECS facility, we request you to provide us the requisite details in the form given overleaf and submit the same to the Company at its Registered Office at Arrow Coated Products Limited, 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai - 400053 before the dividend for the current financial year is paid to you. The information should be accurate and complete in all respects and in order to prevent any incorrect particulars being entered, we request you to enclose photocopy of a Cheque for verifying the accuracy of MICR Code No. and other particulars.

ii. Demat Shares

Please note that as per the Stock Exchange directions, the Company will have to take note of the ECS or Bank Account details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to avail of the ECS facility and in the alternative provide complete bank particulars for printing on the dividend warrant.

Assuring you of our best services.

Thanking you.

Yours faithfully,

For Arrow Coated Products Limited

Company Secretary



ARROW COATED PRODUCTS LTD.

To,
The Share Department
ARROW COATED PRODUCTS LIMITED
5-D, Laxmi Industrial Estate,
New Link Road, Andheri (W)
Mumbai - 400053

Date:

Dear Sir,

Sub: Payment of dividend (Electronic Clearing Service / Bank Particulars)

I wish to participate in the Electronic Clearing Services and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

| | | |
|--|---|--|
| 1. Name of the First holder (in Block Letters) | : | |
| 2. E mail Id | : | |
| 3. Telephone/ Mobile No. | : | |
| 4. Regd. Folio No. | : | |
| 5. Name of the Bank | : | |
| 6. Branch Name & Address | : | |
| 7. Account Number (as appearing on your Cheque Book) | : | |
| 8. Account Type: (Saving Bank A/c, Current A/c or Cash Credit A/c) | : | |
| 9. 9 digit code number of the Bank & Branch appearing on the MICR Cheque issued by the Bank. (Please attach photocopy of the accuracy of the MICR Code Number) | : | |

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected for any reasons I would not hold the Company responsible.

Signature of the first named shareholder

Name _____

Address _____

Tel No. _____

**DIRECTORS' REPORT**

To,
The Members,

The Directors of Arrow Coated Products Limited present the 23rd Annual Report on the operations of the Company, together with the Audited Accounts for the year ended 31st March, 2015.

Financial Results**(Rupees in thousands)**

| Particulars | 2014-2015 | 2013-2014 |
|--|------------------|------------------|
| Total income | 210553 | 189559 |
| Profit (Loss) before finance cost, Depreciation and Amortization expenses, exceptional items & Tax | 102684 | 65331 |
| Less : Finance Cost | - | - |
| Less : Depreciation and Amortization expenses | 8428 | 3641 |
| Less: Exceptional items | 284 | 88 |
| Profit Before Tax (PBT) | 93973 | 61602 |
| Less : Provision for Taxation | | |
| - Current Tax | 26500 | 15600 |
| - Deferred Tax | 1968 | 393 |
| - Fringe Benefit Tax | - | - |
| Profit After Tax (PAT) | 65505 | 45609 |
| Add : Balance brought forward | 34683 | 10528 |
| Less : Tax & Dividend Adjustment | (34951) | (20325) |
| Less : Tax adjustment of earlier years | - | (1129) |
| Less : Adjustment of Depreciation | (370) | - |
| Balance carried to Balance Sheet | 64866 | 34683 |

Operations:

The total income from operations including other income for the financial year under review amounted to Rs.2105.53Lacs as compared to Rs. 1895.59Lacs in the previous year. The Company has incurred net profit of Rs. 655.05Lacs under review after providing for depreciation of Rs. 84.28Lacs and taxation of Rs. 284.68Lacs. After adjustment of brought forward balance of Rs. 346.83Lacs from previous year and after providing for the tax adjustment, Rs. 648.66Lacs has been carried to the Balance Sheet.

Transfer to Reserves

The Board of Directors has not recommended transfer of any amount of profit to reserves during the year under review. Hence, the entire amount of profit for the year under review has been carried to the Profit and Loss account.

Listing of Equity Shares of the Company:-

Your Directors are pleased to inform you that Equity Shares of the Company had listed on the National Stock Exchange of India Limited (NSE) on May 21, 2015 under Scrip Code ARROWCOAT. Now the equity shares of the Company are listed on The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Business outlook and future prospects:

Business outlook and future prospects of the Company is discussed in detail in Management Discussion and Analysis Report attached herewith.

Dividend

Your Directors have recommended a dividend of 25% on Equity Shares of the Company for the year ended 31st March, 2015.

Public Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.



Particulars of Loans, Guarantees or Investments:

The company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

The details of the investments made by company is given in the notes to the financial statements

Internal control systems and their adequacy:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

Corporate Social Responsibility Initiatives

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website.

No Annual Report on CSR activities is prepared as it is not applicable for the Company for the FY 2014-15.

Industrial Relations:

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

Directors

Mr. Neil Patel, Whole Time Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

Pursuant to Sections 149, 150 & 152 of the Act, read with Companies (Appointment and qualification of Director) Rules, 2014 along with Schedule IV or re-enactment thereof for the time being in force), the Independent Directors can hold office for a term of Five consecutive years on the Board of your Company. Accordingly, it is proposed to appoint Mr. Haresh Mehta, existing Director as Independent Director for five consecutive years and shall not be liable to retire by rotation.

The Company has received requisite notice alongwith requisite deposit from a member proposing his candidature for appointment as an Independent Director and has also received declaration from the aforesaid Independent Director confirming that he meets the criteria of Independence as prescribed under provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Appointment & Remuneration Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Meetings

During the year six Board Meetings and four Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Further, a separate Meeting of the Independent Directors of the Company was also held on 30th March, 2015, whereat the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement were discussed.



Audit Committee

The Audit Committee comprises Independent Directors namely of Mr. Harish Mishra and Ms. Suneeta Thakur and Executive Director Mr. Neil Patel . The Chairman of the Committee is Mr. Harish Mishra. All the recommendations made by the Audit Committee were accepted by the Board.

Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- i) in the preparation of the annual accounts, the applicable Accounting Standards(except AS-24 regarding discontinuance of operations)had been followed along with proper explanation relating to material departures;
- ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are responsible and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2015 and of the profit/loss of the Company for the period under review;
- iii) the directors had taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the directors had prepared the accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

Declaration by Independent Director(s) and Re-appointment, if any

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

Particulars of Employees and related disclosures

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Financial Statement are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Related Party Transactions:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Vigil Mechanism / Whistle Blower Policy:

The Vigil Mechanism of the Company, which also in corporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on the Company's website at the link:<http://arrowcoated.com/Whistle-Blower-Policy.pdf>

Auditors and Auditors' Report

Statutory Auditors

M/s. J. A. Rajani & Co., the Statutory Auditors of the Company will hold office till the ensuing Annual General Meeting. As per provisions of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors)Rules, 2014, an audit firm can be appointed as Statutory Auditors of the Company only for two terms each term consisting of five consecutive years. Further, the audit firm which has been occupying the office of auditors of the Company for more than seven years prior to implementation of the Companies Act, 2013, are eligible to hold office for additional three years only.



M/s. J. A. Rajani & Co., the Statutory Auditors of the Company who has already served as auditors of the Company for more than seven years are eligible to hold office of auditors for three years as per provisions of Section 139 of the Companies Act, 2013. Accordingly, M/s. J. A. Rajani & Co, Statutory Auditors of the Company who hold office until the conclusion of the ensuing Annual General Meeting, is proposed to be re-appointed as Statutory Auditors of the Company for the financial year 2015-16. The said Auditor have given a written consent and also issued Certificate pursuant to Section 139 of the Companies Act, 2013.

Auditors' Report

In respect to observations made by the Auditors in their report, your Directors would like to state as under:

- 1) The Company has discontinued trading activities in Digital Printing Machine and Digital Signage Cutting Machine and the Management of the Company is of opinion that all the assets related Machine Division will be realised at a value at which they appear in the books of account in aggregate.
- 2) Regarding over due debts aggregating Rs. 3987.876('000) Lacs, the Company is hopeful of total realisation and hence no provision for the same is made.
- 3) Regarding payment of undisputed statutory due, we state that the company is in process of payment of the same with appropriate authorities

Secretarial Audit:

The Board has appointed M/s Rajendra & Co., Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as ANNEXURE I to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "ANNEXURE II".

Corporate Governance

Management Discussion and Analysis Report and Report on Corporate Governance along with a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, are attached and form part of this Annual Report.

Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo:

(a) Conservation of Energy and Technology Absorption

- (i) The Company has paid special attention to the conservation of energy as a matter of principal and policy. This has been reflected in the selection of equipment at the project stage. The cost of power has kept to the minimum by optimum operation. Regular preventive maintenance has helped to operate unit efficiently.
- (ii) Additional investment and proposals, if any, are being implemented for reduction of Conservation of Energy.
- (iii) Impact of the measures at (i) and (ii) above for reduction of energy consumption and consequent impact on the cost of production of goods is not ascertainable.

(b) Foreign Exchange earning and outgo

Foreign Exchange earnings - Rs. 1463.41Lacs (previous year Rs. 1511.12Lacs)

Foreign Exchange outgo - Rs. 41.41Lacs (previous year Rs. 63.56Lacs)

Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

In adherence of section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on 11th November, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.



Subsidiary Companies and Consolidated Financial Statements:

The Ministry of Corporate Affairs (MCA) vide General Circular No. 2/2011 No.51/12/2007-CL-III dated 8th February 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21st February 2011 has granted a general exemption from attaching the Balance Sheet of Subsidiary Companies with holding Company's Balance Sheet, if the holding Company presents in its Annual Report the Consolidated Financial Statements duly audited by its Statutory Auditors. The Company is publishing Consolidated Financial Statements in the Annual Report and accordingly, the Company is not attaching the Balance Sheets of the subsidiary Companies.

Further as required under the said circular, a statement of financial information of the Subsidiary Companies viz., Arrow Coated Products (UK) Ltd. and Arrow Secure Technology Pvt. Ltd. and step down subsidiary companies viz., Advance IP Technologies Ltd. and Arrow Realty Ltd. (subsidiary of Arrow Coated Products (UK) Ltd.) is attached in Form No. AOC-1 in ANNEXURE III to this report.

The annual accounts of the above referred subsidiaries and step down subsidiary company shall be made available to the share holders of the company on request and will also be kept open for inspection at the Registered Office of the Company during the office hours on all working days and during the Annual General Meeting and also on the Company's website i.e. www.arrowcoated.com.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.
2. The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence is very minimal.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements:

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the Financial Institution, Banks, Government Authorities, Vendors and Shareholders and all organizations connected with its business during the year under review. Your Directors also wish to place a record their deep sense of appreciation for the committed services of Executives, Staff and Workers of the Company.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May 2015

Shilpan P. Patel
Chairman & Managing Director
DIN: 00341068



ANNEXURE I

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arrow Coated Products Limited
5-D, Laxmi Industrial Estate,
New Link Road, Andheri (West),
Mumbai 400 053

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Arrow Coated Products Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit period**)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the Audit period**)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (**Not applicable to the company during the Audit Period**)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. (**Not applicable to the company during the Audit Period**)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the company during the Audit Period**)
- (vi) I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliance under other applicable Acts, Laws, and Regulations to the Company. The list of major head/groups of Acts, Laws and



ARROW COATED PRODUCTS LTD.

Regulation as applicable to the Company is given in Annexure I.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not notified hence not applicable to the company during the audit period)**
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s),

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has passed following special Resolution which are having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines.

- (i) Increase in borrowing limits under Section 180(1)(c) of The Companies Act, 2013.
- (ii) To create charge and /or mortgage on the moveable/immovable properties of the company for the borrowings as per Section 180(1)(a) of The Companies Act, 2013.
- (iii) To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of The Companies Act, 2013.

For Rajendra and Co.,
Company Secretaries

(Rajendra Vaze)
Practicing Company Secretary

FCS No . 4247
C.P. No 1975

Place: Mumbai

Date: 29th May 2015

ANNEXURE I

List of applicable law to the Company

Under the Major group and Head are as follows

1. Factories Act 1948
2. Industries (Development & Regulation) Act 1951;
3. Various Labour Laws and other incidental Laws related to Labour and employees appointed by the company either on its pay roll or on contractual basis as related to wages, provident Fund, ESIC, compensation, leave etc.
4. Acts prescribed under Direct Tax and Indirect Tax;
5. Land Revenue laws of respective States.
6. Act as prescribed under Shop and Establishment Act of various local authorities.



ANNEXURE II

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2015**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

| | | |
|---|--|---|
| 1 | CIN | L21010MH1992PLC069281 |
| 2 | Registration Date | 30th October, 1992 |
| 3 | Name of the Company | Arrow Coated Products Limited |
| 4 | Category/Sub-category of the Company | Public Company – Limited by Shares |
| 5 | Address of the Registered office & contact details | 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai- 400053 Email – poonam@arrowcoated.com |
| 6 | Whether listed company | YES |
| 7 | Name, Address & contact details of the Registrar & Transfer Agent, if any. | M/s. System Support Services 209, Shivai Industrial Estate, Near Park Davis, 89 – Andheri Kurla Road Sakinaka, Andheri (East), Mumbai – 400 072 Tel No. 022- 28500895 / Fax No. 022- 28501438 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1 | Manufacturing of Water Soluble Film | 222 | 15% |
| 2 | Royalty Income - Patents | 77 | 75% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| SN | Name and address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|----|--|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Arrow Secure Technology Pvt. Ltd. 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai- 400053 | U74999MH2006PTC165191 | Subsidiary | 99.98% | 2(87) |
| 2 | Arrow Coated Products UK Ltd | Foreign Company | Subsidiary | 99% | 2(87) |
| 3 | SP Arrow Biopolymer Products Pvt. Ltd 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai- 400053 | U51498MH2006PTC166618 | Associate | 46% | 2(6) |
| 4 | Sphere Biopolymer Pvt. Ltd 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai- 400053 | U25203MH2012PTC231084 | Associate | 49% | 2(6) |



IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

(I) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year [As on 31-March-2014] | | | | No. of Shares held at the end of the year [As on 31-March-2015] | | | | % Change during the year |
|--|--|----------------|-------------------|-------------------|--|----------------|-------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 7,509,566 | - | 7,509,566 | 63.97% | 7,133,971 | - | 7,133,971 | 60.77% | -3.20% |
| b) Central Govt | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| c) State Govt(s) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| d) Bodies Corp. | 1,196,014 | - | 1,196,014 | 10.19% | 1,196,014 | - | 1,196,014 | 10.19% | 0.00% |
| e) Banks / FI | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| f) Any other | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| Sub Total (A) (1) | 8,705,580 | - | 8,705,580 | 74.16% | 8,329,985 | - | 8,329,985 | 70.96% | -3.20% |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| b) Other Individuals | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| c) Bodies Corp. | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| d) Any other | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| Sub Total (A) (2) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| TOTAL (A) | 8,705,580 | - | 8,705,580 | 74.16% | 8,329,985 | - | 8,329,985 | 70.96% | -3.20% |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 20,900 | 20,900 | 0.18% | - | 19,600 | 19,600 | 0.17% | -0.01% |
| b) Banks / FI | - | - | - | 0.00% | 40 | - | 40 | 0.00% | 0.00% |
| c) Central Govt | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| d) State Govt(s) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| e) Venture Capital Funds | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| f) Insurance Companies | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| g) FIs | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| h) Foreign Venture Capital Funds | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| i) Others (specify) | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| Sub-total (B)(1):- | - | 20,900 | 20,900 | 0.18% | 40 | 19,600 | 19,640 | 0.17% | -0.01% |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 104546 | 23700 | 128246 | 1.09% | 417158 | 18200 | 435358 | 3.71% | 2.62% |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 1,150,976 | 306,708 | 1,457,684 | 12.42% | 1,203,495 | 224,958 | 1,428,453 | 12.17% | -0.25% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 985,888 | 192,200 | 1,178,088 | 10.03% | 1,117,605 | 129,700 | 1,247,305 | 10.62% | 0.59% |
| c) Others (specify) | | | | | | | | | |
| Non Resident Indians | 59,350 | 10,100 | 69,450 | 0.59% | 91,977 | 7,230 | 99,207 | 0.84% | 0.25% |
| Overseas Corporate Bodies | - | - | - | 0.00% | - | - | - | 0.00% | 0.00% |
| Trusts | - | - | - | 0.00% | 0 | 0 | - | 0.00% | 0.00% |
| Foreign Bodies - D R | - | 180,000 | 180,000 | 1.53% | 0 | 180,000 | 180,000 | 1.53% | 0.00% |
| Sub-total (B)(2):- | 2,300,760 | 712,708 | 3,013,468 | 25.67% | 2,830,235 | 560,088 | 3,390,323 | 28.88% | 12.51% |
| Total Public (B) | 2,300,760 | 733,608 | 3,034,368 | 25.85% | 2,830,275 | 579,688 | 3,409,963 | 29.05% | 12.38% |
| C. Shares held by Custodian for GDRs & ADRs | | | - | 0.00% | | | | 0.00% | 0.00% |
| Grand Total (A+B+C) | 11,006,340 | 733,608 | 11,739,948 | 100.00% | 11,160,260 | 579,688 | 11,739,948 | 100.00% | 9.18% |


ARROW COATED PRODUCTS LTD.
(ii) Shareholding of Promoter

| SN | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|----|--------------------------|---|----------------------------------|---|-------------------------------------|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | ARROW CONVERTORS PVT LTD | 1196014 | 10.19% | 0 | 1196014 | 10.19% | 0 | 0.00% |
| 2 | JIGISHA S PATEL | 1715346 | 14.61% | 0 | 1715346 | 14.61% | 0 | 0.00% |
| 3 | JIGISHA SHILPAN PATEL | 3157 | 0.03% | 0 | 3157 | 0.03% | 0 | 0.00% |
| 4 | NEIL S PATEL | 519810 | 4.42% | 0 | 519810 | 4.42% | 0 | 0.00% |
| 5 | RISHIL S PATEL | 520000 | 4.43% | 0 | 520000 | 4.43% | 0 | 0.00% |
| 6 | SHILPAN P PATEL | 3476342 | 29.61% | 0 | 3476342 | 29.61% | 0 | 0.00% |
| 7 | SHILPAN PATEL HUF | 1274911 | 10.86% | 0 | 899316 | 7.66% | 0 | -3.20% |

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

| SN | Particulars | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|-------------------------------------|-------------------|--------------------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | SHILPAN PATEL HUF | | | | | | |
| | At the beginning of the year | | | 1274911 | 10.86% | | 0.00% |
| | Sale(-)/Purchase(+) during the Year | As on benpos date | No. of Shares sale | | | | |
| | | 31/12/2014 | 11639 | | | 1,263,272 | 10.76% |
| | | 1/1/2015 | 13956 | | | 1,249,316 | 10.64% |
| | | 13/01/2015 | 350000 | | | 899,316 | 7.66% |
| | At the end of the year | | | 899,316 | 7.66% | | |

(iv) Shareholding Pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | For each of the Top 10 shareholders | Shareholding at the beginning of the year | | Shareholding at the end of the year | |
|----|--|---|-------------------|-------------------------------------|-------------------|
| | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | AQUAVISTA LTD | 180000 | 1.53% | 180000 | 1.53% |
| 2 | ASUTOSH PRAMODCHANDRA MEHTA | 130,307 | 1.11% | 130,307 | 1.11% |
| 3 | DIPAK KANAYALAL SHAH | 120,000 | 1.02% | - | 0.00% |
| 4 | PARAM CAPITAL RESEARCH PRIVATE LIMITED | - | 0.00% | 110,168 | 0.94% |
| 5 | MAVERICK SHARE BROKERS LIMITED | - | 0.00% | 104,744 | 0.89% |
| 6 | MUKUL AGARWAL | - | 0.00% | 100,000 | 0.85% |
| 7 | SAROJINI TANDON | - | 0.00% | 94,936 | 0.81% |
| 8 | SAMIR P PATEL | 93,700 | 0.80% | 93,700 | 0.80% |
| 9 | VIMAL SAGARMAL JAIN | - | 0.00% | 92,700 | 0.79% |
| 10 | SURESH GADALEY | 76,518 | 0.65% | 80,033 | 0.68% |
| 11 | SHEELA VIMAL JAIN | - | 0.00% | 63,000 | 0.54% |



(v) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|------|--------|---|-------------------|---|-------------------|
| | | | | No. of shares | % of total shares | No. of shares | % of total shares |
| 1 | Mr. Shilpan Patel Chairman & Managing Director | | | | | | |
| | At the beginning of the year | | | 3,476,342 | 29.61% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | 3,476,342 | 29.61% | | 0.00% |
| 2 | Mr. Neil Patel, Whole Time Director | | | | | | |
| | At the beginning of the year | | | 519,810 | 4.43% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | 519,810 | 4.43% | | 0.00% |
| 3 | Mr. Haresh Mehta, Director | | | | | | |
| | At the beginning of the year | | | 53,466 | 0.46% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | 53,466 | 0.46% | | 0.00% |
| 4 | Mr. Harish Mishra Independent Director | | | | | | |
| | At the beginning of the year | | | - | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | - | 0.00% | | 0.00% |
| 5 | Mr. Dinesh Modi Independent Director | | | | | | |
| | At the beginning of the year | | | - | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | - | 0.00% | | 0.00% |
| 6 | Ms. Suneeta Thakur Independent Director | | | | | | |
| | At the beginning of the year | | | - | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | - | 0.00% | | 0.00% |
| 7 | Mr. Navin Narayan Jha , Chief Financial Officer | | | | | | |
| | At the beginning of the year | | | - | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | - | 0.00% | | 0.00% |
| 8 | Ms. Poonam Bansal Company Secretary | | | | | | |
| | At the beginning of the year | | | - | 0.00% | | 0.00% |
| | Changes during the year | | | | 0.00% | | 0.00% |
| | At the end of the year | | | - | 0.00% | | 0.00% |


ARROW COATED PRODUCTS LTD.
V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| * Addition | - | - | - | - |
| * Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Remuneration to Managing Director, Whole-time Directors and/or Manager:

| SN. | Particulars of Remuneration Name Designation | Name of MD/WTD/ Manager | | Total Amount (Rs) |
|-----|---|---|---------------------------------------|---------------------|
| | | Mr. Shilpan Patel Chairman & Managing Director | Mr. Neil Patel Whole Time Director | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 60,00,000 | 24,00,000 | 84,00,000 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 16,500.00 | 16,500.00 | 33,000.00 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - |
| | | - | - | - |
| 5 | Others, please specify | | | |
| | Total (A) | 6,016,500.00 | 2,416,500.00 | 84,33,000.00 |
| | Ceiling as per the Act | 10% of Net profit for all Executive Directors - Managing and Whole-time Directors; 5% of Net profit to any one Managing or Whole-time Director | | |


ARROW COATED PRODUCTS LTD.
B. Remuneration to other Directors

| SN. | Particulars of Remuneration | Name of Directors | | | | | Total Amount (Rs.) | |
|-----|--|--|------------------------|-------------------------|----------------------|-----------------------|--------------------|--|
| | | Dr. Anil Saxsena (ID) | Mr. Harish Mishra (ID) | Ms. Suneeta Thakur (ID) | Mr. Dinesh Modi (ID) | Mr. Haresh Mehta (ID) | | |
| 1 | Independent Directors | | | | | | - | |
| | Fee for attending board committee meetings | 12,500.00 | 67,500.00 | 75,000.00 | 45,000.00 | | 200,000.00 | |
| | Commission | | | | | | - | |
| | Others, please specify | | | | | | - | |
| | Total (1) | 125,000.00 | 67,500.00 | 75,000.00 | 45,000.00 | - | 200,000.00 | |
| 2 | Other Non-Executive Directors | | | | | | - | |
| | Fee for attending board committee meetings | | | | | 58,500.00 | 58,500.00 | |
| | Commission | | | | | | - | |
| | Others, please specify | | | | | | - | |
| | Total (2) | - | - | - | | 58,500.00 | 58,500.00 | |
| | Total (B)=(1+2) | 125,000.00 | 67,500.00 | 75,000.00 | 45,000.00 | 58,500.00 | 371,000.00 | |
| | Total Managerial Remuneration | | | | | | 8,804,000.00 | |
| | Overall Ceiling as per the Act | 1% of Net Profits of the Company for all Non-Executive Directors | | | | | | |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

| SN. | Particulars of Remuneration | Name of Key Managerial Personnel | | | Total Amount |
|-----|---|----------------------------------|------------|------------|--------------|
| | | CEO* | CFO | CS | |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 401,743.00 | 566,543.00 | 968,286.00 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | 16,500.00 | 16,500.00 | 33,000.00 |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 418,243.00 | 583,043.00 | 1,001,286.00 |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | | | None | | |
| Punishment | | | | | |
| Compounding | | | | | |



ANNEXURE III

Form AOC-1

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

| Sl. No. | Particulars | Details | Details | Details | Details |
|---------|---|---------------------------------|-------------------------------|-----------------------|----------------------------------|
| 1. | Name of the subsidiary | Arrow Coated Products (UK) Ltd. | *Advance IP Technologies Ltd. | *Arrow Realty Ltd. | Arrow Secure Technology Pvt. Ltd |
| 2. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same as Holding Co | Same as Holding Co | Same as Holding Co | Same as Holding Co |
| 3. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | GBP, 1 GBP= ₹ 92.7564 | GBP, 1 GBP= ₹ 92.7564 | GBP, 1 GBP= ₹ 92.7564 | ₹ |
| 4. | Share capital | 1602171 | 79710 | 10181 | 4312750 |
| 5. | Reserves & surplus | 162336635 | 109218586 | 3954380 | (4090057) |
| 6. | Total assets | 190453754 | 132708896 | 64581127 | 250783 |
| 7. | Total Liabilities | 26514948 | 23410600 | 60616566 | 28090 |
| 8. | Investments | 2336441 | - | - | - |
| 9. | Turnover | 247362415 | 190165695 | 6396514 | 14426 |
| 10. | Profit before taxation | 52810507 | 142841029 | 5450392 | (7023) |
| 11. | Provision for taxation | 6930043 | 27559896 | 1405908 | - |
| 12. | Profit after taxation | 45880464 | 115281133 | 4044484 | (7023) |
| 13. | Proposed Dividend | - | - | - | - |
| 14. | % of shareholding | 99.99% | - | - | 99.98% |

Notes:

The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - No
- Names of subsidiaries which have been liquidated or sold during the year. - No

* Step Subsidiary Company of Arrow Coated Products Limited



Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | Name of associates/Joint Ventures | SP Arrow Bio Polymer Products Pvt. Ltd. | Sphere Bio Polymer Pvt. Ltd. |
|----|--|--|--|
| 1. | Latest audited Balance Sheet Date | 31.03.2015 | 31.03.2015 |
| 2. | Shares of Associate/Joint Ventures held by the company on the year end | 46% | 49% |
| | No. | 4600 | 4900 |
| | Amount of Investment in Associates/Joint Venture (Rs.) | 46000 | 49000 |
| | Extend of Holding% | - | - |
| 3. | Description of how there is significant influence | Having control of participating in financial Policy of the company | Having control of participating in financial Policy of the company |
| 4. | Reason why the associate/joint venture is not consolidated | Accounting Standard 23 | Accounting Standard 23 |
| 5. | Net worth attributable to shareholding as per latest audited Balance Sheet | (2252160) | 49000 |
| 6. | Profit/Loss for the year | (212547) | - |
| | i. Considered in Consolidation | - | - |
| | ii. Not Considered in Consolidation | (212547) | - |

- Names of associates or joint ventures which are yet to commence operations. - NO
- Names of associates or joint ventures which have been liquidated or sold during the year. -NO

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Development

A. Water Soluble Film (WSF):

Arrow Coated Products Ltd, an ISO 9001:2008 certified company, is one of the leading manufacturers of cast water soluble film in the world, having world class manufacturing facilities in Ankleshwar, Gujarat & has one of the best in class, totally automated machine, functioning presently. Expansion plans for increasing capacity exponentially are already finalized and going forward, new orders for digitally controllable casting machines for deliveries in forth coming years are being approved. This will almost triple the capacity of the WSF production, in coming years. This Wonder Product has got varied applications in industries ranging from Agrochemicals, Construction, Chemical, Embroidery, Health & hygiene to Water transfer printing (3D printing). WSF provides an instant solution to the various problems faced in handling of hazardous material by industries today. The top line and bottom line are different depending on the quality of the film produced. Film Quality in production is divided into different classes for different applications in their field. This new production process will help us achieve a greater market share.

As informed before, many high tech agrochemical industries are turning to WSF as their primary packaging product. WSF is environmentally friendly and is proven to be harmless the three basic elements of nature – *Land, Air and water*. Saving Ganga, from dirt and pollution will be a project very near to the heart of all Arrow Team Members.

Our Company has developed a wide range of water soluble films especially for the agrochemical industry which dissolves completely in water & meets WHO standards (solubility standards) as per CIPAC method without damaging the environment or causing any harm to humans and has no health hazards. WHO has mandated that all Vector Control actives (like DDT, Lambda, Pyrethrins etc), weedicides, herbicides, insecticides etc must be packed in WSF. This increases the scope of WSF market in India and neighboring countries. India has just scratched the surface of this end use. Two years ago, only one weedicide for wheat was approved by CIB for WSF packaging. Internationally many agrochemicals are banned unless packed in WSF, thereby forcing Indian manufacturers supplying agrochemical in finished form to those companies to pack their product in WSF. As Indian companies focus on exports of their chemicals, the demand for WSF as compulsory packaging, mandated by WHO, will come to fore, and applications to CIB will increase and thereby increasing the demand for Indian WSF.

Various NGOs and our own efforts are on for propagating the use of WSF in packaging of hazardous chemicals like Fungicides, Herbicides and Weedicides, which are exceptionally potent pesticides and the proper disposal of packaging materials, after the chemicals are dispensed with. The failure would result in serious health problems to flora, fauna, animals and human beings are now being acknowledged by this Industry. This has also led to the realization to follow international rules of – packing these chemicals in WSF in future. WHO standards recommends certain agrochemicals to be packed in WSF packaging only. Presently, only one of them - has been made to follow the standards in India as laid down in WHO Manual.

B. Mouth Melting Strip (MMS):

This technology and patent was monetized after strategic alliance with Tsukioka Pharma Film, Japan. First, Arrow started with market acceptability of MMS method of drug delivery, using placebo mint flavoured edible film, aptly named Meltz. Once that is accepted, Arrow Pharma, a new division will focus on paediatric and geriatric actives, alongwith some OTC drugs and nutritional actives. FSSAI license for the same has been applied by Arrow, under their newly formed division named Arrow Rx, on a separate plot in Ankleshwar.

This technology is a relatively new development, but broadly based on WSF technology, which allows small quantities of active ingredients to be delivered in a user-friendly format. Adapting existing products such as oral sprays, liquids or tablets, or exploiting entirely new opportunities, Arrow MMS Division works closely with clients to create the most effective thin film product and process solutions. Arrow has now mastered the technology of edible water soluble film, and have made agreements with at least one company for out-licensing this patent in India. Coming year shall bring good results to the revenue stream, as many active ingredients belonging to health and hygiene shall be the preferred drug delivery system via this technology. As you may be aware, that this patent has now been granted in several countries, including Australia, South Africa, Europe and India. This patent is still being prosecuted in the USA.



C. Security Products:

Amongst several granted Patents, Arrow has a cluster of patents in security field. This relates to patents used for brand protection and goes well up to high end security products like Passports, Bank Notes and security paper. Presently, Arrow is in the process of forming strategic alliances with some of the worlds best in the field. Buidling strategic alliances and going to market, which is well protected by cluster of IP, is the strategy that Arrow has successfully executed in the past and intends to continue doing the same in the future.

This SBU has been divided into two separate divisions. Brand protection division shall handle medium end security products and Govt. Business division shall handle high end security products. As IPR becomes important to Indian FMCG products and grey market diversion may become rampant, brand protection will gain importance and Arrow will have to be in the forefront to offer sharp solutions. Arrow has several patents in this security cluster and intends to create revenues in the coming years. Your company has secured at least one major order, from a leading company in India, for this technology and its related product. Track and trace solutions embedded in Printed WSF for detergent pods is a product which Arrow will be looking at for commercializing this patent. This year we hope to add more companies to ensure that their brands are protected while using our patented product as an exclusive supply chain vigilance system.

D. Arrow Care Division:

Arrow Care Division mainly comprises of products based on Health and Hygiene. This year Arrow successfully introduced at least 3 Products Via this division. Arrow Carez, a soap and shampoo strip, which totally dissolves in water, Arrow Klenz, an innovative “Sausage” shaped WSF capsule containing precise quantities of active ingredients in liquid form. Arrow made a strategic alliance with Carelli, Spain and plans to have about 99 Variants of Klenz products in the market within next 5 years. R&D results, using compatible WSF is being ongoing since the agreement with Carelli was signed. Arrow has also designed India Specific products like room freshners, water based deodorants and all-in-one capsules for washing machines and dishwashers. The container bottles (which were hitherto dispensed away, creating an environmental challenge) will be re-used about 20 times. It's a simple innovation, which brings down the prices of cleaning liquids and makes it affordable for even rural India to use and clean their table tops, glass windows, kitchens, cooking vessels, floors, toilets etc. In the near future, more products will be added on the same platform technology. Arrow has appointed at least five exclusive franchisees for promoting this technology. It is expected to cover 30% of the Indian market in the coming 2 years, using modern trade as well as e-commerce routes.

With thrust on “Swachh Bharat “ , hygiene and sanitation, as per our PM's speech, these products will find their way into rural India, as we intend to make them most affordable and cost efficient products.

E. Patents and IPR SBU:

IPR is an important revenue stream for any Company. Arrow has spent reasonably heavy amounts of money in R&D and filing of patents in the last couple of years. This year, Advance IP Technologies, a subsidiary of Arrow UK, has been granted a patent in India, for a Drug Delivery Device (controlled delivery) has been successfully prosecuted and a grant has been secured. Arrow have received 3 patent grants in Australia, United States of America and Europe. In all we now have 31 granted patents nationally and internationally. Some of these patents have changed the way many Detergents, Pharma and Agro chemical products are being packaged and delivered. For example the Self Destructive Irreversible Security Packaging Water Soluble Film launched last year has captured the interest of the Agrochemical Industry. This patent is now being show cased to major laundry detergent pods manufacturers to protect their brands.

We are in continuous discussions with Companies on various patent revenue models.

Intellectual property is one of the most important intangible assets that differentiate your Company from other smaller competition; with protected core technology in the form of patents one has nuggets of wealth at the centre of the business. The patents are value creators for the Companies as they can be licensed, sold, assigned or cross licensed, so having a strong patent portfolio enables a Company to be royalty earner than royalty payer. Patents protect company's own product lines against infringers and sometimes create a windfall profit, when the law suits are successfully prosecuted. This then results in continous royalty income, besides one time fees as granted by the Courts. Your company has proposed to DSIR (Department of Sciences and Research), department of TDB (Technical Development Board), for assisting us in creating pilot production for these families of patents. This patent incubation centre, to be based in Ankleshwar, will be mainly focusing in creating proof of concept and pilot production centre. Scale up of these pilot projects will then allow your company to compete in the International arena, as our management is convinced that IP is the only way to leap forward in this globally interconnected world. Products produced by these patented processes are protected against infringements/duplication for 15 to 20 years.



The patent rights are territorial in nature, so one has to file and seek patent grant in all the countries separately where one wants to protect the invention. The filing of patent applications all over the world is an expensive task but once the patent is granted then various revenue generation streams come in to effect, which will create a WIN-WIN situation and long term incomes for your Company. Patents are granted for period of more than 15 years, but not more than 20 years, as per laws in most of the countries. Indian Patent office, since joining the TRIPS agreement and being a WTO signatory, has started granting (and protecting inventions) product and process patents, after 2005..

F. Arrow UK Activities:

Arrow UK increased further stake in Advance IP Technologies Limited (AIPT), a UK based Company. Arrow UK is a majority share holder of AIPT. This Company was formed as a jointly owned company by Arrow and Israel based promoters, being joint inventors in a Bio-digestible Drug Delivery Device (controlled delivery) Patent. This patent was being prosecuted by UK based patent attorneys and it received a grant to operate in India in this year. Advance IP specializes in generating revenues from various IPR (Patent) created by both the partners. Arrow is a Joint Patent holder of a block buster Patent in health and hygiene and the same has been assigned to Advance IP (AIPT). This Patent has been granted in UK and is being prosecuted in Europe, USA, Australia, China and India. UK laws allow all IP related income to be taxed at a lower rate bracket, so Arrow UK will gain monetary advantage in this process. Arrow UK and AIPT have made profits this year and we expect, going forward, this trend to continue in the coming years.

G. Export Division SBU:

Arrow's quality of WSF has opened various export markets, including Brazil, Latin America, Europe, and Asian markets. We expect better revenues from Export of Agrochemical and detergent based WSF to add to top line and bottom line, going forward. Exports of our products have increased but there is a potentially unlimited and untapped market worldwide. There are only 3 major players in cast water soluble films and Arrow is one of them. All of us have unique methods of production of these films and have earned patent protection. The solubility of the film is related to the product being packed, so custom based WSF and ageing period is needed to fully certify the package. Arrow's experience in coatings chemistry, earned them a patent for a unique multilayered barrier coated WSF. This invention helps in proposing the right product to the clients and entering their permanent supply chain. This year should give a positive impetus to our export sales this year. With new investments in automated technology, Arrow is now geared to produce International quality of films as well as increase the quantum to satisfy the ever increasing hunger for WSF (water soluble films). World wide WSF market is increasing by a healthy 9% YOY, and at the final count it was about \$ 505 Million

H. Arrow Pharma Foray:

Taking advantage of the patented technology, our Company is in the process of securing partner(s) in the field of Pharmaceuticals and Nutraceuticals for entering into this highly lucrative and IPR sensitive field of saving human and animal lives. In future, Arrow proposes to enter crop protection using a different version of this patented process and patented product. As India starts it's vision into providing food grains for the world population, the need for low pesticides residue will be very important. These are long term revenue generating fields that your Company is targeting using our Patents and knowledge acquired over the years. Both these ventures will mean additional Capital expenditures and your Company is planning this ahead of time. Arrow's Pharma foray will be limited to the use of its patented drug (Active) delivery system, using edible Water Soluble Film, while the crop protection technology uses non edible WSF, and may take the out licensing route to market.

2. Opportunities:

The report of Intergovernmental Panel on Climate change, released recently in Spain, said that India would become the third largest carbon emitter in the world by 2015. That would be a major slippage from its present slot of the sixth largest. One thing is clear, despite the fact that the developed world has conventionally been much more serious offender in polluting the planet, countries like China and India cannot wish away the unpleasant reality coming out of such reports.

A recent Accenture survey found that 97% of respondents in emerging countries, including in India, that Consumers are even prepared to reward the providers of green products and services by paying a higher price to benefit from products and services that help reduce the level of carbon emissions. 64% of the respondents said they would be willing to pay a higher price – a premium of 11%, on an average-for products and services that produce lower greenhouse gas emissions. This is in comparison to 73% of respondents in Europe!!.

Need for non-soluble Bio Compostable Plastics is gaining attention now. The threat of flooding has resulted in the realization that Bio-Compostable Films as preferred material to save the cities from flooding. The need for Bio-Compostable film and Bio-



Degradable film to save the environment is now present universally and environmentally conscious people of planet earth are looking at various ways to improve the quality of life. We expect to cash in on this opportunity by promoting and leveraging our venture with Sphere, France.

Bio Compostable Products:

Increase in oil prices, has naturally resulted in acceptance of our Bio compostable materials are made from renewable resources like potatoes. 100% Compostable, 100 % Degradable & 100% Eco Friendly.

Arrow has offered the environmentally responsible packaging solution to eradicate the toxic waste of plastics. Arrow products are high performance, completely degradable with unparalleled performance characteristics. Conventional plastic has brought convenience to human life for decades; however, that convenience has come at a grave cost to our environment, pollution and toxic emissions and a depletion of our natural resources. Our products are manufactured from potato starch. If our products are placed in an open or turned landfill they will decompose at the rate similar to the other biodegradable materials in the same manner. The sewages and pipelines which were clogged due to Petro Plastic films will get composted and breakdown due to action of the organisms present in the sewerages.

With new restrictions of maximum ceiling on exports of garments on China being imposed by EU and USA, along with anti-dumping duties this business is bound to come to India and neighboring countries. With recent shutdowns in Bangladesh and cost revisions in China, the demand for garments will go up. India meanwhile has built huge capacities in composite garment manufacturing units and the demand for our **Embroidery film (WSF)** will show an uptrend in the future. Distribution channels for exports have been further widened by appointment of agents in Sri Lanka, Bangladesh, Thailand, Malaysia, Indonesia, Cambodia, Vietnam and Myanmar. These are the emerging garment business hubs along with traditional markets like Africa, UAE and Turkey. Arrow's embroidery specific Water Soluble Films save time, money and environment.

Introduction of Schiffli embroidery film will replace the chemical lace fabrics (which are environmentally harmful) and will result in more demand for our WSF.

3. Threats:

Threats include non-specified materials (like blown films) from China, compelling us to keep our prices low and resulting in inability to make higher margins. Illegal Imports of our patented products, like Soap Film, MMS etc, from China, and the inaction or delayed action by various government, judicial and non-judicial departments in our country, to stop these imports.

4. Internal control system and their adequacy:

Our Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from misuse or disposition and that transaction are authorized, recorded and reported correctly.

Audit Committee continuously reviews the adequacy and efficacy of the internal controls. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

5. Material developments in human resources/industrial relations front, including number of people employed:

It is envisioned that human resources will play a very important part in the growth of the Company as all the products, patents and product application are Niche in themselves. Therefore the quest for building a dedicated team is on which will foster the growth of the Company at an exponential rate. The human resources required are not readily available for the basket of niche products of the Company and hence they need to be moulded overtime so that not only the individuals grow but it is profitable to the business. The Company is now in the process of positioning Business Managers who will grow individual product lines while growing themselves.

6. Cautionary statement:

This analytical report contains forward-looking statements. Arrow may also make forward-looking statements in our periodic reports to the Stock Exchanges as per prevalent rules and in its annual report to shareholders, in its proxy statements, in its offering circulars and prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Arrow assumes no obligation to update the forward-looking statements in this release and elsewhere. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objectives of the organization most effectively.

The Company's philosophy on Corporate Governance is aimed at strengthening the confidence of the shareholders in the Company and building a long term relationship of trust with them by maintaining transparency and periodical disclosures. The Company believes in maintaining high standards of quality and ethical conduct in its operations.

2. BOARD OF DIRECTORS

a) Composition

The Board of directors of the Company has an optimum combination of executive and non-executive directors with one woman director and not less than fifty percent of the board of directors comprising non-executive directors.

The Chairman of the Board is an executive director with half of the Board comprising of independent directors.

As on 31st March, 2015, the Board comprised of total 6 Directors, which includes 2 Executive Director and 3 Independent Directors and 1 Non Independent Non Executive Director.

The members of the Board are drawn from various fields having considerable expertise in their respective areas. Together they bring diverse experience, varied perspectives, complementary skills and vast expertise.

All the Independent Directors have declared that they meet the criteria of 'Independence' mentioned under Clause 49 of the Listing Agreement and Section 149 of the Companies Act, 2013.

b) Board Procedure

The agenda is prepared in consultation with the Chairman of the Board of Directors and the Chairmen of other Committees. The agenda for the meetings of the Board and its committees, together with the appropriate supporting documents are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's business operations, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation, suggestion, non compliance of any regulatory, statutory or listing requirements etc.

c) Attendance at Meetings

During the year ended 31st March 2015, the Board met 6 (six) times on 3rd May 2014, 31st May 2014, 12th August 2014, 11th November 2014, , 20th December 2014, and 4th February 2015. As stipulated, the gap between two board meetings did not exceed 120 days.

The details of composition and category of Directors, their attendance at each Board meeting held during the financial year 2014-15 and at the last Annual General Meeting, their directorships in other companies and membership / chairmanship in committees are as follows:

| Name | Category | No. of Board meetings | | Attendance at last AGM held on 29th September, 2014 | No. of director-ship held in other public companies | Committee Position in other companies | |
|--|---------------------------------|-----------------------|----------|---|---|---------------------------------------|----------|
| | | Held | Attended | | | Member | Chairman |
| Mr. Shilpan Patel | Managing Director | 6 | 5 | Present | - | - | - |
| Mr. Haresh Mehta | Non Executive & Non Independent | 6 | 5 | Present | - | - | - |
| Mr. Harish Mishra | Independent | 6 | 6 | Present | - | - | - |
| Mr. Neil Patel | Executive Director | 6 | 5 | Present | - | - | - |
| Mrs. Suneeta Thakur | Independent | 6 | 5 | Present | - | - | - |
| Mr. Dinesh Modi | Independent | 6 | 4 | Present | 3 | 3 | 1 |
| Dr. Anil Saxena (resigned w. e. f. 31st May 2014) | Independent | 6 | 1 | NA | - | - | - |

- The Directorship held by Directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies and Private Companies.



2. Membership/Chairmanship of only the Audit Committee and Stakeholders Relationship Committee of all the public limited companies have been considered.
3. None of the directors hold directorships in more than 15 public limited companies, membership in more than 10 committees and chairmanship in more than 5 committees.

d) Independent Directors

The Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made thereunder and meet with requirement of Clause 49 of the Listing Agreement entered into with Stock Exchanges. A formal letter of appointment to Independent Directors as provided under the Companies Act, 2013 and the Listing Agreement has been issued.

e) Familiarization Programme for Independent Directors

All Independent Directors are familiarized with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all business verticals, by way of presenting specific performance of each Plant (based on predefined factory rating parameters), Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

f) Separate Meetings of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 30th March, 2015, at the Registered Office of the Company at 5-D, Laxmi Industrial Estate, New Link Road, Andheri(W), Mumbai – 400053, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and clause 49 of the Listing Agreement were set out as the Agenda:

- Review of performance of Non-Independent Directors and the Board as a whole
- Review of performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- Assessment of the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

g) Code of Conduct:

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. All Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration by the Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31st March, 2015 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed separately in this Annual Report.

h) Company's Policy on Prohibition of Insider Trading

The Company has also formulated a Policy for Prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the policy is available on the website of Company at Investor Section.

3. BOARD COMMITTEES

A. AUDIT COMMITTEE

I. TERMS OF REFERENCE

The terms of reference of the Audit Committee are as defined under the relevant provisions of Section 177 of the Companies Act, 2013 as in force (with effect from the notification of the Companies Act, 2013, governing provisions are contained under section 177 in place of erstwhile section 292A of the Companies Act, 1956) and clause 49 of the Listing Agreement with stock exchanges.

The Committee has extensive powers and has access to all requisite information of the Company.

The role of the Audit Committee includes:

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

Recommendation for appointment, remuneration and terms of appointment of auditors of the company;



Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
- Changes, if any, in accounting policies and practices and reasons for the same
- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report

Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Review and monitor the auditor's independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

Discussion with internal auditors of any significant findings and follow up there on;

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

Reviewing the functioning of the Whistle Blower mechanism;

Consider such other matter the board may specify;

Reviewing other areas that may be brought under the purview of role of Audit Committee as specified in Listing Agreement and the Companies Act, as and when amended.

II. COMPOSITION, MEMBERS, CHAIRPERSON

The Audit Committee comprises two (2) Independent Directors and one (1) Executive Director. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31st March, 2015, is given below:

The Audit Committee comprises of following members:

1. Mr. Harish Mishra (Chairman) Non Executive Independent Director
2. * Mrs. Suneeta Thakur (member) Non Executive Independent Director



3. Mr. Neil Patel (member) Executive Director

**The Audit Committee has been re-constituted at the Board meeting held on 31st May 2015, wherein Dr. Anil Saxena resigned as a Member of the said Committee and Mrs. Suneeta Thakur was appointed as a member in the Audit committee.*

III. MEETINGS AND ATTENDANCE DURING THE YEAR

During the year under review, four (4) meetings of the Audit Committee were held on 3rd May 2014, 12th August 2014, 11th November 2014, and 4th February 2015.

The number of meetings attended by each member during the year ended 31st March, 2015 is as under:

| Name of the Members | No. of Meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Mr. Harish Mishra | 4 | 4 |
| Mrs. Suneeta Thakur (Appointed w. e. f. 31st May 2014) | 4 | 3 |
| Mr. Neil Patel | 4 | 3 |
| Dr. Anil Saxena (Ceased to be member after resigning as Director w. e. f 31st May 2014) | 4 | 1 |

B. STAKEHOLDER RELATIONSHIP / GRIEVANCE REDRESSAL COMMITTEE

I. Role of Stakeholders Relationship / Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship / Grievance Redressal Committee are as per clause 49 of the Listing Agreement and the section 178 of the Companies Act, 2013 (or any amendment thereof) and allied rules as may be notified from time to time. The status of member correspondences, queries, grievances etc. are endeavored to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee which meets at quarterly intervals.

II. Composition, Members, Chairperson

The Stakeholders Relationship / Grievance Redressal Committee comprises 3 (three) members of which, 2(Two) are Non-Executive Directors. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship / Grievance Redressal Committee. The Composition of Stakeholders Relationship / Grievance Redressal Committee as on 31st March, 2015, is given below:

| Name of the Members | Category | Designation |
|---|---------------|-------------|
| Mr. Haresh Mehta | Non Executive | Chairman |
| Mrs. Suneeta Thakur (Appointed w. e. f. 31st May 2014) | Independent | Member |
| Mr. Neil Patel | Executive | Member |
| Dr. Anil Saxena (Ceased to be member after resigning as Director w. e. f 31st May 2014) | Independent | Member |

**The Stakeholders Relationship / Grievance Redressal Committee has been re-constituted at the Board meeting held on 31st May 2015, wherein Dr. Anil Saxena resigned as a Member of the said Committee and Mrs. Suneeta Thakur was appointed as a member in the Stakeholders Relationship / Grievance Redressal committee.*

III. Meetings and Attendance during the year

During the year under review, four (4) meetings of the Stakeholders Relationship / Grievance Redressal Committee were held on 3rd May 2014, 12th August 2014, 11th November 2014, and 4th February 2015.

The number of meetings attended by each member during the year ended 31st March, 2015 is as under:

| Name of the Members | No. of Meetings | |
|---|-----------------|----------|
| | Held | Attended |
| Mr. Haresh Mehta | 4 | 4 |
| Mrs. Suneeta Thakur (Appointed w. e. f. 31st May 2014) | 4 | 3 |
| Mr. Neil Patel | 4 | 3 |
| Dr. Anil Saxena (Ceased to be member after resigning as Director w. e. f 31st May 2014) | 4 | 1 |

**C. NOMINATION AND REMUNERATION COMMITTEE****ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee determines on behalf of Board and on behalf of the shareholders, the Company's policy governing remuneration payable to the Managing Director & Whole-time Directors as well as the nomination and appointment of Directors. With the notification of Companies Act, 2013 w. e. f. 1st April, 2014, the role of the Nomination and Remuneration Committee also covers such functions and scope as prescribed under section 178 of the Companies Act, 2013 read with allied Rules framed there under.

The composition of the Committee is as under:

| Name of the Members | Designation | Category |
|---------------------|-------------|-----------------|
| Mr. Harish Mishra | Chairman | Independent |
| Mr. Haresh Mehta | Member | Non Independent |
| Mr. Dinesh Modi | Member | Independent |

**The Nomination and Remuneration Committee has been re-constituted at the Board meeting held on 31st May 2014 wherein Dr. Anil Saxena resigned as a Member of the said Committee and Ms. Suneeta Thakur was appointed as a member in the committee. The committee has again reconstituted at the Board meeting held on 11th November 2014 wherein Ms. Suneeta Thakur resigned as a Member of the said Committee and Mr. Dinesh Modi was appointed as a member in the Nomination and Remuneration Committee.*

During the year under review, one (1) meeting of the Nomination and Remuneration Committee were held on 3rd May 2014

The number of meetings attended by each member during the year ended 31st March, 2015 is as under:

| Name of the Members | No. of Meetings | |
|--|-----------------|----------|
| | Held | Attended |
| Mr. Harish Mishra | 1 | 1 |
| Dr. Anil Saxena (Ceased to be member after resigning as Director w. e. f 31 st May 2014) | 1 | 1 |
| Mr. Haresh Mehta | 1 | 1 |
| Ms. Suneeta Thakur (Appointed w.e.f. 31 st May 2014 and Ceased to be member w. e. f 11 th November 2014) | 1 | NA |
| Mr. Dinesh Modi (Appointed w.e.f 11 th November 2014) | 1 | NA |

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**I. Role of Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee has been formed pursuant to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company www.arrowcoated.com.

No Annual Report on CSR activities is prepared as it is not applicable for the Company for the FY 2014-15.

II. Composition, Members, Chairperson

The Corporate Social Responsibility Committee comprises 3 (three) members of which 2 (Two) are Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility Committee. The Composition of Corporate Social Responsibility Committee as on 31st March, 2015, is given below:

| Name of the Members | Designation | Category |
|---------------------|-------------|-----------------|
| Mr. Harish Mishra | Chairman | Independent |
| Mr. Haresh Mehta | Member | Non Independent |
| Mr. Shilpan Patel | Member | Executive |

**III. Meetings and Attendance during the Year**

During the financial year 2014-15, the Corporate Social Responsibility Committee met once on 12th August, 2014. Attendance record of Corporate Social Responsibility Committee members for meetings held during FY 2014-15 is given below:

| Name of the Members | No. of Meetings | |
|---------------------|-----------------|----------|
| | Held | Attended |
| Mr. Harish Mishra | 1 | 1 |
| Mr. Haresh Mehta | 1 | 1 |
| Mr. Shilpan Patel | 1 | 1 |

REMUNERATION OF DIRECTORS

The remuneration to the Managing Director and Whole-time Director is paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting. The Non-Executive Independent and Non Independent Directors are entitled to sitting fees for attending meetings of the Board, its Committees and the Annual General Meeting.

The details of remuneration paid to the directors during the year ended 31st March, 2015 and their shareholding is as follows:

| Name of the Directors | Salary & Perquisites | Performance Incentive/ Bonus | Commission | Sitting Fees | Total | No. of Shares held | Stock option granted | (Amount in Rs.) |
|-----------------------|----------------------|------------------------------|------------|--------------|-----------|--------------------|----------------------|-----------------|
| | | | | | | | | |
| Mr. Shilpan Patel | 60,00,000 | - | - | - | 60,00,000 | 3476342 | - | |
| Mr. Haresh Mehta | - | - | - | 65,000 | 65,000 | 53466 | - | |
| Ms. Suneeta Thakur | - | - | - | 75,000 | 75,000 | - | - | |
| Mr. Harish Mishra | - | - | - | 75,000 | 75,000 | - | - | |
| Mr. Neil Patel | 24,00,000 | - | - | - | 24,00,000 | 519810 | - | |
| Mr. Dinesh Modi | - | - | - | 45,000 | 45,000 | - | - | |
| *Dr. Anil Saxena | - | - | - | 12,500 | 12,500 | - | - | |

(*Ceased to be Director w. e. f 31st May 2014)

No remuneration is paid to non-executive directors, except sitting fees.

4. GENERAL BODY MEETINGS

Details of location, date and time where last three Annual General Meetings were held are as follows:

| Financial Year | Date | Time | Venue |
|----------------|----------------------|------------|--|
| 2013-2014 | 29th September, 2014 | 10.30 a.m. | The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara Andheri (West), Mumbai – 400 053 |
| 2012-2013 | 28th September, 2013 | 10.30 a.m. | |
| 2011-2012 | 27th September, 2012 | 10.30 a.m. | Bageecha Restaurant, Bageecha Complex, Marve Road, Malad (West), Mumbai – 400 095 |

Special Resolutions passed in last 3 Extra Ordinary / Annual General Meetings:

| Date of A.G.M. / E.O.G.M. | Particulars of Special Resolution |
|---------------------------|---|
| 29th September, 2014 | 1. For Remuneration payable to Managing Director, Mr. Shilpan Patel |
| | 2. For Remuneration payable to Whole Time Director Mr. Neil Patel |
| | 3. For Alteration of Articles of the Company |
| 28th September, 2013 | 1. For Remuneration payable to Managing Director, Mr. Shilpan Patel |
| | 2. For Remuneration payable to Whole Time Director Mr. Neil Patel |

**Special Resolutions passed through Postal Ballot**

During the year 4 (Four) Special Resolution was passed through Postal Ballot procedures, one resolution passed on 16th July 2014 and three resolutions passed on 2nd February 2015, details of which are given below.

(1) Special Resolutions passed by way of postal ballot on 16th July 2014

The Board of Directors at their meeting held on 31st May, 2014 had appointed Mr. Rajendra Vaze, Practicing Company Secretary to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the Central Depository Services Limited (CDSL) to enable its members to cast their votes electronically pursuant to clause 35B of the Listing Agreement. The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Rajendra Vaze, had carried out the scrutiny of all the postal ballot forms received upto the close of working on 12th July, 2014 and submitted his Report thereon on 15th July, 2014 addressed to the Chairman of the Company. Based on the Scrutinizer's Report, the result was declared on 16th July, 2014, was as follows –

Transaction with Related Parties U/S 188 of The Companies Act, 2013

| Sr. No | Particulars | Result |
|--------|--|--------|
| I | Total Shareholders who exercised their votes through postal ballots | 83 |
| II | Total Shareholders whose votes were valid | 79 |
| | 1. a. Number of Shareholders Voted in favour | 78 |
| | b. Percentage | 98.73 |
| | 2. a. Number of Shareholders voted against | 1 |
| | b. Percentage | 1.27 |
| III | Total number of shares voted | 444798 |
| IV | Total valid votes (in terms of number of voting rights/ shares through postal ballots) | 424219 |
| | 1. a. Number of votes in favour of the resolution | 423719 |
| | b. Percentage | 99.88 |
| | 2. a. Number of Shareholders voted against | 500 |
| | b. Percentage | 0.14 |
| V | Invalid Postal Ballots | 4 |
| | Number of shares | 20579 |

(2) Special Resolutions passed by way of postal ballot on 2nd February 2015

The Board of Directors at their meeting held on 20th December 2014, had appointed Mr. Rajendra Vaze, Practicing Company Secretary to act as the Scrutinizer for conducting the Postal Ballot. The Company had also offered e-voting facility to its members enabling them to cast their votes electronically. The Company has signed an agreement with the Central Depository Services Limited (CDSL) to enable its members to cast their votes electronically pursuant to clause 35B of the Listing Agreement. The postal ballot process was carried out as per the procedure laid down in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. Rajendra Vaze, had carried out the scrutiny of all the postal ballot forms received upto the close of working on 27th January 2015, and submitted his Report thereon on 29th January, 2015 addressed to the Chairman of the Company. Based on the Scrutinizer's Report, the result was declared on 2nd February, 2015, was as follows –

| Items no. of Notice | Votes in the favour of the Resolution | | Votes against the Resolution | | Invalid Votes | Total Votes |
|---|---------------------------------------|--|------------------------------|--|---------------|-------------|
| | Nos. | % of total number of valid votes cast (Favour and Against) | Nos. | % of total number of valid votes cast (Favour and Against) | Nos. | Nos. |
| Item No. 1 of the Notice (As a Special Resolution) for the Increasing borrowing limits as per the provisions of Section 180 (1)(c) of The Companies Act, 2013 | 8772594 | 100% | 1 | 0.00% | 0 | 8772595 |



| Items no. of Notice | Votes in the favour of the Resolution | | Votes against the Resolution | | Invalid Votes | Total Votes |
|---|---------------------------------------|--|------------------------------|--|---------------|-------------|
| | Nos. | % of total number of valid votes cast (Favour and Against) | Nos. | % of total number of valid votes cast (Favour and Against) | Nos. | Nos. |
| Item No. 2 of the Notice (As a Special Resolution) to create charge and /or mortgage on the movable/ immovable properties of the Company for the borrowings in accordance with Section 180(1)(a) of The Act. | 8772594 | 100% | 1 | 0.00% | 0 | 8772595 |
| Item No. 3 of the Notice (As a Special Resolution) to make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013. | 8772594 | 100% | 1 | 0.00% | 0 | 8772595 |

Result for the above three resolutions are:-

| Sr. No | Particular | Result |
|--------|--|---------|
| I | Total Shareholders who exercised their votes through Postal Ballots | 12 |
| | Total Shareholders who exercised their votes through E-Voting | 14 |
| II | Total Shareholders whose votes were valid | 26 |
| | 1. a. Number of Shareholders Voted in favour | 25 |
| | b. Percentage | 100 |
| | 2. a. Number of Shareholders voted against | 1 |
| | b. Percentage | 0.00 |
| III | Total Number of shares voted | 8772595 |
| IV | Total valid votes (in terms of number of voting rights/ shares through postal ballots) | 63113 |
| | Total valid votes (in terms of number of voting rights/ shares through E-Voting) | 8709482 |
| | 1. a. Number of votes in favour of the resolution | 8772594 |
| | b. Percentage | 100 |
| | 2. a. Number of Shareholders voted against | 1 |
| | b. Percentage | 0.00 |

5. DISCLOSURES

a) Related party transactions:

During the year under review, besides the transactions reported in Notes to Accounts, forming part of the Annual Report. There were no other related party transactions with its promoters, directors and management that had a potential conflict of interest of the Company at large.

b) Compliance by the Company

There is no non-compliance by the Company or any penalties, strictures imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets, during the last three years/period. However, listing fees for the Delhi Stock Exchange Association Limited is outstanding. The Company has already filed the application for de-listing with the Delhi Stock Exchange.

c) Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards except AS-24 regarding discontinuance of operations, issued by the Institute of Chartered Accountants of India to the extent possible.

**d) Disclosures of Risk Management**

The Board discussed the risk assessment procedure and the same has been laid before the Board from time to time.

e) CEO / CFO Certification

A certification in the terms of Clause 49 of the Listing Agreement from Mr. Shilpan P. Patel, Chairman & Managing Director of the Company, in respect of financial year ended 31st March, 2015 was placed before the Board.

f) Review of Directors Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2015 have been prepared as per applicable accounting standards (except AS-24 regarding discontinuance of operations) and policies and that sufficient care has been taken for maintaining adequate accounting records.

g) Whistle Blower Policy

The Company has adopted Whistle Blower Policy to empower any person associated with the organization to file a grievance if he/ she notices any irregularity. However, the Company has not denied access to any personnel to approach the Audit Committee.

h) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.

Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances along with the non-mandatory requirements adopted by the Company have been given in the relevant sections of this report.

6. MEANS OF COMMUNICATION

- a) At present half yearly report on accounts is not being sent to each household of shareholders.
- b) The quarterly, half-yearly and full year results are published in Financial Express and Apla Mahanagar.
- c) At present, the Company has not made presentation to institutional investors and Analysts.
- d) The Company has its own website www.arrowcoated.com.
- e) The Management Discussion and Analysis is given separately in this Annual Report.

7. GENERAL INFORMATION FOR SHAREHOLDERS**a) Annual General Meeting**

- Time : 10.30 A.M.
- Date : 29th September, 2015
- Venue : The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara Andheri (West), Mumbai – 400 053

b) Financial Calendar: (2015-2016)

- Result for the quarter ending 30th June, 2015 - by 14th August, 2015
- Result for the quarter ending 30th September, 2015 - by 14th November, 2015
- Result for the quarter ending 31st December, 2015 - by 14th February, 2016
- Audited Result for the year ending 31st March, 2016 - by 30th May, 2016

c) Date of Book Closure : 25th September, 2015 to 29th September, 2015 (both days inclusive)**d) Dividend Payment Date** : within 5 days from the date of AGM

e) Listing on Stock Exchanges : The Bombay Stock Exchanges Ltd.(BSE)
 *The National Stock Exchange of India Ltd. (NSE)
 *(Company's securities listed on 21st May 2015)
 **The Delhi Stock Exchange Association Ltd.
 (**applied for delisting)

The Company has paid the necessary listing fees of the BSE Limited and National Stock Exchange of India Ltd. for the year 2015-2016.

f) Stock Code : BSE: 516064
 NSE: ARROWCOAT



g) **ISIN for NSDL & CDSL** : INE570D01018

h) **Market Price Data & comparison with BSE Sensex:**

The monthly high and low quotations of shares traded on the BSE Limited and BSE Sensex during each month in last financial year are as follows:

| Month | Company's Shares price at BSE Ltd* (Rs.) | | BSE Sensex* (points) | |
|-----------------|---|--------|-------------------------|----------|
| | High | Low | High | Low |
| April, 2014 | 75.30 | 58.10 | 22939.31 | 22197.51 |
| May, 2014 | 105.45 | 71.60 | 25375.63 | 22277.04 |
| June, 2014 | 113.25 | 77.60 | 25725.12 | 24270.20 |
| July, 2014 | 144.40 | 116.00 | 26300.17 | 24892.00 |
| August, 2014 | 161.00 | 106.00 | 26674.38 | 25232.82 |
| September, 2014 | 234.90 | 109.20 | 27354.99 | 26220.49 |
| October, 2014 | 261.70 | 166.95 | 27894.32 | 25910.77 |
| November, 2014 | 349.70 | 240.10 | 28822.37 | 27739.56 |
| December, 2014 | 590.00 | 285.00 | 28809.64 | 26469.42 |
| January, 2015 | 563.20 | 423.15 | 29844.16 | 26776.12 |
| February, 2015 | 497.40 | 360.00 | 29560.32 | 28044.49 |
| March, 2015 | 414.50 | 276.20 | 30024.32 | 27248.45 |

* Source: www.bseindia.com

i) **Share Transfer System:**

Presently, the share transfers received by the RTA of the Company are processed and returned within a period of 15 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Stakeholder Relationship Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by RTA of the Company within 15 days. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47 (c) of the Listing Agreement and files a copy of the certificate with Stock Exchange.

7. Shareholding pattern as at 31st March, 2015:

| Sr. No | Category of Holders | No. of Shares held | % of Shares held |
|--------|--|--------------------|------------------|
| 1. | Promoter and Promoter group | 8329985 | 70.95 |
| 2. | Mutual Funds/UTI | 19640 | 0.17 |
| 3. | Banks/Financial Institutions/ Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions) | - | - |
| 4. | Venture Capital Funds | - | - |
| 5. | FII's | - | - |
| 6. | Bodies Corporate | 615358 | 5.24 |
| 7. | Individuals < Rs. 1 Lac > Rs. 1 Lac | 1247305 1428453 | 10.62 12.17 |
| 8. | Clearing Member | - | - |
| 9. | NRI/OCBs | 99207 | 0.85 |
| 10. | Trust | - | - |
| 11. | Foreign Corporate Bodies | - | - |
| | TOTAL | 11739948 | 100.00 |

**8. The Distribution of Shareholding as at 31st March 2015:**

| Slab of Shares Holding | Share Holders | % | Amount (Rs.) | % |
|------------------------|---------------|-------|--------------|-------|
| 1 - 500 | 2615 | 79.46 | 3987500 | 3.40 |
| 501 - 1000 | 306 | 9.30 | 2504970 | 2.13 |
| 1001 - 2000 | 137 | 4.16 | 2129090 | 1.81 |
| 2001 - 3000 | 63 | 1.92 | 1569150 | 1.34 |
| 3001 - 4000 | 35 | 1.06 | 1225070 | 1.04 |
| 4001 - 5000 | 26 | 0.79 | 1202760 | 1.03 |
| 5001 - 10,000 | 57 | 1.73 | 4027250 | 3.43 |
| 10,001 - Above | 52 | 1.58 | 100753690 | 85.82 |
| Total | 3291 | 100 | 117399480 | 100 |

9. Dematerialization of shares and liquidity:

As on 31st March, 2015 about 95.06% of the Company's Equity Shares have been dematerialized. The Equity Shares of the Company are actively traded on the BSE Limited, Mumbai and w.e.f 21st May 2015 the equity shares of the Company is also traded on NSE India Ltd.

10. Registrar and Share Transfer Agents:**System Support Services**

209, Shivai Industrial Estate,
89 Andheri Kurla Road,
Sakinaka, Andheri (East)
Mumbai – 400 072 Tel No. : 022 - 2850 0835
Fax No. : 022 – 2850 1438
E-mail: sysss72@yahoo.com

11. Plant location:

Plot No. 5310, GIDC, Ankleshwar – 393 002 (Gujarat)

12. Address for Investor Correspondence:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any address, non-receipt of dividend or any other query relating to shares, please write to:

System Support Services

Unit : "Arrow Coated Products Ltd."
209, Shivai Industrial Estate,
89 Andheri Kurla Road,
Sakinaka, Andheri (East)
Mumbai – 400 072 Tel No.: 022 - 2850 0835
Fax No. : 022 – 2850 1438
E-mail: sysss72@yahoo.com

For General Correspondence:

Ms. Poonam Bansal

Company Secretary & Compliance Officer

Arrow Coated Products Ltd.

5D, Laxmi Industrial Estate,
New Link Road,
Andheri (West), Mumbai – 400 053
Tel No. : 022 - 4074 9000
Fax No. : 022 - 4074 9099
Email : poonam@arrowcoated.com

For and on behalf of the Board of Directors

Place: Mumbai
Date: 29th May 2015

Shilpan P. Patel
Chairman & Managing Director
DIN: 00341068



DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

To
The Member of
Arrow Coated Products Ltd.

Pursuant to Clause 49 sub-clause II (E) of the Listing Agreement entered into with the Stock Exchanges, I hereby declare that the Company has obtained affirmative compliance with the code of conduct from all the Board members and senior management personnel of the Company.

Place: Mumbai
Date: 29th May 2015

Sd/-
Shilpan P. Patel
Chairman & Managing Director

CERTIFICATE OF COMPLIANCE FROM THE AUDITORS OF THE COMPANY

To
The Members of
Arrow Coated Products Ltd.

We have examined the Compliance of the conditions of Corporate Governance by Arrow Coated Products Ltd. for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us and the representations made by management; we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement. We state that in respect of Investor Grievances received, generally no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Investors Grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. J. A. Rajani & Co.**
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. : 116740
(FRN: 108331W)

Place : Mumbai
Date : 29th May 2015



Independent Auditor's Report

To the Members of Arrow Coated Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Arrow Coated Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis of Qualified Opinion

- a) *The company has not made provisions for overdue advances aggregating to ₹ 3987.88('000).Had this observation made by us been considered Profit after Tax would have been ₹ 61516.99('000) (as against the reported figure of Profit of ₹65504.87('000)); reserves and surplus would have been surplus of ₹ 98494.42('000) (as against the reported figure of surplus of ₹ 102482.64('000)); long term loans and advances would have been ₹ 31297.04 ('000) (as against reported figure of ₹35284.92 ('000)),*
- b) *As more fully explained in note 37 to the financial statements the Company has not complied with Accounting Standard 24 Discontinuing Operations .*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis of Qualified Opinion paragraph, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements in accordance with the generally accepted accounting practice (refer note 27);
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2015.

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Arrow Coated Products Limited on the financial statements of the company for the year ended 31st March, 2015.**

i) In respect of its Fixed Assets.

Proper records showing full particulars, including quantitative details and situation of fixed assets are maintained.

As explained to us some of the Fixed Assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

ii) In respect of its Inventories.

As explained to us, major inventories were physically verified during the year by the management at reasonable intervals.

In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to size of the company and the nature of its business.

In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) According to the information and explanations given to us, the Company has not granted loans to companies covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a) & (b) of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanation given to us the company has internal control system commensurate with the size of the company and the nature of its business with regards to purchase of inventories, fixed assets and with regards to the sale of the goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls system.

v) According to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.

vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

vii) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except .

| Nature of the Dues | Amount (₹ in '000) |
|--------------------|--------------------|
| Local Sales Tax | 214.12 |
| Income Tax | 165.95 |
| Provident Fund | 22.80 |
| Service Tax | 76.69 |

There were no dues of Wealth Tax, Income Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited as at 31st March, 2015 on account of any dispute with the relevant authorities. The details of dues of Sales Tax and Value Added tax which have not been deposited as at 31st March, 2015 on account of any disputes are given below:

| Nature of the Dues | Amount (₹ in '000) | Period | Authority Before which in Appeal |
|--------------------|--------------------|-------------|--|
| Local Sales Tax | 2838.79 | F.Y.2003-04 | Assistant Commissioner of Sales Tax (Appeal), Mumbai |
| Central Sales Tax | 441.87 | F.Y.2003-04 | Assistant Commissioner of Sales Tax (Appeal), Mumbai |
| Local Sales Tax | 3677.77 | F.Y.2004-05 | Assistant Commissioner of Sales Tax (Appeal), Mumbai |
| Central Sales Tax | 3520.70 | F.Y.2004-05 | Assistant Commissioner of Sales Tax (Appeal), Mumbai |
| Central Sales Tax | 3932.89 | F.Y.2008-09 | Assistant Commissioner of Sales Tax (Appeal), Mumbai |



There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- viii) The company neither has accumulated losses at the end of the year, nor incurred cash losses during the financial year covered by our audit and the immediate preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- x) According to information and explanation given to us the company has not given guarantees for loan taken by others from banks or financial institutions.
- xi) According to information and explanation given to us the company has not taken term loan during the year.
- xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2015.



BALANCE SHEET AS AT 31ST MARCH, 2015

| Particulars | Notes | (₹ in '000) | |
|---|-------|---------------------|---------------------|
| | | As at 31.03.2015 | As at 31.03.2014 |
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Fund | | | |
| (a) Share Capital | 3 | 117,399 | 117,399 |
| (b) Reserves & Surplus | 4 | 102,483 | 72,299 |
| | | 219,882 | 189,698 |
| 2 Non Current Liabilities | | | |
| (a) Long-term borrowings | 5 | - | 902 |
| (b) Deferred tax liabilities (Net) | 6 | 3,035 | 1,244 |
| (c) Other Long term liabilities | 7 | 1,518 | 2,062 |
| (d) Long-term provisions | 8 | 580 | 558 |
| | | 5,133 | 4,767 |
| 3 Current Liabilities | | | |
| (a) Short-term borrowings | 9 | - | 349 |
| (b) Trade payables | | 16,628 | 19,805 |
| (c) Other current liabilities | 10 | 4,193 | 5,225 |
| (d) Short-term provisions | 11 | 64,643 | 37,239 |
| | | 85,464 | 62,618 |
| TOTAL | | 310,479 | 257,083 |
| II. ASSETS | | | |
| 1 Non Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible assets | | 46,836 | 22,145 |
| (ii) Intangible assets | | 7,740 | 8,266 |
| (iii) Intangible assets under development | | 11,068 | 8,901 |
| (b) Non-current investments | 13 | 154,493 | 74,275 |
| (c) Long-term loans and advances | 14 | 35,285 | 29,412 |
| (d) Other non-current assets | 15 | 1,225 | 1,400 |
| | | 256,647 | 144,397 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 7,024 | 31,215 |
| (b) Trade receivables | 17 | 4,993 | 4,408 |
| (c) Cash and cash equivalents | 18 | 23,664 | 53,125 |
| (d) Short-term loans and advances | 19 | 17,988 | 23,854 |
| (e) Other current assets | 20 | 164 | 84 |
| | | 53,832 | 112,686 |
| TOTAL | | 310,479 | 257,083 |

Notes to Accounts & Significant Accounting Policies

1 to 48

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

| | |
|---|---|
| Shilpan Patel Managing Director | Neil Patel Whole Time Director |
| Narayan Navin Jha Chief Financial Officer | Poonam Bansal Company Secretary |


STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2015

| Particulars | Notes | (₹ in '000) | |
|---|---------|--------------------------|--------------------------|
| | | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
| INCOME | | | |
| Revenue from Operation | 21 | 202,418 | 177,287 |
| Less: Excise Duty | | 3,534 | 2,876 |
| Other Income | 22 | 11,669 | 15,149 |
| Total | | 210,553 | 189,559 |
| EXPENDITURE | | | |
| Material Cost & Inventory Adjustments | 23 | 35,474 | 23,573 |
| Employee Benefit Expenses | 24 | 21,889 | 9,894 |
| Manufacturing Expenses | 25 | 14,636 | 13,774 |
| Financial Cost | | - | - |
| Depreciation | 12 | 8,428 | 3,641 |
| Other Expenses | 26 | 35,870 | 76,987 |
| Total | | 116,296 | 127,869 |
| Profit/(Loss) Before Exceptional items and Tax | | 94,257 | 61,690 |
| Prior period expenses | | 284 | 88.13 |
| Profit/(Loss) Before Tax | | 93,973 | 61,602 |
| Current tax | | 26,500 | 15,600 |
| Deferred Tax | | 1968 | 393 |
| Profit/(Loss) After Tax | | 65,505 | 45,609 |
| Earning Per Share (Basic) ₹ | | 5.58 | 3.88 |
| Earning Per Share (Diluted) ₹ | | 5.58 | 3.88 |
| Notes to Accounts & Significant Accounting Policies | 1 to 48 | | |

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director

Neil Patel
Whole Time Director

Narayan Navin Jha
Chief Financial Officer

Poonam Bansal
Company Secretary



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2015

(₹ in '000)

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|---|--------------------------|--------------------------|
| A Cash Flow from Operating Activities | | |
| Net Profit/(Loss) before Tax & Prior Period Items | 93,973 | 61,602 |
| Adjustment for | | |
| Loss / (Profit) on sale of fixed assets | - | 2,265 |
| Bad Debts | 598 | 14,340 |
| Miscellaneous Income & Excess Provision written back | (2,742) | (3,780) |
| Depreciation | 8,428 | 3,641 |
| ESOP Amortisation | - | (2,222) |
| Deferred Right issue expenses write off | 175 | 176 |
| Interest Income | (2,340) | (4,900) |
| Dividend Income | (5,956) | (2,700) |
| Long Term Capital Gain | (271) | - |
| Other Income | (361) | - |
| Operating Profit before Working Capital Changes | 91,505 | 68,420 |
| Adjustment for: | | |
| (Increase)/Decrease in Trade Receivables | (1,184) | 12,728 |
| (Increase)/Decrease in Inventories | 24,191 | 8,314 |
| (Increase)/Decrease in Other Current and non Current Assets | (80) | 317 |
| (Increase)/Decrease in Long Term and Short Term Loans and Advances | 13,726 | 41,164 |
| (Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions | (18,853) | (20,993) |
| Cash Generated from operations | 109,306 | 109,950 |
| Taxes Paid (Including TDS) (net) | (13,733) | (9,033) |
| Net Cash used in Operation | 95,573 | 100,917 |
| B Cash Flow from Investing Activities | | |
| Purchase of Tangible and Intangible Assets | (35,309) | (13,807) |
| Proceeds from sale of Fixed Assets | - | 1,102 |
| Investment (| (80,219) | (70,371) |
| Interest & Dividend Income | 8,927 | 7,600 |
| Net Cash from Investing Activities | (106,600) | (75,476) |
| C Cash Flow from Financing Activities | | |
| Proceeds from Long term Borrowing | (902) | (24,419) |
| Proceeds from Short term Borrowing | (349) | 0 |
| Dividend Paid | (17,182) | 8,806 |
| Net Cash from Financing Activities | (18,434) | (15,613) |
| Net Increase in Cash & Cash Equivalents | (29,462) | 9,828 |
| Opening Balance of Cash & Cash Equivalents | 53,125 | 43,297 |
| Closing Balance of Cash & Cash Equivalent * | 23,664 | 53,125 |

* This includes ₹ 171 thousands balance in earmarked account and ₹ 701 thousands held in deposit for more than 12 months (P.Y includes ₹ 187 thousands balance in earmarked account and ₹ 695 thousands held in deposit for more than 12 months)

As per our report of even date

For J. A.Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

| | |
|---|---|
| Shilpan Patel Managing Director | Neil Patel Whole Time Director |
| Narayan Navin Jha Chief Financial Officer | Poonam Bansal Company Secretary |



Notes to the financial statements for the year ended March 31, 2015

1 Corporate Overview/Information

The Company is engaged in business of water soluble film and bio compostible products and having Patents Income for such products / Technology.

2 Significant accounting policies

a) Basis of Preparation of Financial Statements:

The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles in India, the Accounting standards section 133 of Companies Act ,2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The preparation of financial statements in conformity with accounting standards requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities at the date of financial statement, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

All assets and liabilities have been classified as current or non - current as per the operating cycle criteria set out in the schedule III of the Companies Act,2013.

b) Fixed Assets, Depreciation And Impairment Loss:

Tangible Assets

Tangible Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on the basis and manner provided in Schedule II to The Companies Act 2013, and any assets whose life has been expire as per new Companies Act 2013 calculation has been transfered to Reserve and Surplus under head Depreciation Adjustment Accounts. Leasehold land is shown at cost and no write offs are made in respect thereof.

Intangible Assets

Costs relating to Patents are written off over the remaining useful life from the day of Grant.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

c) Investments:

Long-term investments other than trade are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

Holding of investment in subsidiaries and Associated Companies are of strategic importance to the company and therefore the company does not consider it necessary to provide decrease in the book value of such investment, till such relationship continues with the investee company.

d) Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which is accounted through respective revenue accounts) are accounted through Prior Period account.

e) Inventories:

Raw Materials are valued at cost. Finished Goods are valued at lower of cost or net realizable value.

f) Revenue Recognition:

Sales exclude Sales Tax, Excise Duty and other charges such as freight, insurance and other Incidental charges. Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year. Interest Income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

g) Retirement Benefits:



Notes to the financial statements for the year ended March 31, 2015

The company makes monthly contribution as per the applicable statute for Provident Fund and charges off the same to the Profit and Loss account.

Provision for leave entitlement is accrued and provided for at the end of the financial year.

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

h) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which this are incurred.

i) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account; Investments in shares of foreign subsidiary companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

j) Accounting For Taxes On Income:

The provision for current income tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's'.

Deferred tax for the year is recognised, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax asset and liabilities are measured using the tax rates and tax rules that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset are recognized and carried forward only if there is reasonable / virtual certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

k) Expenditure During Construction And On New Projects:

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

l) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Deferred Revenue Expenditure:

Preliminary Expenses and Shares Issue Expenses are amortised over a period of 10 years.

n) Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 3 Share Capital | | |
| Authorised Capital : 1,50,00,000 (P.Y. 1,20,00,000) Equity Shares of ₹ 10/- each | 150,000 | 120,000 |
| Issued, Subscribed and Paid Capital 1,17,39,948 (P. Y. 1,17,39,948 Equity Shares) of ₹ 10/- each fully paid up | 117,399 | 117,399 |
| | 117,399 | 117,399 |

Notes:

a) The Company has only one class of equity shares with a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|------------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares held | ₹ In '000 | No. of Shares held | ₹ In '000 |
| At the beginning of the year | 11,739,948 | 117,399 | 11,739,948 | 117,399 |
| Outstanding at the end of the year | 11,739,948 | 117,399 | 11,739,948 | 117,399 |

c) Shareholder Holding more than 5%

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--------------------------|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Arrow Convertors Pvt Ltd | 1,196,014 | 10.19% | 1,196,014 | 10.19% |
| Jigisha S. Patel | 1,718,503 | 14.64% | 1,718,503 | 14.64% |
| Shilpan P. Patel | 3,476,342 | 29.61% | 3,476,342 | 29.61% |
| Shilpan Patel (HUF) | 899,316 | 7.66% | 1,274,911 | 10.86% |

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 4 Reserves and Surplus | | |
| General Reserve | 200 | 200 |
| Capital Reserve | 8,218 | 3,949 |
| Add: Transfer during the year (In the P.Y sum of Rs.4269('000) was transferred to capital reserve in relation to share application/subscription money for allotment of shares upon conversion of warrants, but shares not allotted pertaining to financial year 2008-09.) | - | 4,269 |
| | 8,218 | 8,218 |
| Share Premium | 29,199 | 29,199 |
| Employee Stock Option Outstanding | - | 2,222 |
| Less : Written back during the year | - | (2,222) |
| | - | - |
| Profit & Loss account | 34,682 | 10,528 |
| Add: Net Profit/(Loss) for current year | 65,505 | 45,609 |
| Less: Tax adjustment of Earlier years | - | (1,129) |
| Less : Depreciation Adjusted | (370) | - |
| Less: Proposed Dividend and Tax | (34,951) | (20,325) |
| | 64,866 | 34,682 |
| | 102,483 | 72,299 |



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| Note 5 | | |
| Long term Borrowings | | |
| Unsecured | | |
| From Related parties (Refer to Note No. 34) | - | 902 |
| | - | 902 |
| Note 6 | | |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 3,035 | 1,244 |
| | 3,035 | 1,244 |
| Note 7 | | |
| Other Long term liabilities | | |
| Liability for Fixed Assets | 1,518 | 2,062 |
| | 1,518 | 2,062 |
| Note 8 | | |
| Long Term Provision | | |
| Leave encashment (Refer to note no. 31) | 420 | 397 |
| Income Tax Provision | 161 | 161 |
| | 580 | 558 |
| Note 9 | | |
| Short Term Borrowings | | |
| Unsecured | | |
| Loan From Others | - | 349 |
| | - | 349 |
| Note 10 | | |
| Other Current Liabilities | | |
| Unclaimed Dividends (Refer to Note no.32) | 614 | 187 |
| Advance from Customer (Refer to Note no.34) | 2,873 | 2,096 |
| Provision for expenses | - | 308 |
| Statutory liabilities | 706 | 2,634 |
| | 4,193 | 5,225 |
| Note 11 | | |
| Short term Provision | | |
| Salary and reimbursement Payable | 2,714 | 957 |
| Provident and ESIC Payable | 141 | 215 |
| Income tax Provision | 26,836 | 15,600 |
| Proposed Dividend | 29,350 | 17,610 |
| Tax on Proposed Dividend | 5,602 | 2,857 |
| | 64,643 | 37,239 |



Notes to the financial statements for the year ended March 31, 2015

Note 13

FIXED ASSETS (Refer Note. 38)

(₹ in '000)

| Particulars | Gross Block | | | Depreciation/Amortisation | | | Net Block | | |
|--|---------------------|---------------|-------------------|---------------------------|---------------------|-------------------|--------------------------|---------------------|---------------------|
| | As At 01.04.2014 | Additions | Sale/ Transfer | As At 31.03.2015 | As At 01.04.2014 | For the period | Deduction/ Adjustment | As At 31.03.2015 | As At 31.03.2014 |
| a | | | | | | | | | |
| Tangible Assets | | | | | | | | | |
| Factory Land | 194 | 0 | 0 | 194 | 0 | 0 | 0 | 194 | 194 |
| Factory Building | 4366 | 0 | 0 | 4366 | 2787 | 146 | 0 | 1433 | 1,579 |
| Plant & Machinery | 35297 | 27028 | 0 | 62325 | 19509 | 5355 | 284 | 37178 | 15,788 |
| Furniture & Fixtures | 3792 | 743 | 0 | 4535 | 3387 | 161 | 80 | 907 | 405 |
| Electrical Installation | 1225 | 0 | 0 | 1225 | 1061 | 122 | 9 | 33 | 164 |
| Lab Equipment | 954 | 0 | 0 | 954 | 524 | 176 | 10 | 244 | 430 |
| Motor Car | 5227 | 4307 | 0 | 9535 | 5030 | 644 | 28 | 3832 | 197 |
| Office Equipment | 7225 | 585 | 0 | 7810 | 6216 | 619 | 124 | 850 | 1,009 |
| Computer | 1466 | 256 | 0 | 1723 | 964 | 366 | 13 | 380 | 502 |
| Office Building | 134 | 0 | 0 | 134 | 82 | 3 | 2 | 48 | 52 |
| Guest House | 1832 | 0 | 0 | 1832 | 7 | 89 | 0 | 1736 | 1,825 |
| Total | 61,712 | 32,921 | - | 94,633 | 39,568 | 7,681 | 550 | 47,798 | 22,145 |
| Previous year | 61,014 | 12,937 | 12,238 | 61,712 | 45,482 | 2,960 | 8,874 | 39,568 | 22,145 |
| b | | | | | | | | | |
| Intangible Assets | | | | | | | | | |
| Patent Rights | 10,082 | 221 | - | 10,303 | 1,816 | 747 | | 2,563 | 7,740 |
| Total | 10,082 | 221 | - | 10,303 | 1,816 | 747 | - | 2,563 | 8,266 |
| Previous year | 8,639 | 1,443 | | 10,082 | 1,135 | 681 | | 1,816 | 7,505 |
| c | | | | | | | | | |
| Intangible Assets under Development | | | | | | | | | |
| Patent Rights | 8,901 | 2,167 | - | 11,068 | - | - | - | 11,068 | 8,901 |
| Total | 8,901 | 2,167 | - | 11,068 | - | - | - | 11,068 | 8,901 |
| Previous year | 9,474 | 870 | 1,443 | 8,901 | - | - | - | 8,901 | 9,474 |

Note. 1) Pursuant to enactment of Companies Act, 2013, the Company has applied the WDV depreciation rates as specified in Schedule II. As a result the charge for depreciation is higher/(lower) by 2304('000). Based on the transitional provisions the written down value of assets whose life has expired as at 1st April, 2014 has been adjusted net of tax 370('000); {Gross 550('000) reflected in Deduction/Adjustment} against Retained earnings.



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 13 | | |
| Non Current Investments | | |
| Investment in Mutual Funds (Quoted) (Non Trade) | | |
| ICICI Prudential Regular Savings Fund - Regular Plan - Quarterly Dividend - Nil (P.Y 1483679.525) | - | 15,000 |
| ICICI Prudential Short Term - Regular Plan - Monthly Dividend - 1279252.234 units (P.Y1279252.234) | 15,000 | 15,000 |
| IDFC Arbitrage Fund-Regular Plan - Dividend units 398513 units (P.Y 1599015) | 4,984 | 20,000 |
| HDFC Cash Management Fund - Call Plan - Daily Dividend Reinvestment - Nil (P.Y 1953612 units) | - | 20,370 |
| HDFC Short Term Plan - Monthly Dividend - 1985000.918 units (P.Y Nil). | 20,604 | - |
| DWS Arbitrage Fund - 1935696.173 units (P.Y Nil) | 20,000 | - |
| DWS Short Maturity Fund - 321976.852 units (P.Y Nil) | 7,500 | - |
| Franklin India Short Term Income Plan - 2844.218 units (P.Y Nil) | 7,500 | - |
| HDFC Corp Debt Opportunity Fund- 2687329.243 units (P.Y Nil) | 30,000 | - |
| ICICI Prudential Equity Arbitrage Fund 544868.069 units (P.Y Nil) | 7500 | - |
| ICICI Prud. Equity Income Fund Regular Plan 918287.938 units (P.Y Nil) | 30000 | - |
| IDFC SSIF-Short Term -Plan A - 739331.447 units (P.Y Nil) | 7500 | - |
| Investment in Equity Instruments-Non trade | | |
| Unquoted Equity Share (Fully Paid) | | |
| Shamrao Vithal Co op Bank | 9 | 9 |
| 300 Equity Shares of ₹ 25/- each | | |
| 100 Equity Shares of ₹ 10/- each | | |
| Investment in Equity Instruments-Trade | | |
| Unquoted Equity Share (Fully Paid) in Subsidiaries | | |
| Arrow Coated Products (UK) Ltd 20099 Equity shares of £1.00 each (P.Y 20099 shares) (100% holding) | 1,602 | 1,602 |
| Arrow Secure Technology (P) Ltd 431175 Equity shares of ₹ 10 each (P.Y. 219850 shares) (100% holding) | 2,200 | 2,200 |
| Unquoted Equity Share (Fully Paid) in Associates | | |
| SPArrow BioPolymer Products (P) Ltd 4600 Shares of ₹ 10 Each (P.Y 4600 Shares) (46% holding) | 46 | 46 |
| Sphere Bio-Polymers (P) Ltd 4900 Shares of Rs10 Each (P.Y 4900 Shares) (49% holding) | 49 | 49 |
| | 154,493 | 74,275 |
| Aggregate amount of non-current investments | | |
| Aggregate amount of quoted investments | 150,588 | 70,370 |
| Aggregate market value of quoted investments | 152,144 | 70,712 |
| Aggregate amount of unquoted investments | 3,905 | 3,905 |
| Note 14 | | |
| Long Term Loans and advances | | |
| Capital Advances (Unsecured, considered good) | 30,346 | 7,855 |
| Security Deposit (Unsecured, considered good) | 951 | 940 |
| Advance to Suppliers (Unsecured, considered good) | 3,988 | 20,617 |
| | 35,285 | 29,412 |



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| Note 15 | | |
| Other Non Current Assets | | |
| Miscellaneous Expenditure-Right Issue | 1,225 | 1,400 |
| | 1,225 | 1,400 |
| Note 16 | | |
| Inventories | | |
| (As taken, valued and certified by Management) | | |
| Finished Goods | 5,030 | 28,518 |
| Raw Material | 1,994 | 2,697 |
| | 7,024 | 31,215 |
| Note 17 | | |
| Trade Receivable | | |
| (Unsecured, Considered Good) | | |
| (i) Outstanding for more than one year | 24 | 720 |
| (ii) Others less than one year | 4,969 | 3,688 |
| | 4,993 | 4,408 |
| Note 18 | | |
| Cash & Cash Equivalents | | |
| Earmarked Balance | | |
| Unpaid Dividend Account | 171 | 187 |
| Current Account | 862 | 9,225 |
| Fixed Deposit with Bank * | 21,406 | 42,993 |
| (₹ 701 ('000) (P.Y. 695('000)) for Bank Guarantee) | | |
| Cash on Hand | 1,225 | 721 |
| | 23,664 | 53,125 |
| * Fixed Deposit with Bank includes ₹ 701 ('000) P.Y. 695 ('000) with maturity for more than 12 months | | |
| Note 19 | | |
| Short Term Loans and Advances | | |
| (Unsecured considered good) | | |
| Advances to Suppliers | 582 | 583 |
| Loans and Advances to Employees | 928 | 986 |
| Advance payment of Income Tax | 14,016 | 15,546 |
| Dividend Receivable | 147 | 321 |
| Prepaid Expenses | 269 | 101 |
| Balance with Government Authorities | 2,046 | 6,306 |
| | 17,988 | 23,854 |
| Note 20 | | |
| Other Current Assets | | |
| Interest Accrued on Fixed Deposit | 164 | 84 |
| | 164 | 84 |



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
|--|--|--|
| Note 21 | | |
| Revenue from Operation | | |
| Sales of Products | 51,323 | 30,841 |
| Technical Consultancy Fees-Patent | - | 103,533 |
| Royalty Income - Patent | 151,095 | 42,912 |
| | 202,418 | 177,287 |
| Note 22 | | |
| Other Income | | |
| Miscellaneous Income | 3,103 | 3,780 |
| Foreign Exchange Gain | - | 3,769 |
| Dividend Income | 5,956 | 2,700 |
| LTCG | 271 | |
| Interest Income | | |
| On Fixed Deposit | 2,319 | 2,920 |
| On Loans and Deposits | 21 | 1,980 |
| (TDS deducted ₹ 2.33 lacs (P.Y ₹ 5.07 Lacs)) | | |
| | 11,669 | 15,149 |
| Note 23 | | |
| Material Cost & Inventory Adjustments | | |
| Cost of Raw Materials consumed | | |
| Opening stock | 2,697 | 2,448 |
| Add: Purchases | 11,282 | 15,259 |
| Less: Closing Stock | 1,994 | 2,697 |
| | 11,986 | 15,010 |
| Inventory Adjustment: | | |
| Stock at close - Finished Goods | 5,030 | 3,622 |
| Stock at commencement- Finished Goods | 3,622 | 2,504 |
| | (1,408) | (1,118) |
| Stock at close - Stock in Trade | - | 24,896 |
| Stock at commencement- Stock in Trade | 24,896 | 34,578 |
| | 24,896 | 9,682 |
| Material Consumed | 35,474 | 23,573 |
| Note 24 | | |
| Employee Benefit Expenses | | |
| Staff Salaries & Bonus | 12,186 | 8,748 |
| Provident Fund, ESIC & Gratuity | 803 | 513 |
| ESOP compensation cost | 0 | (2,222) |
| Staff welfare expenses | 501 | 275 |
| Managerial Remuneration | 8,400 | 2,580 |
| | 21,889 | 9,894 |



Notes to the financial statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
|---|--|--|
| Note 25 | | |
| Manufacturing Expenses | | |
| Factory Expenses | 1,620 | 1,371 |
| Labour Charges | 2,774 | 2,086 |
| Electricity, Fuel & Water Charges | 9,191 | 8,177 |
| Repair & Maintenance | 492 | 1,839 |
| Freight Inward | 559 | 302 |
| | 14,636 | 13,774 |
| Note 26 | | |
| Other Expenses | | |
| Legal & Professional Charges (Refer to Note no. 41) | 3,574 | 3,217 |
| Patent Charges | 1,745 | 768 |
| Donation (Refer to Note no. 40) | 10,000 | 10,000 |
| Product Research Expenses | - | 30,343 |
| Repairs to Others | 524 | 329 |
| Insurance Charges | 162 | 185 |
| Loss on sale of Asset | - | 2,265 |
| Sales tax & asst. dues | - | 505 |
| Commission on Sales | - | 63 |
| Rent, Rate and Taxes | 2,193 | 2,421 |
| Bad Debts | 598 | 14,340 |
| Foreign Exchange (Gain)/Loss | 15,844 | 12,552 |
| | 35,870 | 76,987 |

27 Contingent liabilities and Commitments:

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| (i) Contingent Liabilities | | |
| (a) Sales tax matters not acknowledged as debt | 14,982 | 14,982 |
| (b) Income tax matters not acknowledged as debt | - | - |
| (c) Bank Guarantees given | 701 | 696 |
| (d) Other money for which the company is contingently liable | - | - |
| Total | 15,683 | 15,678 |

- 28 Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.
- 29 In the opinion of the Board and to the best of their knowledge and belief all the Current Assets, Loans and Advances have value on realisation at least of an amount at which they are stated in Balance Sheet.
- 30 The Company does not possess information as to which of its Suppliers are covered under micro, small and medium Enterprise Development Act, 2006. However, the company is regular in making payment to its Suppliers and has not received any claim in respect of interest for delayed payment.
- 31 Liability In respect of leave encashment are not accounted on basis of actuarial valuation which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
- 32 For the purpose of distribution of dividend, separate bank account for each year is opened. The balance in this bank account represents the unclaimed /unpaid dividend warrants of the respective years. Unpaid dividends are subject to reconciliation.



Notes to the financial statements for the year ended March 31, 2015

- 33** As the company's business activity, in the opinion of the management, falls within single primary segment printing products and packaging material, which are subject to the same risks and returns, the disclosure requirement of Accounting Standard (AS)-17 "Segment Reporting" issued by the Institute Of Chartered Accountant of India are, in the opinion of the management, not applicable
- 34** Related Party Disclosure as required by Accounting Standard 18 of the Institute of Chartered Accountants of India. Related parties as defined under clause 3 of the Accounting standard have been identified on the basis of representation made by management.

i) List of Related Parties with whom transactions entered

| Name of Related Party | Relationship |
|---|--|
| Arrow Coated Products (U.K.) Ltd Arrow Secure Technology Pvt. Ltd | Subsidiary Company |
| Advance IP Technology Ltd. SP Arrow Bio-Polymer Products Pvt. Ltd | Step Down Subsidiary Company Associate Company |
| Sphere Bio-Polymers (P) Ltd Mr. Shilpan P. Patel (CMD) | Key Management Personnel |
| Mr. Neil Patel Mr. Harish Mishra Mr. Haresh Mehta Mr Dinesh Modi Mrs. Suneeta Thakur Dr. Anil Saxena | |
| Mr. Rishil S Patel Mrs. Jigisha S Patel | Relative of Key Management Personnel |
| Arrow Convertors Pvt. Ltd. Grace Paper Industries Pvt. Ltd. Avery Bio-Degradable Products Pvt. Ltd. | Enterprises over which Key Management Personnel are able to exercise significant influence |

ii) Transaction with Related Parties & Outstanding Balance as on 31st March, 2015

(₹ in '000)

| Transaction During the Year | Entities where control Exist | Key Management Personnel | Relatives of KMP & Entities where Significant Influence |
|-----------------------------|------------------------------|--------------------------|---|
| Purchase | - - | - - | 843 (170) |
| Sale | - (-) | - (-) | - 0 |
| Royalty Income - Patent | 151094 (42912) | - (-) | - (-) |
| Remuneration | - (-) | 8400 (2580) | - (-) |
| Salary | - - | - - | - (315) |
| Rent | - (-) | 1888 (1810) | - (-) |
| Sitting Fees | - (-) | 273 (128) | - (-) |



Notes to the financial statements for the year ended March 31, 2015

| Transaction During the Year | Entities where control Exist | Key Management Personnel | Relatives of KMP & Entities where Significant Influence |
|------------------------------|------------------------------|--------------------------|---|
| Fixed Assets Purchased | - (-) | - (-) | 25,908.00 (-) |
| Advance/Loan Given | - (3) | - (-) | - (2603) |
| Advance/Loan Given Repaid | - (1425) | - (-) | - (63) |
| Advance/Loan Received | - (-) | - (-) | - (54) |
| Advance/Loan Received Repaid | - (-) | - (11497) | 919 (9101) |
| Balance- Receivable | - (54) | - (-) | - (2540) |
| Balance- Payable | 2,544 (-) | 1,545 (233) | 284 (1113) |

(Previous year figures are shown in bracket)

- 35 As required by Accounting Standard 20 on Earning per Share issued by the Institute of Chartered Accountant of India (ICAI), basic earning per share has been calculated by dividing net profit after tax by the weighted average number of equity shares outstanding during the year as per detail given below:

(₹ In '000)

| Particulars | 2014-15 | 2013-14 |
|--|------------|------------|
| Profit as per profit & loss Account (After tax & extraordinary items) | 65,505 | 45,609 |
| Weighted average number of shares used in computing earning per equity share | | |
| For Basic EPS | 11,739,948 | 11,739,948 |
| For Diluted EPS | 11,739,948 | 11,739,948 |
| Basic earning per share (₹) | 5.58 | 3.88 |
| Diluted earning per share (₹) | 5.58 | 3.88 |
| (on nominal value of ₹10/- per share) | | |

- 36 Some Assets of which the company is the beneficial owner are pending for transfer in the name of the company.
- 37 The Company had decided in the year 2008-09 to discontinue the Trading activities in Digital Printing machines and digital signage cutting machines and the management is of the opinion that all the assets relating to the machine division will realize at a value at which they appear in the books of accounts in aggregate.
- 38 As stipulated in Accounting Standard 28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.
- 39 Managerial remuneration paid during the FY 2012-13 is subject to approval from the Central Government. The Company has already filled necessary application under Sec 198 & 309 of the Companies Act, 1956. The application is under process with the Central Government.
- 40 During the previous year Company has made donation of ₹ 5000 ('000) on 28th September, 2013, which was not in compliance of Section 293(1)(e) of the Companies Act, 1956. However the Company on 4th January, 2014 has obtained shareholders approval for the same.



Notes to the financial statements for the year ended March 31, 2015

41 Auditors Remuneration:

(₹ In '000)

| Particulars | 2014-15 | 2013-14 |
|---------------------------------|------------|------------|
| Audit Fees | 281 | 247 |
| Tax Audit Fees | 124 | 112 |
| Taxation matters | 112 | 236 |
| Certification and Other matters | 168 | 122 |
| Total | 684 | 718 |

42 The company based on its accounting policies followed, does not consider it necessary to provide for diminution in value of investment in subsidiary company.

43 The utilisation of funds received by way of Shares issued on Rights basis:

(₹ In '000)

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Balance of Funds raised on Warrant Issues | 10,865 | 10,405 |
| Inter Corporate Deposit | - | 3,000 |
| Plant & Machinery - Purchase / Advance paid | 10,865 | 2,540 |
| Balance in Fixed Deposit / Escrow Account | - | 10,865 |

44 Earning and expenditure in foreign currency:(on accrual basis)

(₹ In '000)

| Particulars | 2014-15 | 2013-14 |
|--|---------|---------|
| Earning in Foreign Currency | | |
| Export Sales | 4,662 | 4,667 |
| Consultancy Fees | - | 103,533 |
| Royalty Income - Patent | 151,095 | 42,912 |
| Expenditure in Foreign Currency | | |
| Raw material | - | 977 |
| Purchase of trading Goods | - | - |
| Travelling Expenditure | 3,263 | 3,873 |
| Patent | 1,521 | 1,506 |

45 The Value of Consumption of directly imported and indigenous obtained raw materials :

(₹ In '000)

| | 31.03.2015 | % | 31.03.2014 | % |
|--------------|---------------|-------------|---------------|-------------|
| Imported | - | - | - | - |
| Indigenous | 11,986 | 100% | 15,010 | 100% |
| Total | 11,986 | 100% | 15,010 | 100% |

**Notes to the financial statements for the year ended March 31, 2015**

- 46 Disclosures of Loans /Advances to Subsidiaries, Associate Companies Etc.(As required by clause 32 of the Listing agreement with Bombay Stock Exchange).

(₹ In '000)

| Name of Company / Firms | Relationship | Amount Outstanding | Max. Amount Outstanding |
|---|--------------|--------------------|-------------------------|
| Arrow Secure Technology Pvt. Ltd (formerly known as NagralD Arrow Secure Cards Pvt Ltd) | Subsidiary | - (278) | - (280) |
| SP Arrow Bio-Polymer Products Pvt. Ltd (formerly known as SP Arrow Bio – Plast Pvt. Ltd) | Associate | - (1145) | - (1146) |

(Previous year figures are shown in bracket)

- 47 Remittance in Foreign Currency on account of dividends :

(₹ In '000)

| Particulars | 31.03.2015 | 31.03.2014 |
|--|------------|------------|
| Year to which the dividend relates | 2013-14 | 2012-13 |
| Number of non-resident Shareholders | 1 | 1 |
| Nos. of shares on which remittance were made | 180000 | 180000 |
| Amount remitted | 270 | 135 |

- 48 Previous Year figures have been regrouped, rearranged wherever necessary to confirm current year classification.

As per our report of even date

For J. A.Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place:Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

| | |
|---|---|
| Shilpan Patel Managing Director | Neil Patel Whole Time Director |
| Narayan Navin Jha Chief Financial Officer | Poonam Bansal Company Secretary |



Independent Auditors Report on Consolidated Financial Statements

To The Board Of Directors Of Arrow Coated Products limited.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Arrow Coated Products Limited (herein after referred to as the Holding Company), its subsidiaries and share of associates (Collectively referred to as, "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2015 and Consolidated Statement of Profit and Loss and Consolidated Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the consolidated financial statements")

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the preparation of the consolidated financial statements by the directors of the Holding company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Basis of Qualified Opinion

- a) *The holding company has not made provisions for overdue advances aggregating to ₹ 3987.88 ('000). Had this observation made by us been considered Consolidated Profit after Tax would have been ₹ 219301.30 ('000) (as against the reported figure of Profit of ₹ 223289.18 ('000)); Consolidated reserves and surplus would have been surplus of ₹ 344950.26 ('000) (as against the reported figure of surplus of ₹ 348938.14 ('000)); Consolidated long term loans and advances would have been ₹ 31298.04 ('000) (as against reported figure of ₹ 35285.92 ('000)),*
- b) *As more fully explained in note 37 to the financial statements the Company has not complied with Accounting Standard 24 Discontinuing Operations.*
- c) *We have relied on the unaudited financial statement of One foreign Subsidiary whose financial statement reflects total assets of ₹ 190453.75 ('000) as at 31st March 2015 and a total revenue of ₹ 247362.41 ('000) and the profit of ₹ 45880.46 ('000) for the year ended. These unaudited financial statement as approved by the board of directors have been furnished to us, and in our opinion, insofar as it relates to the amount included in respect of the subsidiary, is based solely on such approved unaudited financial result.*



We have relied on the unaudited financial statement of foreign step Subsidiary whose financial statement reflects total assets of ₹ 132708.90 ('000) as at 31st March 2015 and a total revenue of ₹ 190165.70 ('000) and the profit of ₹ 115281.13 ('000) for the year ended. These unaudited financial statement as approved by the board of directors have been furnished to us, and in our opinion, insofar as it relates to the amount included in respect of the subsidiary, is based solely on such approved unaudited financial result.

We have relied on the unaudited financial statement of step Subsidiary whose financial statement reflects total assets of ₹ 64581.13 ('000) as at 31st March 2015 and a total revenue of ₹ 6396.51 ('000) and the profit of ₹ 4044.48 ('000) for the year ended. These unaudited financial statement as approved by the board of directors have been furnished to us, and in our opinion, insofar as it relates to the amount included in respect of the subsidiary, is based solely on such approved unaudited financial result.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matter described in the basis for Qualified opinion paragraph, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments to the auditor's report of the Holding Company and its subsidiary incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements .
 - (b) in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements has been kept so far as it appears from our examination of those books;
 - (c) the Consolidated Balance Sheet, the consolidated statement of profit and loss and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors of the Holding company as on 31 March 2015 taken on record by the Board of Directors of the Holding company, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements has disclosed the impact of pending litigation on its consolidated financial position of the group in its consolidated financial statements in accordance with the generally accepted accounting practice (refer note 27 of the consolidated financial statement);
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its Subsidiary Company.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2015.

**The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Arrow Coated Products Limited on the consolidated financial statements of the company for the year ended 31st March, 2015.**

- i) In respect of its Fixed Assets of the holding company and its subsidiary company incorporated in India.
Respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets are maintained.
As explained to us some of the Fixed Assets were physically verified during the year by the management of the respective entities in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- ii) In respect of its Inventories of the holding company and its subsidiary company incorporated in India.
As explained to us, major inventories were physically verified during the year by the management of the holding company at reasonable intervals.
In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management of the holding company are reasonable and adequate in relation to size of the company and the nature of its business.
In our opinion and according to the information and explanations given to us, the holding company have maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
The subsidiary company does not hold any inventory during the year. Thus para 3(ii) of the order is not applicable.
- iii) According to the information and explanations given to us, the holding Company and its subsidiary has not granted loans to companies covered in the Register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii)(a) & (b) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanation given to us the holding company and its subsidiary has internal control system commensurate with the size of the respective entities and the nature of its business with regards to purchase of inventories, fixed assets and with regards to the sale of the goods and services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal controls system.
- v) According to the information and explanations given to us, the holding Company and its subsidiary has not accepted deposits from the public within the meaning of Section 73 and 76 or any other relevant provisions of the Act and the rules framed there under.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Holding Company and its subsidiary.
- vii) The Holding Company and its subsidiary is generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable except .

| Nature of the Dues | Amount (₹'000) |
|--------------------|----------------|
| Local Sales tax | 214.12 |
| Income Tax | 165.95 |
| Provident Fund | 22.80 |
| Service tax | 76.69 |

There were no dues of Wealth Tax, Income Tax, Customs Duty, Excise Duty and Cess, as applicable, which have not been deposited as at 31st March, 2015 on account of any dispute with the relevant authorities. The details of dues of Sales Tax and Value Added tax which have not been deposited as at 31st March, 2015 on account of any disputes are given below:

**ARROW COATED PRODUCTS LTD.**

| Nature of the Dues | Amount (₹'000) | Period | Authority before which in Appeal |
|---------------------------|-----------------------|---------------|---|
| Local Sales Tax | 2838.79 | F.Y 2003-04 | Assistant Commissioner of Sales Tax.(Appeal) Mumbai |
| Central Sales Tax | 441.87 | F.Y 2003-04 | Assistant Commissioner of Sales Tax.(Appeal) Mumbai |
| Local Sales Tax | 3677.77 | F.Y 2004-05 | Assistant Commissioner of Sales Tax.(Appeal) Mumbai |
| Central Sales Tax | 3520.70 | F.Y 2004-05 | Assistant Commissioner of Sales Tax.(Appeal) Mumbai |
| Central Sales Tax | 3932.89 | F.Y 2008-09 | Assistant Commissioner of Sales Tax.(Appeal) Mumbai |

There has been no amounts which were required to be transferred to the Investor Education and Protection Fund by the holding Company and its subsidiary.

- viii) The group neither has consolidated accumulated losses at the end of the year, nor incurred consolidated cash losses during the financial year covered by our audit and the immediate preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the holding company and its subsidiary has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- x) According to information and explanation given to us the holding company and its subsidiary has not given guarantees for loan taken by others from banks or financial institutions.
- xi) According to information and explanation given to us the holding company and its subsidiary has not taken term loan during the year.
- xii) According to the information and explanations given to us, no material fraud on or by the Holding Company and its subsidiary has been noticed or reported during the course of our audit.

For J. A. Rajani & Co.
Chartered Accountants
Firm Reg. No. 108331W

P. J. Rajani
Proprietor
Membership No. 116740

Place: Mumbai
Date: 29th May, 2015.



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015

(₹ in '000)

| Particulars | Notes | As at 31.03.2015 | As at 31.03.2014 |
|---|---------|---------------------|---------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1 Shareholders' Fund | | | |
| (a) Share Capital | 3 | 117,399 | 117,399 |
| (b) Reserves & Surplus | 4 | 348,938 | 180,844 |
| 2 Minority Interest | | 5,866 | 62 |
| | | 472,204 | 298,305 |
| 3 Non Current Liabilities | | | |
| (a) Long-term borrowings | 5 | 510 | 1,449 |
| (b) Deferred tax liabilities (Net) | 6 | 3,035 | 1,244 |
| (c) Other Long term liabilities | 7 | 1,518 | 2,062 |
| (d) Long-term provisions | 8 | 580 | 558 |
| | | 5,642 | 5,313 |
| 4 Current Liabilities | | | |
| (a) Short-term borrowings | 9 | - | 349 |
| (b) Trade payables (Refer to Note 30) | | 14,886 | 41,783 |
| (c) Other Current Liabilities | 10 | 4,193 | 5,822 |
| (d) Short-term provisions | 11 | 103,872 | 58,926 |
| | | 122,951 | 106,880 |
| TOTAL | | 600,797 | 410,498 |
| II. ASSETS | | | |
| 1 Non Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible assets | | 97,865 | 70,365 |
| (ii) Intangible assets | | 10,675 | 11,331 |
| (iii) Intangible assets under development | | 11,068 | 8,901 |
| (b) Non-current investments | 13 | 148,493 | 68,276 |
| (c) Long-term loans and advances | 14 | 35,286 | 29,412 |
| (d) Other non-current assets | 15 | 1,273 | 1,472 |
| | | 304,660 | 189,756 |
| 2 Current assets | | | |
| (a) Inventories | 16 | 7,629 | 31,864 |
| (b) Trade receivables | 17 | 4,994 | 4,408 |
| (c) Cash and cash equivalents | 18 | 263,525 | 152,050 |
| (d) Short-term loans and advances | 19 | 19,820 | 32,322 |
| (e) Other current assets | 20 | 168 | 96 |
| | | 296,138 | 220,741 |
| TOTAL | | 600,797 | 410,498 |
| Notes to Accounts & Significant Accounting Policies | 1 to 47 | | |

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director

Neil Patel
Whole Time Director

Narayan Navin Jha
Chief Financial Officer

Poonam Bansal
Company Secretary



CONSOLIDATED STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in '000)

| Particulars | Notes | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|---|---------|--------------------------|--------------------------|
| INCOME | | | |
| Revenue from Operation | 21 | 488,851 | 357,418 |
| Less: Excise Duty | | 3,534 | 2,876 |
| Other Income | 22 | 11,694 | 12,474 |
| Total | | 497,011 | 367,015 |
| EXPENDITURE | | | |
| Material Cost & Inventory Adjustments | 23 | 35,517 | 23,463 |
| Employee Benefit Expenses | 24 | 21,889 | 9,894 |
| Manufacturing Expenses | 25 | 14,636 | 13,774 |
| Financial Cost | | - | - |
| Depreciation and amortisation Expenses | 12 | 9,549 | 3,666 |
| Other Expenses | 26 | 119,913 | 120,143 |
| Total | | 201,505 | 170,940 |
| Profit/(Loss) Before Exceptional Items and Tax | | 295,507 | 196,075 |
| Prior period Expense | | 284 | 88 |
| Profit/(Loss) Before Tax | | 295,223 | 195,987 |
| Current tax | | 64,161 | 37,287 |
| Deferred Tax | | 1,968 | 393 |
| Profit/(Loss) After Tax Before Minority and Associates | | 229,094 | 158,307 |
| Less : Share of Profit/(loss) of Minority | | 5,805 | 46 |
| Add Share of loss of Associates | | - | (36) |
| Profit/(Loss) After Tax After Minority and Associates | | 223,289 | 158,225 |
| Earning Per Share (Basic) in ₹ | | 19.02 | 13.48 |
| Earning Per Share (Diluted) in ₹ | | 19.02 | 13.48 |
| Notes to Accounts & Significant Accounting Policies | 1 to 47 | | |

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

| | |
|---|---|
| Shilpan Patel Managing Director | Neil Patel Whole Time Director |
| Narayan Navin Jha Chief Financial Officer | Poonam Bansal Company Secretary |



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in '000)

| Particulars | Year Ended 31.03.2015 | Year Ended 31.03.2014 |
|---|--------------------------|--------------------------|
| A Cash Flow from Operating Activities | | |
| Net Profit before Tax & Prior Period Items | 295,223 | 195,987 |
| Adjustment for | | |
| Loss / (Profit) on sale of fixed assets | - | 2,265 |
| Bad Debts | 598 | 14,340 |
| Miscellaneous Income & Excess Provision written back | (2,742) | (3,783) |
| Depreciation | 9,549 | 3,666 |
| Profit / Loss on sale of Fixed Asset | - | - |
| Miscellaneous Expenditure Write off | 199 | 200 |
| ESOP Amortisation & other | - | (2,222) |
| Other Income | - | - |
| Interest Income | (2,354) | (4,918) |
| Dividend Income | (5,956) | (2,700) |
| Other Income | (372) | - |
| (Profit)/Loss on sale of Investments | (271) | - |
| Operating Profit before Working Capital Changes | 293,875 | 202,834 |
| Adjustment for | | |
| (Increase)/Decrease in Trade Receivables | (1,186) | 1,450 |
| (Increase)/Decrease in Inventories | 24,235 | 8,204 |
| (Increase)/Decrease in Other Current and non Current Assets | (72) | 304 |
| (Increase)/Decrease in Long Term and Short Term Loans and Advances | 58,023 | 35,336 |
| (Increase)/Decrease in Trade Payables, Other Current and Non Current Liabilities and Provisions | (63,293) | (5,924) |
| Cash Generated from operations | 311,583 | 242,204 |
| Taxes Paid (Including TDS) (net) | (51,394) | (8,997) |
| Net Cash used in Operation | 260,189 | 233,208 |
| B Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets/Patent | (39,116) | (61,816) |
| Proceeds from sale of Fixed Assets | - | 1,102 |
| Investment | (80,218) | (69,225) |
| Interest & Dividend Income | 8,953 | 7,618 |
| Net Cash from Investing Activities | (110,381) | (122,321) |
| C Cash Flow from Financing Activities | | |
| Proceeds from Long term Borrowing | (939) | (24,326) |
| Proceeds from Short term Borrowing | (349) | - |
| Increase in Share Capital | (0) | - |
| Minority Interest / Share of loss in Associate | - | (192) |
| Currency Fluctuation Reserve | (19,863) | (6,886) |
| Interest and Finance cost | - | - |
| Dividend Paid | (17,182) | 8,806 |
| Rights Issue Expenses | - | - |
| Net Cash from Financing Activities | (38,333) | (22,598) |
| Net Increase in Cash & Cash Equivalents | 111,475 | 88,288 |
| Opening Balance of Cash & Cash Equivalents | 152,050 | 63,762 |
| Closing Balance of Cash & Cash Equivalents* | 263,525 | 152,050 |

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director

Neil Patel
Whole Time Director

Narayan Navin Jha
Chief Financial Officer

Poonam Bansal
Company Secretary



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

1 Basis of Consolidation:

- a) The consolidated financial statement relates to the Arrow Coated Products Ltd., the holding company, its subsidiary Arrow Coated Products (UK) Ltd incorporated in UK, Step down Subsidiary Advance IP Technologies Limited and Arrow Realty Ltd (Subsidiary of Arrow Coated Products (UK) Ltd.) and Arrow Secure Technology Pvt.Ltd. and its Associate SP Arrow Bio-Polymers Pvt. Ltd and Sphere Bio-Polymers (P) Ltd.
- b) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements"
- c) Goodwill represents the difference between the company's share in the net worth of subsidiaries and the cost of acquisition at time of making the investment in the subsidiaries. For this purpose the company's share of net worth is determined on the basis of latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. The goodwill recorded in these consolidated financial statements has not been amortized, but instead evaluated for impairment whenever events or changes in circumstances indicate that its carrying amount may be impaired.
- d) In case of associates where the company directly or indirectly through subsidiaries hold more than 20% of equity or the company exercises significant influence through representation of the Board of directors of the other Companies, Investment are accounted for using Equity Method in accordance with Accounting Standard (AS-23)"Accounting for Investments in Associates in Consolidated financial statements issued by the Institute of Chartered Accountants of India.
- e) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
- f) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- g) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
 - (i) Investments in Subsidiary and Associate during the year

During the Previous year subsidiary company Arrow Coated Products (UK) Ltd has incorporated a new subsidiary company named Arrow Realty Ltd in UK with 99% shareholding.

2 Significant accounting policies

a) Basis of Preparation of Financial Statements:

The financial statement have been prepared on the basis of going concern, under historical cost convention, to comply in all material aspect with applicable accounting principles in India, the Accounting standards under Section 133 of Companies Act ,2013,read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013.

The preparation of financial statements in conformity with accounting standards requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities at the date of financial statement, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

All assets and liabilities have been classified as current or non - current as per the operating cycle criteria set out in the schedule III of the Companies Act,2013.



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

b) Fixed Assets, Depreciation And Impairment Loss:

Fixed Assets are stated at cost net of accumulated depreciation. Cost includes expenses related to acquisition and financing cost on borrowing during construction period. Assets acquired on Hire purchase are capitalised to the extent of Principal Value.

Depreciation on Fixed Assets has been provided on written down value basis and manner provided in Schedule II to The Companies Act 2013. Leasehold land is shown at cost and no write offs are made in respect thereof.

Costs relating to Patents are written off over the remaining useful life from the day of Grant.

In case, the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss.

c) Investments:

Long-term investments other than trade are stated at cost of acquisition less provision for diminution in value other than temporary, if any.

Holding of investment in subsidiaries and Associated Companies are of strategic importance to the company and therefore the company does not consider it necessary to provide decrease in the book value of such investment, till such relationship continues with the investee company.

d) Prior Period Adjustments:

All items of Income/Expenditure pertaining to prior period (except those not exceeding Rupees One Thousand in each case which is accounted through respective revenue accounts) are accounted through Prior Period account.

e) Inventories:

Raw Materials are valued at cost. Finished Goods are valued at lower of cost or net realizable value.

f) Revenue Recognition:

Sales exclude Sales Tax, Excise Duty and other charges such as freight, insurance and other Incidental charges. Dividend from investments in the shares is accounted for on the basis of the date of declaration of dividend falling within the accounting year. Interest Income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

g) Retirement Benefits:

The company makes monthly contribution as per the applicable statute for Provident Fund and charges off the same to the Profit and Loss account.

Provision for leave entitlement is accrued and provided for at the end of the financial year.

The Company has created an Employees' Group Gratuity Fund, which has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. Gratuity is provided on the basis of premium paid on the above policy as intimated by Life Insurance Corporation of India. The adequacy of the fund along with the provision is as per the actuarial valuation.

h) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised till the month in which the asset is ready to use as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which this are incurred.

i) Foreign Currency Transactions:

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. At the year-end monetary items denominated in foreign currencies are converted into rupee equivalent at the year-end



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

exchange rates. All exchange differences arising on settlement and conversion on foreign currency transaction are dealt with in profit and loss account; Investments in shares of foreign subsidiary companies are expressed in Indian currency at the rates of exchange prevailing at the time when the original investments were made.

j) Accounting For Taxes On Income:

The provision for current income tax has been made in accordance with the Income Tax Law prevailing for the relevant assessment year after considering various admissible relief's'.

Deferred tax for the year is recognised, on timing differences being the difference between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax asset and liabilities are measured using the tax rates and tax rules that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax asset are recognized and carried forward only if there is reasonable / virtual certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

k) Expenditure During Construction And On New Projects:

In case of new Industrial units and substantial expansion of existing units, all pre- operating expenditure specifically for the project, incurred up to the date of installation, is capitalised and added pro rata to the cost of fixed assets.

l) Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

m) Deferred Revenue Expenditure:

Preliminary Expenses and Shares Issue Expenses are amortised over a period of 10 years.

n) Research and Development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 3 | | |
| Share Capital | | |
| Authorised Capital : 1,50,00,000 (P.Y. 1,20,00,000) Equity Shares of ₹ 10/- each | 150,000 | 120,000 |
| Issued, Subscribed and Paid Capital 1,17,39,948 (P. Y. 1,17,39,948 Equity Shares) of ₹ 10/- each Fully paid up | 117,399 | 117,399 |
| | 117,399 | 117,399 |

Notes:

- a) The Company has only one class of equity shares with a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share.
- b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|------------------------------------|------------------------------------|-----------|------------------------------------|-----------|
| | No. of Shares held | ₹ In '000 | No. of Shares held | ₹ In '000 |
| At the beginning of the year | 11,739,948 | 117,399 | 11,739,948 | 117,399 |
| Outstanding at the end of the year | 11,739,948 | 117,399 | 11,739,948 | 117,399 |

c) Shareholder Holding more than 5%

| Name of Shareholder | As at 31 st March, 2015 | | As at 31 st March, 2014 | |
|--------------------------|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Arrow Convertors Pvt Ltd | 1,196,014 | 10.19% | 1,196,014 | 10.19% |
| Jigisha S. Patel | 1,718,503 | 14.64% | 1,718,503 | 14.64% |
| Shilpan P. Patel | 3,476,342 | 29.61% | 3,476,342 | 29.61% |
| Shilpan Patel (HUF) | 899,316 | 7.66% | 1,274,911 | 10.86% |

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 4 | | |
| Reserves and Surplus | | |
| General Reserve | 200 | 200 |
| Currency fluctuation Reserve | (27,987) | (8,125) |
| Capital Reserve | 8,218 | 3,949 |
| Add: Transfer during the year | - | 4,269 |
| | 8,218 | 8,218 |
| Share Premium | 29,199 | 29,199 |
| Employee Stock Option Outstanding | - | 2,222 |
| Less : Written back during the year | - | (2,222) |
| | - | - |
| Profit & Loss account | 151,352 | 14,610 |
| Add: Net Profit/(Loss) for current year | 223,289 | 158,225 |
| Less: Tax adjustment of Earlier Years | - | (1,158) |
| Less : Depreciation Adjustment (Refer Note 12) | (381) | - |
| Less: Proposed Dividend and Tax | (34,951) | (20,325) |
| | 339,309 | 151,352 |
| | 348,938 | 180,844 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|---|---------------------------------------|---------------------------------------|
| Note 5 | | |
| Long term Borrowings | | |
| Unsecured | | |
| From Directors | 510 | 546 |
| From Related parties (Refer to note no. 34) | - | 902 |
| | 510 | 1,449 |
| Note 6 | | |
| Deferred Tax Liabilities | | |
| Related to Fixed Assets | 3,035 | 1,244 |
| | 3,035 | 1,244 |
| Note 7 | | |
| Other Long term liabilities | | |
| Liability for Fixed Assets | 1,518 | 2,062 |
| | 1,518 | 2,062 |
| Note 8 | | |
| Long Term Provision | | |
| Leave encashment (Refer to note no. 31) | 420 | 397 |
| Income Tax Provision | 161 | 161 |
| | 580 | 558 |
| Note 9 | | |
| Short Term Borrowings | | |
| Unsecured | | |
| Loan From Others | - | 349 |
| | - | 349 |
| Note 10 | | |
| Other Current Liabilities | | |
| Unpaid Dividends (Refer to Note no.32) | 614 | 187 |
| Advance from Customer | 2,873 | 2,096 |
| Provision for expenses | - | 308 |
| Statutory liabilities | 706 | 3,231 |
| | 4,193 | 5,822 |
| Note 11 | | |
| Short term Provision | | |
| Salary and reimbursement Payable | 2,714 | 957 |
| Providend and ESIC Payable | 141 | 215 |
| Income tax Provision | 66,065 | 37,287 |
| Proposed Dividend | 29,350 | 17,610 |
| Tax on Proposed Dividend | 5,602 | 2,857 |
| | 103,872 | 58,926 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

Note 12
Fixed Assets (Refer Note. 36) (₹ in '000)

| Particulars | Gross Block | | | Depreciation/Amortisation | | | Net Block | | |
|--|---------------------|--------------|-------------------|---------------------------|---------------------|-------------------|------------|---------------------|---------------------|
| | As At 01.04.2014 | Additions | Sale/ Transfer | As At 31.03.2015 | As At 01.04.2014 | For the period | Deduction | As At 31.03.2015 | As At 31.03.2014 |
| a | | | | | | | | | |
| Tangible Assets | | | | | | | | | |
| Factory Land | 194 | 0 | 0 | 194 | 0 | 0 | 0 | 194 | 194 |
| Factory Building | 4366 | 0 | 0 | 4366 | 2787 | 146 | 0 | 1433 | 1579 |
| Plant & Machinery | 35297 | 30835 | 0 | 66132 | 19509 | 6338 | 284 | 40001 | 15788 |
| Furniture & Fixtures | 3792 | 743 | 0 | 4535 | 3387 | 161 | 80 | 907 | 406 |
| Electrical Installation | 1225 | 0 | 0 | 1225 | 1061 | 122 | 9 | 33 | 163 |
| Lab Equipment | 954 | 0 | 0 | 954 | 524 | 176 | 10 | 244 | 430 |
| Motor Car | 5227 | 4307 | 0 | 9535 | 5030 | 644 | 28 | 3832 | 197 |
| Office Equipment | 7357 | 585 | 0 | 7942 | 6336 | 619 | 113 | 852 | 1021 |
| Computer | 1495 | 256 | 0 | 1752 | 986 | 371 | 13 | 381 | 509 |
| Office Building | 134 | 0 | 0 | 134 | 82 | 3 | 2 | 48 | 52 |
| Guest House | 50034 | 0 | 0 | 50034 | 7 | 89 | 0 | 49938 | 50027 |
| Total | 110075 | 36728 | 0 | 146803 | 39710 | 8672 | 539 | 97864 | 70365 |
| Previous year | 61175 | 61138 | 12238 | 110075 | 45599 | 2984 | 8874 | 70365 | 15576 |
| b | | | | | | | | | |
| Intangible Assets | | | | | | | | | |
| Goodwill on Consolidation | 2702 | 0 | 0 | 2702 | 0 | 0 | 0 | 2702 | 2702 |
| Patent Rights | 10445 | 221 | 0 | 10666 | 1816 | 877 | 0 | 7973 | 8629 |
| Total | 13,147 | 221 | - | 13,368 | 1,816 | 877 | - | 10,675 | 11,330 |
| Previous year | 11,897 | 1,250 | | 13,147 | 1,135 | 681 | | 11,330 | 10,763 |
| c | | | | | | | | | |
| Intangible Assets under Development | | | | | | | | | |
| Patent Rights | 8901 | 2167 | 0 | 11068 | 0 | 0 | 0 | 11068 | 8901 |
| Total | 8,901 | 2,167 | - | 11,068 | - | - | - | 11,068 | 8,901 |

Note. 1) Pursuant to enactment of Companies Act, 2013, the Company has applied the WDV depreciation rates as specified in Schedule II. As a result the charge for depreciation is higher/(lower) by 2304('000). Based on the transitional provisions the written down value of assets whose life has expired as at 1st April, 2014 has been adjusted net of tax 381('000), {Gross 539('000) reflected in Deduction/Adjustment} against Retained earnings.


Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 13 | | |
| Non Current Investments | | |
| Investment in Mutual Funds (Quoted) (Non Trade) | | |
| ICICI Prudential Regular Savings Fund - Regular Plan - Quarterly Dividend - Nil (P.Y 1483679.525) | - | 15,000 |
| ICICI Prudential Short Term - Regular Plan - Monthly Dividend - 1279252.234 units (P.Y1279252.234) | 15,000 | 15,000 |
| IDFC Arbitrage Fund-Regular Plan - Dividend units 398513 units (P.Y 1599015) | 4,984 | 20,000 |
| HDFC Cash Management Fund - Call Plan - Daily Dividend Reinvestment - 1953612 units(P.Y Nil) | - | 20,370 |
| HDFC Short Term Plan - Monthly Dividend - 1985000.918 units (P.Y Nil) | 20,604 | - |
| DWS Arbitrage Fund - 1935696.173 units (P.Y Nil) | 20,000 | - |
| DWS Short Maturity Fund - 321976.852 units (P.Y Nil) | 7,500 | - |
| Franklin India Short Term Income Plan - 2844.218 units (P.Y Nil) | 7,500 | - |
| HDFC Corp Debt Opportunity Fund- (2687329.243 units (P.Y Nil) | 30,000 | - |
| ICICI Prudential Equity Arbitrage Fund (544868.069 units (P.Y Nil) | 7,500 | - |
| ICICI Prud. Equity Income Fund Regular Plan (2918287.938 units (P.Y Nil) | 30,000 | - |
| IDFC SSIF-Short Term -Plan A - 739331.447 units (P.Y Nil) | 7,500 | - |
| Unquoted Equity Share (Fully Paid) | | |
| Shamrao Vithal Co op Bank | 9 | 9 |
| 300 Equity Shares of Rs. 25/- each | | |
| 100 Equity Shares of Rs. 10/- each | | |
| Unquoted Equity Share (Fully Paid) in Associates | | |
| SPArrow BioPolymer Products (P) Ltd 4600 Shares of ₹10 Each (P.Y 4600 Shares) (46% holding) | 46 | 46 |
| Unquoted Equity Share (Fully Paid) in Associates | | |
| Sphere Bio-Polymers (P) Ltd 4900 Shares of Rs10 Each (49% holding) | 49 | 49 |
| Shares of Loss of Associates | (2,197) | (2,197) |
| | 148,493 | 68,276 |
| Aggregate amount of non-current investments | | |
| Aggregate amount of quoted investments | 150,588 | 70,370 |
| Aggregate market value of quoted investments | 152,144 | 70,712 |
| Aggregate amount of unquoted investments | 104 | 104 |
| Note 14 | | |
| Long Term Loans and advances | | |
| Capital Advances (Unsecured, considered good) | 30,346 | 7,855 |
| Security Deposit (Unsecured, considered good) | 952 | 940 |
| Advance to Suppliers (Unsecured, considered good) | 3,988 | 20,617 |
| | 35,286 | 29,412 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| Note 15 | | |
| Other Non Current Assets | | |
| Miscellaneous Expenditure | 1,273 | 1,472 |
| | 1,273 | 1,472 |
| Note 16 | | |
| Inventories | | |
| (As taken, valued and certified by Management) | | |
| Finished Goods | 5,636 | 29,167 |
| Raw Material | 1,994 | 2,697 |
| | 7,629 | 31,864 |
| Note 17 | | |
| Trade Receivable | | |
| (Unsecured, Considered Good) | | |
| (i) Outstanding for more than one year | 24 | 720 |
| (ii) Others less than one year | 4,969 | 3,688 |
| | 4,995 | 4,408 |
| Note 18 | | |
| Cash & Cash Equivalents | | |
| Balances with Banks | | |
| Unpaid dividend Account | 171 | 187 |
| Current Account | 240,537 | 107,871 |
| Fixed Deposit with Bank * | 21,581 | 43,251 |
| (Rs. 701('000) (P.Y. 695('000)) for Bank Guarantee) | | |
| Cash on Hand | 1,235 | 742 |
| | 263,525 | 152,050 |
| * Fixed Deposit with Bank includes Rs. 701 ('000) P.Y 695 ('000) with maturity for more than 12 months | | |
| Note 19 | | |
| Short Term Loans and Advances | | |
| (Unsecured considered good) | | |
| Advances to Suppliers | 2,360 | 8,431 |
| Loans and Advances to Employees | 928 | 996 |
| Advance payment of Income Tax | 14,017 | 15,548 |
| Dividend Receivable | 147 | 321 |
| Prepaid Expenses | 269 | 101 |
| Balance with Government Authorities | 2,098 | 6,925 |
| | 19,820 | 32,322 |
| Note 20 | | |
| Other Current Assets | | |
| Interest Accrued on Fixed Deposit | 168 | 96 |
| | 168 | 96 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
|--|--|--|
| Note 21 | | |
| Revenue from Operation | | |
| Sales of Products | 51,323 | 30,841 |
| Consultancy Fees | 192,993 | 105,251 |
| Royalty Income - Patent | 244,535 | 221,325 |
| | 488,851 | 357,418 |
| Note 22 | | |
| Other Income | | |
| Miscellaneous Income | 3,113 | 3,783 |
| Foreign Exchange Gain | - | 1,073 |
| Dividend Income | 5,956 | 2,700 |
| Profit/(Loss) on sale of Investments | 271 | - |
| Interest Income | | |
| On Fixed Deposit | 2,333 | 2,938 |
| On Loans and Deposits | 21 | 1,980 |
| | 11,694 | 12,474 |
| Note 23 | | |
| Material Cost & Inventory Adjustments | | |
| Cost of Raw Materials consumed | | |
| Opening stock | 2,697 | 2,448 |
| Add: Purchases | 11,282 | 15,259 |
| Less: Closing Stock | 1,994 | 2,697 |
| | 11,986 | 15,010 |
| Purchase of Trading Goods | - | |
| | 11,986 | 15,010 |
| Inventory Adjustment: | | |
| Stock at close - Finished Goods | 5,636 | 4,271 |
| Stock at commencement- Finished Goods | 4,271 | 3,043 |
| | (1,365) | (1,227) |
| Stock at close - Stock in Trade | - | 24,896 |
| Stock at commencement- Stock in Trade | 24,896 | 34,578 |
| | (24,896) | (9,682) |
| Material Consumed | 35,517 | 23,464 |
| Note 24 | | |
| Employee Benefit Expenses | | |
| Staff Salaries & Bonus | 12,186 | 8,748 |
| Provident Fund, ESIC & Gratuity | 803 | 513 |
| ESOP compensation cost | - | (2,222) |
| Staff welfare expenses | 501 | 275 |
| Managerial Remuneration | 8,400 | 2,580 |
| | 21,889 | 9,894 |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

(₹ in '000)

| Particulars | Year Ended 31 st March, 2015 | Year Ended 31 st March, 2014 |
|-----------------------------------|--|--|
| Note 25 | | |
| Manufacturing Expenses | | |
| Factory Expenses | 1,620 | 1,371 |
| Workman Wages | 2,774 | 2,086 |
| Electricity, Fuel & Water Charges | 9,191 | 8,177 |
| Repair & Maintenance | 492 | 1,839 |
| Freight Inward | 559 | 302 |
| | 14,636 | 13,774 |
| Note 26 | | |
| Other Expenses | | |
| Administrative expense | | |
| Legal & Professional Charges | 54,075 | 12,172 |
| Marketing Rights for Patents | - | 5,970 |
| Patent Charges | 5,917 | 1,097 |
| Product Research Expenses | - | 50,480 |
| Repairs to others | 524 | 329 |
| Loss on Sale of Assets | - | 2,265 |
| Donations (Refer to Note no.40) | 10,000 | 10,000 |
| Insurance Charges | 162 | 185 |
| Sales Tax And Assessment Dues | - | 505 |
| Commission On Sales | - | 63 |
| Rent, Rate and Taxes | 2,309 | 2,684 |
| Foreign Exchange Gain | 28,206 | - |
| Bad Debts | 598 | 14,340 |
| Miscellaneous Expenses | 18,121 | 20,055 |
| | 119,913 | 120,143 |

27 Contingent liabilities and Commitments:

| Particulars | As at 31 st March, 2015 | As at 31 st March, 2014 |
|--|---------------------------------------|---------------------------------------|
| (i) Contingent Liabilities | | |
| (a) Sales tax matters not acknowledged as debt | 14,982 | 14,982 |
| (b) Income tax matters not acknowledged as debt | - | - |
| (c) Bank Guarantees given | 701 | 696 |
| (d) Other money for which the company is contingently liable | - | - |
| Total | 15,683 | 15,678 |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

- 28** Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.
- 29** In the opinion of the Board and to the best of their knowledge and belief all the Current Assets, Loans and Advances have value on realisation at least of an amount at which they are stated in Balance Sheet.
- 30** The Company does not possess information as to which of its suppliers are covered under micro, small and medium Enterprise Development Act, 2006. However, the company is regular in making payment to its suppliers and has not received any claim in respect of interest for delayed payment.
- 31** Liability In respect of leave encashment are not accounted on basis of actuarial valuation which is not in conformity with Accounting Standard (AS)15 (Revised 2005) on Employee Benefits as issued by the Institute of Chartered Accountant of India.
- 32** For the purpose of distribution of dividend, separate bank account for each year is opened. The balance in this bank account represents the unclaimed /unpaid dividend warrants of the respective years. Unpaid dividends are subject to reconciliation.
- 33** As the company's business activity, in the opinion of the management, falls within single primary segment printing products and packaging material , which are subject to the same risks and returns, the disclosure requirement of Accounting Standard (AS)-17 "Segment Reporting" issued by the Institute Of Chartered Accountant of India are, in the opinion of the management, not applicable
- 34** Related Party Disclosure as required by Accounting Standard 18 of the Institute of Chartered Accountants of India. Related parties as defined under clause 3 of the Accounting standard have been identified on the basis of representation made by management.

i. List of Related Parties with whom transactions entered.

| Name of Related Party | Relationship |
|--|--|
| SP Arrow Bio-Polymer Products Pvt. Ltd Sphere Bio-Polymers Pvt. Ltd. | Associate Company |
| Mr. Shilpan P. Patel (CMD) Mr. Bruce Drew Mr. Neil Patel Mr. Harish Mishra Mr. Haresh Mehta Mr Dinesh Modi Mrs. Suneeta Thakur | Key Management Personnel |
| Mr. Rishil S Patel Mrs. Jigisha S Patel | Relative of Key Management Personnel |
| Arrow Convertors Pvt. Ltd. Avery Bio –Degradable Products Pvt. Ltd. Grace Paper Industries Pvt. Ltd. | Enterprises over which Key Management Personnel are able to exercise significant influence |



Notes to the Consolidated Financial Statements for the year ended March 31, 2015

ii) Transaction with Related Parties & Outstanding Balance as on 31st March, 2015

(₹ in '000)

| Transaction During the Year | Associate Company | Key Management Personnel | Entities where Significant Influence |
|------------------------------|-------------------|--------------------------|--------------------------------------|
| Purchase | - (-) | - (-) | 843 -170 |
| Sale | - (-) | - (-) | - (-) |
| Remuneration | - (-) | 8400 (2580) | - (-) |
| Salary | - (-) | - (315) | - (-) |
| Rent | - (-) | 1888 (1810) | - (-) |
| Sitting Fees | - (-) | 273 (128) | - (-) |
| Fixed Assets Purchased | - (-) | - (-) | 25,908 (-) |
| Advance/Loan Given | - (1) | - (-) | - (2603) |
| Advance/Loan Given Repaid | - (1,146) | - (-) | - (63) |
| Advance/Loan Received | - (-) | - (-) | - (54) |
| Advance/Loan Received Repaid | - (-) | - (11497) | 919 (9101) |
| Balance- Receivable | - (54) | - - | - (2540) |
| Balance- Payable | - (-) | 2,055 (743) | 284 (1113) |

(Previous year figures are shown in bracket)

35 As required by Accounting Standard 20 on Earning per Share issued by the Institute of Chartered Accountant of India (ICAI), basic earning per share has been calculated by dividing net profit after tax by the weighted average number of equity shares outstanding during the year as per detail given below:

| Particulars | 2014-15 | 2013-14 |
|--|------------|------------|
| Profit as per profit & loss Account (After tax & extraordinary items) | 229,094 | 158,307 |
| "Weighted average number of shares used in computing earning per equity share" | | |
| For Basic EPS | 11,739,948 | 11,739,948 |
| For Diluted EPS | 11,739,948 | 11,739,948 |
| Basic earning per share (₹) | 19.51 | 13.48 |
| Diluted earning per share (₹) | 19.51 | 13.48 |
| (on nominal value of ₹10/- per share) | | |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015**

- 36 Some Assets of which the company is the beneficial owner are pending for transfer in the name of the company.
- 37 The Company had decided in the year 2008-09 to discontinue the Trading activities in Digital Printing machines and digital signage cutting machines and the management is of the opinion that all the assets relating to the machine division will realize at a value at which they appear in the books of accounts in aggregate.
- 38 As stipulated in Accounting Standard 28, the company assessed potential generation of economic benefits from its business units and is of the view that assets employed in continuing are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.
- 39 Managerial remuneration paid during the F.Y 2012-13 was subject to approval from the Central Government. The Company has already filled necessary application under Sec. 198 & 309 of the Companies Act, 1956. The application is under process with the central government.
- 40 During the previous year Company has made donation of ₹ 5000 ('000) on 28th September, 2013, which was not in compliance of Sec 293(1)(e) of the Companies Act, 1956. However the company on 4th January, 2014 has obtained shareholders approval for the same.

41 Auditors Remuneration:

(₹ in '000)

| Particulars | 2014-15 | 2013-14 |
|---------------------------------|------------|------------|
| Audit Fees | 298 | 264 |
| Tax Audit Fees | 124 | 112 |
| Taxation Matters | 123 | 236 |
| Certification and Other Matters | 168 | 122 |
| Total | 712 | 735 |

- 42 The company based on its accounting policies followed, does not consider it necessary to provide for diminution in value of investment in subsidiary company.
- 43 The utilisation of funds received by way of Shares issued on Rights basis:

(₹ in '000)

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Balance of Funds raised on Right issue | 10,865 | 10,405 |
| Inter Corporate Deposit | - | 3,000 |
| Plant & Machinery - Purchase/Advance Paid | 10,865 | 2,540 |
| Balance in Fixed Deposit / Escrow Account | - | 10,865 |

44 Earning and expenditure in foreign currency:(on accrual basis)

(₹ in '000)

| Particulars | 2014-15 | 2013-14 |
|--|---------|---------|
| Earning in Foreign Currency | | |
| Export Sales | 4962 | 4677 |
| Consultancy Fees | - | 103533 |
| Expenditure in Foreign Currency | | |
| Raw material | - | 977 |
| Travelling Expenditure | 3263 | 3873 |
| Patent | 1521 | 1506 |

**Notes to the Consolidated Financial Statements for the year ended March 31, 2015****45 The Value of Consumption of directly imported and indigenous obtained raw materials :**

(₹ in '000)

| | 31.03.2015 | % | 31.03.2014 | % |
|--------------|---------------|-------------|---------------|-------------|
| Imported | - | - | - | - |
| Indigenous | 11,986 | 100% | 15,010 | 100% |
| Total | 11,986 | 100% | 15,010 | 100% |

46 Remittance in Foreign Currency on account of dividends :

(₹ in '000)

| Particulars | 31.03.2015 | 31.03.2014 |
|--|------------|------------|
| Year to which the dividend relates | 2013-14 | 2012-13 |
| Number of non-resident shareholders | 1 | 1 |
| Nos. of shares on which remittance were made | 180000 | 180000 |
| Amount remitted | 270 | 135 |

47 Previous Year figures have been regrouped, rearranged wherever necessary to confirm current year classification.

As per our report of even date

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No. 116740
Firm Regd No. 108331W
Place: Mumbai
Date : 29th May 2015

For and on behalf of the Board of Directors

Shilpan Patel
Managing Director

Neil Patel
Whole Time Director

Narayan Navin Jha
Chief Financial Officer

Poonam Bansal
Company Secretary



Notes



Notes

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ARROW COATED PRODUCTS LIMITED

CIN: L21010MH1992PLC069281

Registered Off: 5D, Laxmi Industrial Estate, New Link Road, Andheri (West), Mumbai- 400053

ATTENDANCE SLIP

I/We hereby record my/our presence at the 23rd Annual General Meeting of the Company on Tuesday, 29th September 2015 at 10.30 A.M. at The Classique Club, Behind Infinity Mall, New Link Road, Oshiwara, Andheri (West), Mumbai – 400 053

Name: _____

Address: _____

Regd. Folio. No.: _____ No. of Shares Held: _____

Client ID: _____ DP ID: _____

Name of Proxy/Representative, if any: _____

Signature of the Shareholder(s)/Proxy/Representative: _____

ARROW COATED PRODUCTS LIMITED

CIN: L21010MH1992PLC069281

Registered Off: 5D, Laxmi Industrial Estate, New Link Road, Andheri(WesT), Mumbai- 400053

**Form No. MGT-11
Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L21010MH1992PLC069281
Name of the Company : Arrow Coated Products Limited
Registered Office : 5-D, Laxmi Industrial Estate, New Link Road, Andheri (W), Mumbai -400053

Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name :
Address :
E-mail Id :
Signature :or failing him

2. Name :
Address :
E-mail Id :
Signature :or failing him

3. Name :
Address :
E-mail Id :
Signature :or failing him

.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held on the 29th day of September 2015 at 10:30 a.m. at The Classique Club, Behind Infinity Mall, New Link road, Oshiwara, Andheri (West), Mumbai – 400 053, and at any adjournment thereof in respect of such resolutions as are indicated below:

| Sr. No. | Resolutions |
|---------|--|
| 1 | Adoption of Annual Accounts of the Company as on March 31, 2015 |
| 2 | Declaration of Dividend on Equity Shares |
| 3 | Re-appointment of Mr. Neil Patel, retiring by rotation and being eligible, offering himself for re-appointment |
| 4 | Re-appointment of Statutory Auditors of the Company till the conclusion of the next Annual General Meeting |
| 5 | Appointment of Mr. Hareesh Mehta, as an Independent Director in terms of the Companies Act, 2013. |

Signed this _____ day of _____ 2015

Signature of Shareholder(s): _____

Signature of Proxy(s): _____

Affix
Re. 1/-
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Home Care

- Product Range –
 - Glass Cleaner
 - Multi Purpose Cleaner
 - Anti Bacterial Cleaner
 - Air Fresheners
 - Floor Cleaners
 - Laundry & Dishwasher

Advantages

- Pre dosed water soluble capsule
- Biodegradable & Eco friendly
- No wastage of plastic bottles
- Safe to handle
- Easy to store
- Quality cleaning



Personal Care

- Product Range
 - Hand Wash
 - Face Wash
 - Hair Gel
 - Shampoo
 - And more such products in R&D

Advantages

- Easy to carry
- Dissolves completely, leaves no residue
- Convenient





Registered Office:

Arrow Coated Products Limited

Arrow House, 5-D, Laxmi Industrial Estate, New Link Road, Andheri-West,
Mumbai:- 400 053, India. | Ph:- 022 - 4074 9000 | Fax: 4074 9099