



ARROW COATED PRODUCTS LIMITED

Registered Office: 5-D, Laxmi Industrial Estate, New Link Road, Andheri (W) Mumbai – 400053

**POSTAL BALLOT NOTICE
(Pursuant to Section 110 of the Companies Act, 2013)**

TO THE MEMBERS OF THE COMPANY,

Notice is hereby given pursuant to Section 110 of The Companies Act, 2013 (Act) read with Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) (“the Rules”) that the resolution appended below is proposed to be passed by the Members as Special Resolution(s) by way of Postal Ballot by giving their assent /dissent. The Explanatory Statement pertaining to the said Resolution setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

In the event the draft Resolutions as set out are assented to by requisite majority of Members by means of a Postal Ballot, they shall be deemed to have been passed as Special Businesses at an Extraordinary General Meeting. The Ordinary Resolutions shall be declared as passed with simple majority and Special Resolutions shall be declared as passed if the number of votes cast, in their favour are not less than three times the number of votes cast, if any, against the said Resolutions. The date of the announcement of result of Postal Ballot shall be considered to be the date of Extraordinary General Meeting and the date of passing of the said Resolutions.

Please read carefully the instructions printed on the enclosed Postal Ballot Form and return the Form duly completed in the attached self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer before the close of working hours on 12th July 2014.

TRANSACTION WITH RELATED PARTIES U/S 188 OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to Section 188 and other applicable provisions of The Companies Act, 2013 if any, approval of the members be and is hereby accorded for entering into related party transactions by the Company with effect from 1st April, 2014 up to the maximum amounts per annum as appended below:

MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1ST APRIL 2014		
(Rs. In Crores)		
	Transaction defined u/s 188 (1) of the Companies Act, 2013	
	Sale, purchase or supply of any goods or materials;	Availing or rendering of any services
NAME OF THE RELATED PARTIES		
COMPANIES		
*Grace Paper Industries Private Ltd	1	—
SUBSIDIARIES/STEP-DOWN SUBSIDIARIES		
Arrow Coated Products (UK) Limited along with all its SUBSIDIARY COMPANIES i.e. STEP DOWN SUBSIDIARIES of Arrow Coated Products Limited	10	30
*DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013	5	—

***On actual basis, exempted being in the ordinary course of business and on arm’s length basis**

RESOLVED FURTHER THAT to give effect to this Resolution the Board of Directors and / or any Committee thereof be and is hereby authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution and to do all acts, deeds, things as may be necessary in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings related thereto.



NOTES

1. An explanatory statement as required under Section 102 of the Companies Act, 2013 in respect of the business specified above is annexed hereto.
2. In terms of Section 110 of the Companies Act, 2013 read with the Postal Ballot Rules, the items of business set out in the Notice above are sought to be passed by Postal Ballot.
3. The Board vide its resolution passed on 31st May 2014, has appointed Mr. Rajendra Vaze, Company Secretary in Practice as the Scrutinizer for conducting the Postal Ballot voting process in accordance with the law and in a fair and transparent manner.
4. The shareholders are requested to carefully read the instructions printed in the attached Postal Ballot Form. The Postal Ballot Form, duly completed and signed should be returned in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as to reach the Scrutinizer before the close of working hours on or before 12th July 2014. Any Postal Ballot Form received there after shall be treated as if the reply from the shareholders has not been received.
5. The Notice is being sent to all the Members, whose names appeared in the Register of Members/ Record of Depositories on 31st May 2014. Voting rights shall be reckoned on the paid up value of the shares registered in the name of the Members as on that date.
6. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically instead of dispatching Postal Ballot. In case a member desires to exercise his/her vote by using e-voting facility then he has to carefully follow the instructions as given for e-voting printed in the notice and on the back side of the Postal Ballot Form. He can use the facility and log-in any number of times till he has voted on all Resolutions or till the end of the voting period (i.e. till the last date of receipt of Postal Ballots), whichever is earlier.
7. The results of the Postal Ballot will be announced by the Chairman of the Company or any other Director on 16th July 2014 at 2.30PM at the Registered Office of the Company at Arrow House, 5 – D, Laxmi Industrial Estate, New Link Road, Andheri (West) Mumbai- 400053 and will also be informed to the stock exchanges, hosted on the Company's website www.arrowcoated.com and published in newspapers.

Except Promoter Directors and Key Managerial Personnel of the Company and their relatives, no other Director is concerned or interested in the Resolution.

The copy of Memorandum of Association and Articles of Association of the Company and all other relevant documents in connection with this matter is available for the inspection by any member at the registered office of the Company on any working day during normal business hours.

Place: Mumbai

Date: 31.05.2014

By order of the Board of Directors
FOR Arrow Coated Products Limited

Poonam Bansal
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

The provisions of Section 188(1) of the 2013 Act that govern the following Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in case the paid up share capital of a company is Rs. 10 crores or more, the prior approval of shareholders by way of a Special Resolution :

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, service or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company

Further, third proviso to section 188(1) provides that nothing shall apply to any transaction entered into by the company in its ordinary course of business other than transactions which are not on arm's length basis.

The provisions of section 188 (3) also provide that any contract or arrangement entered into u/s 188 (1) may be ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.



In the light of provisions of the 2013 Act, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2014-2015 and beyond.

All the prescribed disclosures as required to be given under the provisions of the 2013 Act and the Companies (Meetings of Board and its Power) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

PARTICULARS OF PROPOSED TRANSACTIONS FOR THE PURPOSE OF APPROVAL U/S 188 OF THE COMPANIES ACT, 2013		
<u>MAXIMUM VALUE OF CONTRACT /TRANSACTION (PER ANNUM) W.E.F 1ST APRIL 2014</u>		
(Rs. In Crores)		
	Transaction defined u/s 188 (1) of the Companies Act, 2013	
	Sale, purchase or supply of any goods or materials;	Availing or rendering of any services
NAME OF THE RELATED PARTIES		
COMPANIES		
Grace Paper Industries Private Ltd – company in which director is a director on the board	1	—
SUBSIDIARIES/STEP-DOWN SUBSIDIARIES		
Arrow Coated Products (UK) Limited along with all its SUBSIDIARY COMPANIES i.e. STEP DOWN SUBSIDIARIES of Arrow Coated Products Limited	10	30
DIRECTORS/ KMP'S / RELATIVES OF DIRECTORS AND KMPs / OTHER FIRMS AND COMPANIES in which directors have some interest as per the provisions of section 2(76) of the Companies Act, 2013	5	—

a) Name of the related party and nature of relationship.

As provided in table above.

b) Nature , duration of the contract and particulars of the contract or arrangement:

- i) Grace Paper Industries Private Ltd. is a company in which one of the directors of your Company is a director on the Board, your company proposes to purchase or sell certain materials like, but not limited to, polyester Film, Chemicals like PVA etc. These materials are used for coating purposes by both the companies and to take advantage of quantitative discounts and just in time delivery so as to save on inventory costs, these transactions are necessary. These transactions are done on cost basis, and transparently, at Arm's length basis, known to both parties and subjected to audits on regular basis.
- ii) Arrow Coated Products (UK) Ltd. (ACPL UK), having registered office in London and incorporated under the laws of UK is wholly owned subsidiary company of your company, was formed to market goods manufactured by your Company, and two step down subsidiaries named Advance IP Technologies LLC, registered in Cardiff, UK, and Arrow Realty Limited, registered in London were formed to generate revenues from tangible and intangible assets as owned by them respectively.

The approval is sought from Share Holders for these transactions which are done to exploit the strengths of both the companies, so as to best serve the interest of the shareholders. Vigilance of patented products, marketing and creating partners for increasing revenues is very much essential. IPR is more protected and exploitable from a UK/EU based companies. Therefore, your company proposes to transfer these rights to your fully owned company in UK.

c) Material terms of the contract or arrangement including the value, if any:

As referred in point (b) above.

d) Any advance paid or received for contract or arrangement, if any:

NIL

e) Manner of determining the pricing and other commercial terms both included as part of contract and not considered as part of the contract.



All proposed transactions would be carried out as part of the business requirements of your Company and are ensured to be on arm's length basis subject to audit regularly. Further, the Company is also subject to transfer pricing norms prevalent in the country.

- f) **Whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors.**

All factors have been considered.

- g) **Any other information relevant or important for the Board to take a decision on the proposed transaction:**

NIL

Members are hereby informed that pursuant to second proviso of section 188(1) of the 2013 Act, no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party.

The Board of Directors of your Company have approved this item in the Board Meeting held on 31st May 2014 and have recommended the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Except Promoter Directors and Key Managerial Personnel of the Company and their relatives, no other Director is concerned or interested in this Resolution.

INSTRUCTIONS

Member(s) can opt for only one mode for voting i.e. either by Physical Ballot or e-voting. In case you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However in case member(s) cast their vote both by Physical Ballot and e-voting, then voting done through Physical Ballot shall prevail and voting done by e-voting will be treated as invalid.

PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

1. Members desiring to exercise their vote by Postal Ballot should complete this Postal Ballot Form and send it to the Scrutinizer in the attached self addressed, Postage pre paid envelope. However, envelope containing postal ballot, if sent by courier/registered post at the expense of the Registered Member will also be accepted.
2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This Postal Ballot form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the company) by the first name member and in absence, by the next named member. Consent received in any other form shall not be considered valid.
4. Duly completed postal Ballot Form should reach the Scrutinizer not later than the **close of working hours on 6.00 p.m. , the 12th day of July, 2014**, Postal Ballot form/s received after this date will be strictly treated as 'invalid', as if no reply from the member has been received.
5. The Postal Ballot shall not be exercised by Proxy.
6. In case of shares held by Companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authorization together with the specimen signature(s) of the duly authorized signatories.
7. Voting rights shall be reckoned on the number of shares registered in the name of Members on the date of dispatch of the Notice.
8. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the postal ballot form. Incomplete, unsigned, improperly or incorrectly tick (✓) marked postal ballot form will be rejected. Postal Ballot form bearing tick marks in both the columns will render the postal ballot form invalid. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed pre-addressed envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper in such envelope shall be destroyed by the Scrutinizer and the Company would not be able to act on the same.
10. A Member may request for a duplicate Ballot paper, if so required. All such requests should be addressed to its Registrar & Share Transfer Agent M/s System Supports Services, 209 Shivai Ind. Estate, 89, Andheri Kurla Road, Saki Naka, Andheri E, Mumbai – 400072.
11. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to Ms. Poonam Bansal, Company Secretary , Arrow Coated Products Limited, Arrow House, 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) , Mumbai – 400053



PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

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

- i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used.
- ii) Log on to the e-voting website www.evotingindia.com.
- iii) Click on “Shareholders” tab to cast your votes.
- iv) Now, select the Electronic Voting Sequence Number - “EVSN” along with “Arrow Coated Products Limited” from the drop down menu and click on “SUBMIT”
- v) If you hold shares in demat form and have voted for EVSN of any company using CDSL voting system then go to step (viii) otherwise fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN *	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting if PAN NO is registered with the DP otherwise use the default number ACPLE1234Z in the PAN field	
DOB #	Enter the Date of Birth as recorded in your demat account with CDSL. In case of demat accounts with the NSDL/physical cases use 01/01/1990 in the Date of Birth field	
Dividend Bank Details #	Enter the Dividend Bank account no as recorded in your demat account with the DP. If not recorded then use ACPLAC123 in the bank account details.	

please enters any one of the details in order to login

- vi) After entering these details appropriately, click on “SUBMIT” tab.
- vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@ # \$ %& *). 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. Kindly note that this changed password is to be also used by the Demat holders for voting for resolutions for the Company or any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform.
- viii) Click on the relevant EVSN on which you choose to vote.
- ix) 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.
 - x) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
 - xi) 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.
 - xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
 - xiv) The voting period begins on **12th June, 2014 at 10.00 AM** and ends on **12th July, 2014 at 6.00 PM**. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, 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.
 - xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.



ARROW COATED PRODUCTS LIMITED

Registered Office: 5-D, Laxmi Industrial Estate, New Link Road, Andheri (W) Mumbai – 400053

POSTAL BALLOT FORM

1. Name & Registered Address :
of the Sole/ first named
Shareholder
2. Name(s) of the Joint Holder(s) :
(if any) :
3. Registered Folio Number / :
DP ID No. / Client ID No. *
(* Applicable to investors holding
Shares in dematerialized form)
4. Number of Share(s) held :
5. I/We hereby exercise my/our vote in respect of Special Resolution to be passed through Postal Ballot for the businesses stated in the Notice of the Company by conveying my/our assent or dissent, to the said Resolution by placing a tick mark (✓) in the appropriate box below:

Sr.No	Description	Type of Resolution	No. of Shares held	(FOR) I/We assent to the Resolution	(AGAINST) I/We dissent to the Resolution
(1)	Special Resolution under section 188 of the Companies Act, 2013 for Transactions with Related Parties in terms of resolution above	Special			

Place:

Date:

Signature of the Member

NOTE: Please read carefully the instructions printed overleaf before exercising your vote.

ELECTRONIC VOTING PARTICULARS

EVSN	USER ID	PASSWORD
140606005		Refer to instructions on e-voting in the Notice



INSTRUCTIONS

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a) PROCESS AND MANNER FOR MEMBERS OPTING FOR PHYSICAL VOTING

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2. The self-addressed envelope bears the name and address of the Scrutinizer appointed by the Board of Directors of the Company.
3. This Postal Ballot form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per specimen signature registered with the company) by the first name member and in absence, by the next named member. Consent received in any other form shall not be considered valid.
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5. The Postal Ballot shall not be exercised by Proxy.
6. In case of shares held by Companies, trusts, societies, etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution/Authorization together with the specimen signature(s) of the duly authorized signatories.
7. Voting rights shall be reckoned on the number of shares registered in the name of Members on the date of dispatch of the Notice.
8. A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the postal ballot form. Incomplete, unsigned, improperly or incorrectly tick (✓) marked postal ballot form will be rejected. Postal Ballot form bearing tick marks in both the columns will render the postal ballot form invalid. The Scrutinizer's decision on the validity of the postal ballot shall be final and binding.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed pre-addressed envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper in such envelope shall be destroyed by the Scrutinizer and the Company would not be able to act on the same.
10. Member may request for a duplicate Ballot paper, if so required. All such requests should be addressed to its Registrar & Share Transfer Agent M/s System Supports Services, 209 Shivai Ind. Estate, 89, Andheri Kurla Road, Saki Naka, Andheri E, Mumbai – 400072.
11. Any query in relation to the resolutions proposed to be passed by Postal Ballot may be addressed to Ms. Poonam Bansal, Company Secretary , Arrow Coated Products Limited, Arrow House, 5-D, Laxmi Industrial Estate, New Link Road, Andheri (West) , Mumbai – 400053

Tel No. 022 4074 9000, Fax No. 022 4074 9099 or Email to: poonam@arrowcoated.com

b) PROCESS AND MANNER FOR MEMBERS OPTING FOR E- VOTING

Please refer to the instructions appearing under the Notice. In case of any feedback, queries or issues related to e-voting, please contact helpdesk.voting@cdslindia.com

Kindly note that the members can opt for only one mode of voting i.e. either Postal Ballot Form or E-Voting.

A copy of this notice has been placed on the Website of the company and CDSL.