

ARROW SECURITIES LIMITED

ANNUAL REPORT

2009-2010

REGD OFF: 9, Ankur Complex, B/h. Town Hall, Ellisebridge, Ahmedabad - 380006

NOTICE

NOTICE is hereby given that Annual General Meeting of **ARROW SECURITIES, LIMITED** will be held on 30th September, 2010 at 11:30 a.m. at the Registered office of the Company at 9, Ankur Complex, B/h. Town Hall, Ellisebridge, Ahmedabad - 380006 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Sanjay S. Shah who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

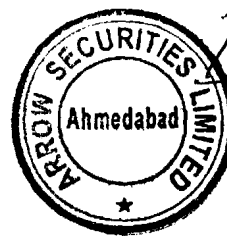
SPECIAL BUSINESS:

4. To Consider and if thought fit to pass the following resolution with or without modification(s) as an Ordinary Resolution.

RESOLVED THAT Mr. Sanjay S. Shah who was appointed as additional Director of the company by the Board of Directors with effect from 26th May, 2009 and who according to section 260 of the companies Act, 1956 hold office up to the date of this Annual General Meeting and in respect of whom the company has received a notice from shareholders in writing proposing his candidature for the office of the Directors be and is hereby appointed as a Director of the company.

Dated : 1st June, 2010
Place : AHMEDABAD

BY ORDER OF THE BOARD



P.P. Patel

CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 27.09.2010 to 30.09.2010 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

DIRECTORS' REPORT

To
The Member,
Arrow Securities Limited

The Board of Directors of your company have the pleasure in presenting the Annual Report together with the Audited Statement of Accounts of your company for the year ended 31st March, 2010.

FINANCIAL RESULTS:

A summarized statement of the financial results for the year ended 31/3/2010 is given herein below: -

Sales	: 9,47,711.00
Expenses	: 3,51,029.00
Profit (Before Tax):	5,96,682.00

DIVIDEND:

The directors have decided to plough back the earnings in the business.

DEPOSITS:

Since the company has not accepted / invited deposits from the public, the provisions of section 58-A of Companies Act, 1956 and rules framed there under are not attracted.

DIRECTOR'S RESPONSIBILITY STATEMENT

Your Directors confirm -

- (a) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true & fair view of the state of affairs of the company at

the end of financial year ended on 31st March, 2010 and of the Profit of the Company for that year.

(c) That the Directors had taken proper and sufficient care for maintenance of adequate accounting records for the year ended 31st March, 2010 in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities.

(d) That the Directors had prepared the Annual Accounts on an going concern basis.

PERSONNEL:

Information required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 regarding employees is not provided as none of the employees of the company is in receipt of remuneration which is more than the sum specified by the prevalent law.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

As required under Section 271 (1) (e) of the Companies Act, 1956, the particulars relating to conservation of Energy and Technology absorption are not provided here as the business of the Company relates to trading in securities not covered under the Schedule to the Annexure of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

AUDITORS: -

Nirav S. Shah & Co., Ahmedabad retires at the ensuing Annual General Meeting. The Company has received a letter from the said Auditors to the effect that their appointment, if from the said Auditors to the effect that their appointment, if made, would be within the prescribed limits u/s 224(1B) of the Companies Act, 1956. You are requested to appoint auditors and fix their remuneration.


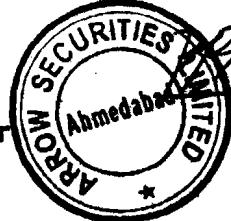

ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation of the devoted services of the workers, staff and the officers who have largely contributed to the smooth functioning of the Company. The Directors also express their gratitude to the Bankers of the Company, for their continued co-operation and support.

FUTURE PLANS:

Your management proposes to continue in the line of Trading in Securities It is envisaged to increase the quantum and turnover manifolds in the near future.

For, ARROW SECURITIES LIMITED.


Director  
Director

Place: Ahmedabad

Date: 01/06/2010

REPORT ON CORPORATE GOVERNANCE

The company pursuant to the code on Corporate Governance introduced by the Securities and Exchange Board of India (SEBI) furnishes its report as under :

Company's Philosophy on Code of Governance

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. As of the year ended 31st March, 2010, the Board of Directors had 3 members comprising of 1 Executive Directors and 2 Non-Executive Directors. All the Non-Executive Directors are Independent Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies* as at 31 st March 2010	Other Mandatory Committee** membership as at 31 st March 2010.	
					Chairman	Member
Mr. Parag Patel	Executive Director	9	Yes	NIL	NIL	NIL
Mr. Sanjay S. Shah	Non Executive Director	8	Yes	NIL	NIL	NIL
Mr. Prakashsinh Rehvar	Non Executive Director	2	No	NIL	NIL	NIL

*Excludes Directorships in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

**Represents Membership/Chairmanship of the Audit Committee, Shareholders/ Investors Grievance Committee and Remuneration Committee of other companies.

CMD-Chairman & Managing Director, WTD- Whole Time Director, NE- Non Executive.

b) Management & Function of the Board:

The day-to-day management of the Company is conducted by the Chairman & Managing Director in consultation with four Whole Time Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board also reviews the Board Minutes of its Subsidiary Company.

c) Details of Board Meetings held during the Financial Year and the number of Directors present:

Serial No.	Dates on which the Board Meeting was held	Total Strength of the Board	No. of Directors Present
1	30.04.2009	3	3
2	26.05.2009	4	4
3	31.07.2009	4	4
4	01.09.2009	4	4
5	30.10.2009	4	4
6	25.01.2010	4	3
7	31.01.2010	4	4
8	11.03.2010	3	3
9	31.03.2010	3	3

d) Committees of the Board

Currently the Board has three committees viz:

1) Audit Committee**Composition:**

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of two Non Executive & Independent Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on			
		30.06.2009	31.07.2009	30.10.2009	30.01.2010
Mr. Sanjay S. Shah	Chairman	Yes	Yes	Yes	Yes
Mr. Prakashsinh Rehvar	Member	N.A.	N.A.	N.A.	N.A.

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- a. 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.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, 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.
- g. Discussion with internal auditors any significant findings and follow up there on.

- h. 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.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. 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.

2) Shareholders'/Investors' Relations Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of two directors. Details of the composition, number of meetings held during the year and attendance thereat as under:

Name	Category of Director	Position held	Attendance at Shareholders' Committee meeting held on				
			30.04.2009	30.07.2009	30.09.2009	31.10.2009	31.03.2010
Mr. Parag Patel	Executive Director	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Sanjay S. Shah	Non – Executive Director	Member	N.A.	Yes	Yes	Yes	Yes

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year complaints were received from SEBI or shareholders were resolved satisfactory.

No requests for share transfers are pending except those that are disputed or sub-judice.

Mr. Parag Patel, Director of the company is the Compliance Officer of the Company.

3) Remuneration Committee:

The Remuneration Committee of the Company comprises of two members, all being non-executive independent directors. Details of composition, number of meetings held during the year and attendance thereat are as under:

Name	Position held	Attendance at Remuneration Committee meeting held on			
		30.04.2009	30.07.2009	30.10.2009	31.03.2010
Mr. Prakashsinh Rehvar	Chairman	N.A.	N.A.	N.A.	Yes
Mr. Sanjay S. Shah	Member	N.A.	Yes	Yes	Yes

The terms of reference of the Remuneration Committee, inter alia consists of to recommend to the Board and to the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including any compensation payment if required and shall review the same from time to time if required.

e) Remuneration Policy & Remuneration paid to Board of Directors:

Remuneration Policy

At present the company has decided not to pay any remuneration to any directors of the company unless and until the company will achieve good financial performance.

The Company does not have any scheme for grant of stock option to its Directors or Employees nor it pay any commission to any of its Directors.

Code of Conduct for Senior Management

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarize themselves with the Code and comply with the same.

The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of this Code in a responsible and effective manner.

All Board members and senior management personnel have confirmed compliance with the code. A declaration signed by the Managing Director is attached and forms part of the Annual Report of the company.

CEO Certification

Chief Executive Office (CEO) certification on financial statements pursuant to the provisions of Clause 49 of the listing agreement is annexed and forms part of the Annual Report of the company.

SHAREHOLDERS INFORMATION::

Location and time of Annual General Meetings held in last three years

For the Year	Location	Date & Time	Special Resolution passed Yes Or No
2008-09	9, Ankur Complex, B/h. Town Hall, Opp. X- ray House, Ellisbridge, Ahmedabad – 380 006	30th September, 2009 11.00 a.m.	No
2007-08	13, Samparn Complex, Nr. Havmore Restaurant, Navrangpura, Ahmedabad.	30th September, 2008 11.00 a.m.	No
2006-07	13, Samparn Complex, Nr. Havmore Restaurant, Navrangpura, Ahmedabad.	29th September, 2007 11.00 a.m.	No

Financial year : 1st April 2009 to 31st March 2010

Date & Time of Annual General Meeting : 30th September 2010 at 11.00 a.m.

Venue :

9, Ankur Complex, B/h. Town Hall, Opp. X – ray House, Ellisebridge, Ahmedabad - 380006

Book closure date : 27th September 2010 to 30th September 2010 (both days inclusive) for Annual General Meeting.

Dividend payment date : N.A.

Registered office : 9, Ankur Complex, B/h. Town Hall, Ellisebridge, Ahmedabad - 380006

Compliance officer : Mr. Sanjay Shah, Director

Financial calendar

The Company has announced/expects to announce the unaudited quarterly results for the year 2010-11 as per the following schedule:

First quarter : on or before 31st July, 2010
Second quarter : on or before 31st October, 2010
Third quarter : on or before 30th January, 2011
Fourth Quarter : on or before 30th April, 2011

Means of communication

The quarterly and half-yearly financial results are published in newspapers.

Listing on Stock Exchange

The shares of the Company are listed on Ahmedabad and Bombay Stock Exchange Limited. However the trading of the securities were suspended.

Stock Code - BSE : 531448

ASE : 04940

Dematerialization Information

The shares of your Company are held in the physical mode and no shares are in the form of demat.

Distribution of Shareholding as on March 31, 2010

No. of Equity shares held	No of share holders	% of shareholders	No of shares held	% of holding
1-500	213	40.72	106500	2.13
501-1000	230	43.98	200600	4.01
1001-2000	8	1.53	12900	0.26
2001-3000	39	7.46	99900	2.00
3001-4000	7	1.34	24900	0.50
4001-5000	2	0.38	9800	0.20
5001-10000	0	0.00	0	0.00
10001 & above	24	4.59	4545500	90.91
Total	523	100.00	5000100	100.00

Categories of Shareholders as on March 31, 2010

	Category	No. of Shares	% of Shares
A	Promoter's Holding		
1	Indian Promoters	17,00,000	34.00
2	Foreign Promoters	-----	-----
	Sub total	17,00,000	34.00
B	Non-Promoters		
3	Institutional Investors	-----	-----
	A Mutual Funds and UTI	-----	-----
	B Banks, Financial Inst., Insurance Com. (Central State Gov. Inst. /Non- Gov Inst.)	-----	-----
	C FIIS	-----	-----
	Sub total	-----	-----
4	Non – Institutional Investors		
	A Private corporate Bodies	19,52,600	39.05
	B Indian Public	13,47,500	26.95
	C NRIs / Clearing Member/OCBs	-----	-----
	Sub total	33,00,100	66.00
	GRAND TOTAL	50,00,100	100.00

Disclosures

(1) There are no materially significant related party transactions of the Company with key managerial personnel which have potential conflict with the interest of the Company at large.

(2) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the period from 1st April 2009 to 31st March 2010 : NIL.

(3) Secretarial Audit –

M/s Anish Shah & Associates, Company Secretaries carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Unclaimed Dividends

The Company will be required to transfer dividends which have remained unpaid/unclaimed for the period of 7 years to the Investor Education & Protection Fund established by the Government. However there is no such unclaimed/unpaid dividend for which Company has to transfer the same to the Investor Education & Protection Fund in this financial year.

Address for Correspondence

Shareholders can do the correspondence at:

To,

Compliance Officer

Arrow Securities Limited

9, Ankur Complex,

B/h. Town Hall, Ellisebridge,

Ahmedabad - 380006

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board members and Senior Management have affirmed compliance with the code of conduct.

For, Arrow Securities Limited

P. Patel

DIRECTOR



[Faint handwritten signature]

CEO CERTIFICATION

We, Mr. Parag Patel, Director certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2010 and that to the best of their knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) significant changes in internal control during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

For Arrow Securities Limited

PPatel

DIRECTOR





NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Appartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

AUDITORS' REPORT

TO:
THE MEMBERS OF
ARROW SECURITIES LIMITED.
AHMEDABAD.

Suspense

We have audited the attached BALANCE SHEET of **ARROW SECURITIES LIMITED.** as at **31.03.2010**, the Profit & Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- (1) (a) As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4 A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.





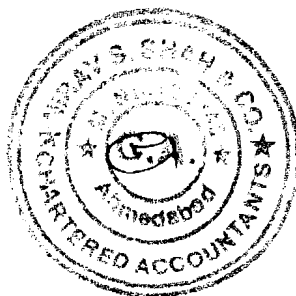
NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
B.Com, A.C.A.

139/1665, Shivalaya Appartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

- (2) Further to our comments in the Annexure referred to above, we report that:
- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of accounts as required by law have been kept by the company so far as appears from our examination of such books.
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956. Given the information required by the companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;





NIRAV S. SHAH & CO.

CHARTERED ACCOUNTANTS.

NIRAV SHAH
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139/1665, Shivalaya Appartment, Nr. Sola Housing Complex, Sola Road,
Ahmedabad - 380 063. (M) : 98256 09734 E-mail : shah.shahassociates@gmail.com

- (i) In the case of the Balance sheet of the state of affairs of the company as at 31.03.2010 and;
- (ii) In case of Profit and Loss Account of the **Profit** for the period ended on that date;

**For NIRAV S. SHAH & Co.
CHARTERED ACCOUNTANTS**


(NIRAV S. SHAH)

Proprietor

Membership # 133345

PLACE : AHMEDABAD.

DATE : 02/06/2010



ANNEXURE

(Referred to in paragraph 1 of our report of even date)

i)

(a) The Company has no Fixed Assets, hence not applicable.

ii)

(a) The Company has no inventory, hence not applicable.

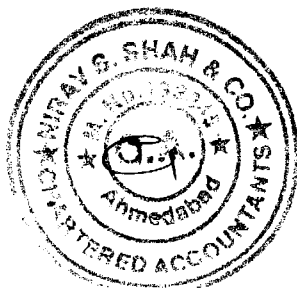
iii)

(a) As informed to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. However, year end Balance of Loan taken from relatives of director is Rs 3,69,819/-

(b) The company had taken loan from five other companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.50 Crores and the year end balance of loans taken from such parties was R. NIL There are to firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans, Maximum amount involved during the year was Rs.20 Crores and the year end balance of loans granted to such parties was Rs.20 Crores.

(c) In our opinion the rate of interest and other terms and conditions on which loans have been taken from/ granted to companies, firms or other parties listed in the register maintained under section 301 of the companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.

(d) In respect of the aforesaid loans, the amount is payable on demand, the company is repaying the principal amount as & when demanded & has not been paying any interest.



(e) The aforesaid loan is repayable on demand & therefore the question of overdue amount does not arise.

iv) In our opinion and according to information & explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and Fixed assets and for the sale of goods. During the course of audit, no major weakness has been noticed in these internal controls.

v)

(a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the companies Act, 1956 have been so entered.

vi) In our opinion, according to the information and explanations given to us, the company has not taken any deposit from the public.

vii) In our opinion the company has an internal audit system commensurate with its size and nature of its business.

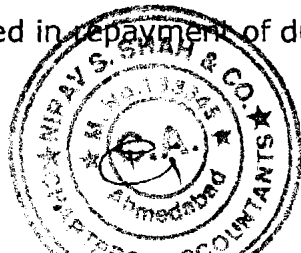
viii) As informed to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the products of the company.

ix) (a) The company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including Provident Fund, Income tax, Sales-tax, Excise Duty, investors education and protection fund, wealth Tax, Custom Duty, Cess and other material Statutory dues applicable to it. There were no arrears for a period of more than six month from the date they became payable as at 31st March 2010

(b) According to the information and explanation given to us, there are no cases of non-deposits with the appropriate authorities of disputed dues of sales tax /excise duty /custom duty / wealth tax / cess. Except Income Tax Provision of Rs.1,01,440/-

x) The company has accumulated losses at the end of the current financial year. The company has not incurred any cash losses in current year

xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions / banks.



- xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, debentures and other securities.
- xiii) The company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xiv) According to the information and explanations given to us, the company is not dealing or trading in Shares, Securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
- xv) In our opinion, the terms and condition on which the company has given guarantees for loans taken by others from Bank or Financial Institutions are, prima facie, not prejudicial to the interest of the company.
- xvi) According to the information and explanations given to us in this year there is no term loan during the year.
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) The company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) According to the information and explanations given to us, no debentures and/or preference shares have been issued during the year.
- xx) The company has not raised any money through a public issue.
- xxi) Based upon the audit procedures performed and information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit

**For NIRAV S. SHAH & Co.
CHARTERED ACCOUNTANTS**

PLACE : AHMEDABAD.

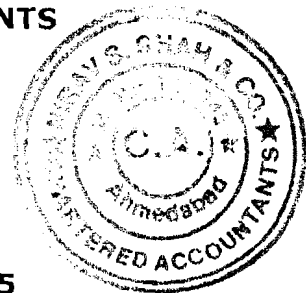
DATE : 02/06/2010



(NIRAV S. SHAH)

Proprietor

Membership # 133345



ARROW SECURITIES LIMITED

BALANCE SHEET AS AT 31 ST MARCH, 2010

PARTICULARS	SCH NO.	Amount (Rs.)	Amount (Rs.)	AS AT 31 ST MARCH-10 Amount (Rs.)	AS AT 31 ST MARCH-09 Amount (Rs.)
SOURCE OF FUND					
Shareholder's Fund :					
A. Share Capital	1			50,001,000	50,001,000
Loan Funds :					
Unsecured Loan	2			132,644,819	132,637,319
TOTAL Rs.----->				182,645,819	182,638,319
FIXED ASSETS :					
Gross Block				-	-
Less : Depreciation				-	-
Net Block				-	-
Investment :					
CURRENT ASSETS, LOANS & ADVANCES					
Sundry Debtors	3	1,101,122			504,440
Cash & Bank Balance		21,355			18,655
Loans & Advances		180,202,557			180,202,557
			181,325,034		180,725,652
Less :					
CURRENT LIABILITIES & PROVISION					
Sundry Creditors	4	718,743			718,743
Provision		256,940			134,000
			975,683		
NET CURRENT ASSETS				180,349,351	179,872,909
Profit & Loss Account				2,296,468	2,765,410
TOTAL Rs.----->				182,645,819	182,638,319

AS PER OUR REPORT OF EVEN DATE

6

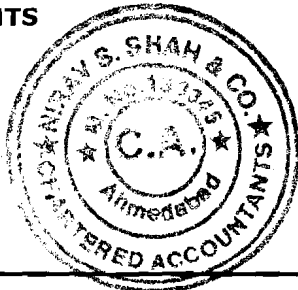
SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING INTERNAL PART OF ACCOUNTS

FOR NIRAV S. SHAH & CO
CHARTERED ACCOUNTANTS

FOR ARROW SECURITIES LTD

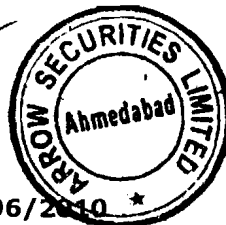
(Signature)

(NIRAV S.SHAH)
PROPRIETOR
MEMBERSHIP # 133345



(Signature)

DIRECTOR



(Signature)

DIRECTOR

DATE : 02/06/2010
PLACE : AHMEDABAD

DATE : 01/06/2010
PLACE : AHMEDABAD

ARROW SECURITIES LIMITED

**TRADING & PROFIT & LOSS A/c. FOR THE PERIOD ENDED
ON 31 ST MARCH, 2010**

PARTICULARS	SCH NO.	AS AT 31 ST MARCH-10 Amount (Rs.)	AS AT 31 ST MARCH-09 Amount (Rs.)
INCOME			
Sales		616,811	23,932,846
Consultancy Income		330,900	-
TOTAL INCOME Rs.----->		947,711	23,932,846
LESS :			
EXPENDITURE :			
Purchases		-	23,402,548
		-	23,402,548
Gross Margin		947,711	530,298
Administrative and Other Exp.	5	351,029	115,958
Profit Before Depreciation & Depreciation		596,682	414,340
Profit Before Tax		596,682	414,340
Tax Expenses :			
Last Year Tax Expenses		26,300	-
Current Tax Expenses		101,440	-
Current Year Profit / Loss		468,942	414,340
Loss Carried from Last Year		(2,765,410)	(3,179,750)
Balance Carried to Balance Sheet		(2,296,468)	(2,765,410)

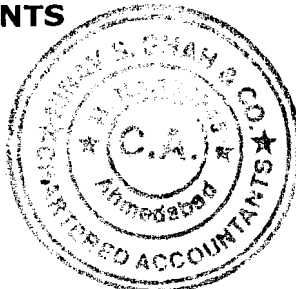
AS PER OUR REPORT OF EVEN DATE

6 SIGNIFICANT ACCOUNTING
POLICIES & NOTES FORMING
INTEGRAL PART OF ACCOUNTS

**FOR NIRAV S. SHAH & CO
CHARTERED ACCOUNTANTS**

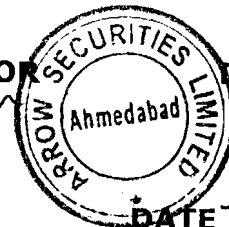
(Signature)

**(NIRAV S.SHAH)
PROPRIETOR
MEMBERSHIP # 133345**



FOR ARROW SECURITIES LTD

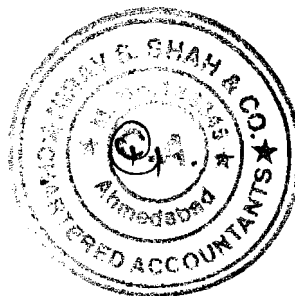
DIRECTOR *(Signature)* **DIRECTOR**



**DATE : 02/06/2010
PLACE : AHMEDABAD**

**DATE : 01/06, 2010
PLACE : AHMEDABAD**

ARROW SECURITIES LIMITED		
SCHEDULE FROMING PART OF THE BALANCE SHEET AS AT 31.03.10		
PARTICULARS	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
SCHEDULE ' 1 '		
SHARE CAPITAL : -		
A. Autorized Share Capital		
6000000 Equity Share each of Face Value of Rs.10/-	60,000,000	60,000,000
B. Issued, Subscribed & Paid - Up Capital		
5000100 Equity Share each of Face Value of Rs.10/-	50,001,000	50,001,000
SCHEDULE ' 2 '		
UNSECURED LOAN		
	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
Inter Corporate Deposit From Pramoters / Share Holder	132,275,000 369,819	132,275,000 362,319
TOTAL Rs.----->	132,644,819	132,637,319

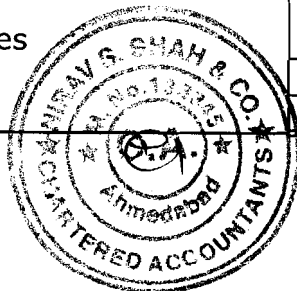


ARROW SECURITIES LIMITED

SCHEDULE FROMING PART OF THE BALANCE SHEET AS AT 31.03.10

SCHEDULE ' 3 ' CURRENT ASSETS LOANS & ADVANCES :-	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
Sundry Debtors : - (Unsecured & Considered Goods)		
A . Outstanding for more than Six months	782,416	504,440
B. Outstanding for less than Six Months	318,706	
	1,101,122	504,440
Cash & Bank Balance :-		
Cash on Hand	13,855	18,655
Bank With Axis Bank	7,500	
	21,355	18,655
Loans & Advances : - [Unsecured & Considered Good] Advances recoverable in Cash or in kind or for value to be received from Employees & Other Advances Interest Receivable TDS	179,318,225 752,284 132,048	179,318,225 752,284 132,048
	180,202,557	180,202,557
TOTAL Rs.----->	181,325,034	180,725,652

SCHEDULE ' 4 ' CURRENT LIABILITIES & PROVISIONS : -	MARCH-10 Amount. Rs.	MARCH-09 Amount. Rs.
Current Liabilities : -		
Sundry Creditors		
For Goods	718,743	718,743
For Expenses		
	718,743	718,743
Provisions : -		
Provisions for Tax	101,440	
Provision for Expenses	155,500	134,000
	256,940	134,000
	975,683	852,743

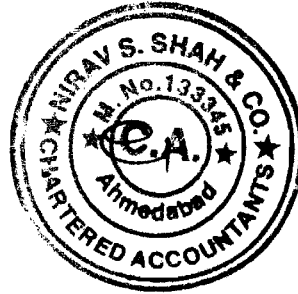


ARROW SECURITIES LIMITED

SCHEDULE ' 5 '

ADMINISTRATIVE & OTHER EXPENSES

PARTICULARS	MARCH-10 Amount (Rs.)	MARCH-09 Amount (Rs.)
Audit Fees	10,000	13,000
Office Rent Expenses	-	48,000
Salary Expenses	312,500	41,000
Postage & Stationary Expenses	1,419	2,038
Other Charges	10,541	
STT Expenses	9,588	
Legal & Professional Fees	4,100	7,500
Telephone Expenses	2,881	4,420
TOTAL Rs.----->	351,029	115,958



NOTES FORMING PARTS OF ACCOUNTS

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**SCHEDULE: ' 6 '**

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SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS :

A. SIGNIFICANT ACCOUNTING POLICIES :

The significant accounting policies followed by the company are as stated below

I. ACCOUNTING CONVENTION :

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The financial statement is prepared under the historical cost convention and follows the mercantile system of accounting and recognizes income and expenditure on the accrual basis except those with significant uncertainties. Sales & Purchase is accounted exclusive of excise duty.

**II. FIXED ASSETS :**

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There is no Fixed assets, hence not applicable.

III. INVENTORIES :

~~~~~

There is no Inventory, hence not applicable.

**IV. INVESTMENT :**

~~~~~

There is no investment.

V. MISCELLANOUS EXPENSES :

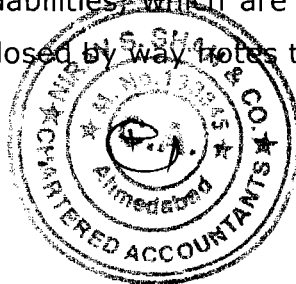
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Preliminary Expenditures are written off over period of ten years.

**VI. CONTINGENT LIABILITIES :**

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No Provision is made for liabilities which are contingent in nature but, if material, the same all disclosed by way notes to the accounts.



B. NOTES ON ACCOUNTS:

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- I. Previous years figures have been regrouped wherever necessary.
- II. Balances of creditors, Loans & Advances and Debtors are subject to confirmation by the parties concerned.
- III. In respect of sales tax / income tax liability company does not expect any more liability than provided in the books of accounts.
- IV. Expenditure on Employees getting remuneration not less Rs.300000/- per year employed throughout the year and Rs.25000/- per month employed for part of year :

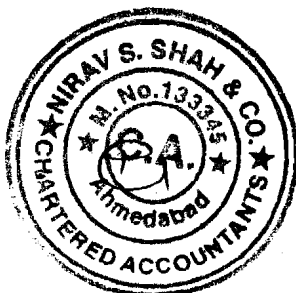
| <u>No. of Employees</u>       | <u>Amount Rs.</u> | <u>Amount Rs.</u> |
|-------------------------------|-------------------|-------------------|
| Employed through out the year | Nil<br>(Nil)      | Nil<br>(Nil)      |
| Employed for a part of a year | Nil<br>(Nil)      | Nil<br>(Nil)      |

**V. (a) Value of import calculates on CIF basis:**

|                             |     |       |
|-----------------------------|-----|-------|
| 1. Raw Material             | Nil | (Nil) |
| 2. Components & Spare Parts | Nil | (Nil) |
| 3. Capital Goods.           | Nil | (Nil) |

**(b) Expenditure in Foreign Currency on account of :**

|                             |     |       |
|-----------------------------|-----|-------|
| 1. Royalty                  | Nil | (Nil) |
| 2. Knowhow.                 | Nil | (Nil) |
| 3. Professional Consultancy | Nil | (Nil) |
| 4. Other Matters            | Nil | (Nil) |



(c) The amount remitted in foreign currency on Nil (Nil)  
Account of dividends to non- residents

VI. Auditor's Remuneration.

|                             | 31-03-2010 | 31-03-2009 |
|-----------------------------|------------|------------|
| a. As Auditors              | 7500.00    | 7500.00    |
| Tax Audit Fees              | NIL        | NIL        |
| b. In other Capacity        |            |            |
| 1. For Income Tax           | 2500.00    | NIL        |
| 2. For Company Law – Matter | NIL        | NIL        |
| 3. For Certification Work   | NIL        | NIL        |
| 4. For Other Works          | NIL        | NIL        |


VII. We relied on vouchers duly certified by the Assessee wherever original bills are not available during the test checked conducted in the course of our audit.

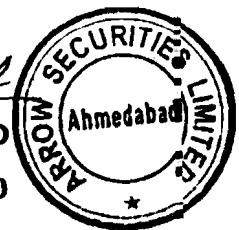
VIII. In the opinion of the Directors of the Company the current assets, Loans & Advances appearing in the balance sheet are approximately of the value as stated if realized in the ordinary course of business.

FOR, NIRAV S. SHAH & Co. FOR, ARROW SECURITIES LIMITED  
CHARTERED ACCOUNTANTS

  
(NIRAV S. SHAH) DIRECTOR DIRECTOR  
PROPRIETOR  
Membership # 133345

PLACE: AHMEDABAD  
DATE : 02/06/2010

  
PLACE : AHMEDABAD  
DATE : 01/06/2010



**Additional information pursuant to part IV schedule VI to the Companies Act, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFIT**

**1. Registration No. :**

**State Code : 04**

**Balance Sheet as on 31-03-2010**

**2. Capital Raised During the year**

**Rs. In Lacs.**

|               |     |
|---------------|-----|
| Public Issue  | NIL |
| Right Issue   | NIL |
| Bonus Issue   | NIL |
| Private Issue | NIL |

**3. Position of mobilization and deployment of funds.**

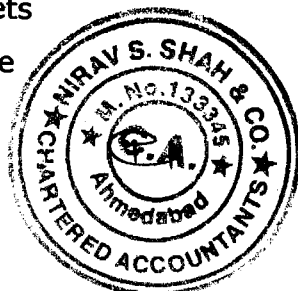
|                 |         |
|-----------------|---------|
| Total Liability | 1826.46 |
| Total Assets    | 1826.46 |

**4. Source of funds**

|                                 |         |
|---------------------------------|---------|
| Paid up Capital                 |         |
| [Incl. Share Application money] | 0500.01 |
| Reserves & Surplus              | 0000.00 |
| Secured Loan                    | 0000.00 |
| Unsecured Loan                  | 1326.45 |

**5. Application of Funds**

|                    |         |
|--------------------|---------|
| Net Fixed Assets   | 0000.00 |
| Investment         | 0000.00 |
| Net Current Assets | 1804.77 |
| Misc. Expenditure  | 0000.00 |



6. Accumulated Losses

Profit & Loss Account 0022.96

7. Performance of the Company


Turnover/ other income 0009.48  
Total Expenses 0003.51  
Speculative Profit before Tax 0005.97  
No Of shares 5000100  
Earning Per Share Rs.0.1193  
Dividend Rs.0.000

Note : There is Speculative Profit so Turnover reflected NET i.e [Sales – Purchase].

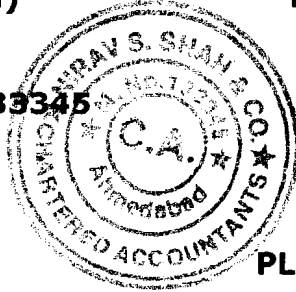
8. General Names of Three principal products/ services of the company.

a) Item Code No. : N.A.  
b) Product description N.A.

**FOR, NIRAV S. SHAH & Co..**  
**CHARTERED ACCOUNTANTS**

  
**(NIRAV S. SHAH)**  
**PROPRIETOR**

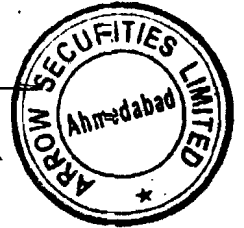
**Membership # 133345**



**PLACE : AHMEDABAD**  
**DATE : 02/06/2010**

**FOR, ARROW SECURITIES LIMITED**

   
**DIRECTOR DIRECTOR**



**PLACE : AHMEDABAD**  
**DATE : 01/06/2010**



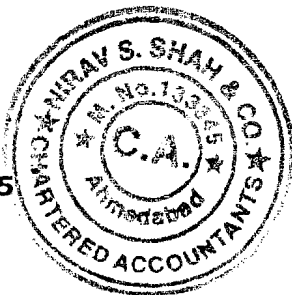
**ARROW SECURITIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2010**  
**PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT**

| [Rs. In Laks]                                                               |            |            |
|-----------------------------------------------------------------------------|------------|------------|
| Particulars                                                                 | 31-03-2010 | 31-03-2009 |
| <b><u>A. CASH FLOW FROM OPERATING ACTIVITIES</u></b>                        |            |            |
| Net profit / (Loss) before Tax & Extra ordinary Items                       | 5.97       | 4.14       |
| <b>Adjustment for ;</b>                                                     |            |            |
| Depreciaton                                                                 | 0          | 0          |
| Preliminary & Public Issue Exp. Written off                                 | 0          | 0          |
| Operation Profit / Loss Before Working Capital Change                       | 5.97       | 4.14       |
| <b>Adjustment for</b>                                                       |            |            |
| Long Term, Loans Raised                                                     | 0          | 0          |
| (Increase) / Decreased in current Assets                                    | -5.97      | -5.04      |
| (Increase) / Decreased in current Liabilities                               | 0.29       | 1.02       |
| <b><u>NET CASH FLOW FROM OPERAITON : ( A )</u></b>                          | 0.29       | 0.12       |
| <b><u>B. CASH FLOW FROM INVESTING ACTIVITIES</u></b>                        |            |            |
| Sales / (Purchase) of Fixed Assets                                          | 0          | 0          |
| Sales / (Purchase) of Fixed Investment                                      | 0          | 0          |
| <b><u>NET CASH FLOW FROM INVESTING ACTIVITIES : ( B )</u></b>               |            | 0          |
| <b><u>C. NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS (A+B)</u></b> | 0.29       | 0.12       |
| Opening Cash & Cash Equivalents                                             | 0.19       | 0.07       |
| Closing Cash & Cash Equivalents                                             | 0.48       | 0.19       |

As per our report of even date Annexed

For, Nirav S. Shah & Co.  
Chartered Accountants

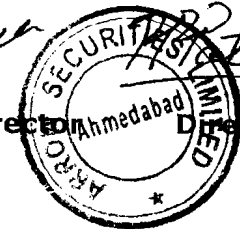
*Nirav Shah*  
Proprietor  
(Nirav Shah)  
Membership # 133345



Date : 02/06/2010  
Place : Ahmedabad

For, Arrow Securities Limited

*[Signature]*  
Director Ahmedabad Director



Date : 01/06/2010  
Place : Ahmedabad