

**ARORA FIBRES LIMITED**

**Board of Directors:**

Rupinder Singh Arora : Chairman  
Navin Marwah : Director  
S. M. Gupta : Director

**Auditors:**

M/s. A. T. JAIN & CO.  
Chartered Accountants  
212, Rewa Chambers,  
31, New Marine Lines,  
MUMBAI-400 020.

**Banker :**

CORPORATION BANK  
HDFC BANK LTD

**Registered Office:**

Survey No. 213, Piparia Industrial Estate,  
Silvassa -396 230, Dadra & Nagar Haveli.

**Corporate Office:**

Arora House,  
16, Golf Link, Union Park,  
Khar (West), Mumbai-400 052.

1. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
2. Please address all correspondence regarding share transfer work to the Registrars and Share Transfer Agents and not to the Company's Registered Office.
3. Members are requested to notify their change of address, if any, to our Registrars and Share Transfer Agents, M/s. Sharex Dynamic (India) Pvt. Ltd., at the following address:

**SHAREX DYNAMIC (INDIA) PVT. LTD.,**

Unit-1, Luthra Ind. Premises, Andheri Kurla Road, Saffed Pool, Andheri (East), Mumbai – 400 072.

# ARORA FIBRES LIMITED

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## NOTICE

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the Members of **ARORA FIBRES LTD.** will be held on Saturday, the 23rd September, 2011, at 11.30 A.M. at the Registered office of the Company at Survey No. 213, Piparia Industrial Estate, Silvassa – 396 230 to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Balance Sheet and the Profit and Loss Account as at and for the year ended 31st March, 2011 and the Reports of the Directors and the Auditors thereon.
2. To appoint a director in place of Shri Surendra Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT M/s. Vinay Gudi & Associates, Chartered Accountants, be and are hereby appointed Auditors of the company in place of the retiring auditors, M/s A.T. Jain & Co. to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on a remuneration to be determined by the Board in consultation with the said auditors in addition to payment for other services and reimbursement of out of pocket expenses.”

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to provisions of Section 269 of the Companies Act, 1956 and other applicable provisions, if any, of the said Act, Shri. Rameshkumar Mishra be and is hereby appointed as the Manager of the Company w.e.f. 1st August, 2011 for a period of five years, with liberty to either party to terminate the appointment by giving three months notice to the other party at a remuneration of Rs.35,000/- per month with an authority to the Board of Director to grant such periodic increments as the Board may think fit provided that all emoluments paid shall be in any case be within the overall limits laid down by Schedule XIII of the Companies Act, 1956.”

5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

“RESOLVED THAT consent and approval of the Company be and is hereby accorded under Sec.314(1)(b) of the Companies Act, 1956 for the appointment of Ms. Ritika Arora, daughter of Mr. R. S. Arora, Chairman of the Company as Manager-Business Development on a cost to the Company of Rs.25,000/- per month and other allowances, perquisites, benefits and amenities as applicable to others in the same grade as per policy of the Company w.e.f. 1st April, 2011.”

“RESOLVED FURTHER THAT the Board of Directors be authorized to sanction at their discretion, increments as they may deem fit including promotion to the Higher Grade but the remuneration shall not exceed such amount so that the limits provided under Sec.314(1-B) become applicable.”

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **SPECIAL RESOLUTION**:

“RESOLVED THAT consent and approval of the Company be and is hereby accorded under Sec.314(1)(b) of the Companies Act, 1956 for the appointment of Ms. Amrita Arora, daughter of Mr. R. S. Arora, Chairman of the Company as Manager-Business Development on a cost to the Company of Rs.25,000/- per month and other allowances, perquisites, benefits and amenities as applicable to others in the same grade as per policy of the Company w.e.f. 1st April, 2011.”

“RESOLVED FURTHER THAT the Board of Directors be authorized to sanction at their discretion, increments as they may deem fit including promotion to the Higher Grade but the remuneration shall not exceed such amount so that the

limits provided under Sec.314(1-B) become applicable."

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman

Mumbai, Dated : 17th June, 2011.

**Corporate Office :**

Arora House, 16, Golf Link,  
Union Park, Khar (West),  
Mumbai – 400 052.

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE MEETING. A BLANK FORM IS ANNEXED TO THIS NOTICE.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 19th September, 2011 to Monday, the 26th September, 2011. (both days inclusive).
3. Explanatory Statement as required under Section 173 of the Companies Act, 1956 in respect of Item No. 3, 4, 5 & 6 is annexed.

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956.**

**ITEM NO. 3**

M/s. A. T. Jain & Co., the retiring Auditors have shown unwillingness to continue as Auditors of the Company due to other pressing commitments. The Company has received a special notice in terms of provisions of the Companies Act, 1956 from a member of the Company signifying his intention to propose the appointment of M/s. Vinay Gudi & Associates, Chartered Accountants as Auditors of the Company for the current year. The Audit Committee and the Board of Directors have recommended the appointment of M/s. Vinay Gudi & Associates as Statutory Auditors. Vinay Gudi & Associates have informed that they are willing to act as Auditors, if appointed.

None of the Directors of the Company is concerned and interested in the resolution.

**ITEM NO. 4:**

Section 269 of the Companies Act, 1956 requires the Companies with paid up capital of Rs.5 Crores and above to have a Managing or Wholetime Director or a Manager. The Board of Directors therefore appointed Mr. Rameshkumar Mishra as Manager w.e.f. 1st August, 2011. The appointment is subject to your approval in the General Meeting. The Board recommends the resolution.

None of the Directors of the Company is concerned and interested in the resolution.

**ITEM NO. 5 & 6:**

Ms. Ritika Arora and Ms. Amrita Arora are associated with the Company for last two years. The Board of Directors has appointed them as Manager – Business Development considering that the Company proposes to grow in many directions. Ms. Ritika Arora is Bachelors of Science in Management, Finance from a well-known Purdue University, Indiana, U.S.A. Similarly Ms. Amrita Arora is BSc Economics from University of Southern California, USA. Their knowledge and experience will help the Company to achieve the goals which it has set for itself.

None of the Directors of the Company except Mr. R.S. Arora is concerned and interested in the resolution.

By Order of the Board of Directors

**RUPINDER SINGH ARORA**  
Chairman

Mumbai, Dated : 17th June, 2011.

**Corporate Office:**

Arora House,  
16, Golf Link,  
Union Park, Khar (West)  
Mumbai- 400 052

# ARORA FIBRES LIMITED

## Directors' Report

To the Shareholders

Your Directors present before you the Eighteenth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2011.

### FINANCIAL RESULTS :

	2010-2011 Rupees	2009-2010 Rupees
Profit/Loss before Finance Charges, Depreciation and Taxation	2,77,14,813	1,19,14,499
Add / Less : Interest	1,21,27,902	77,43,913
Profit/Loss before Depreciation and Taxation	1,55,86,911	41,70,586
Less:Depreciation	79,52,829	62,19,397
Profit/Loss for the year before extraordinary item	72,04,275	(20,48,811)
Profit / Loss after tax	42,54,829	(20,48,811)
Brought forward Loss from previous year	17,38,90,772	(17,18,41,961)
Balance carried to Balance Sheet	(3,43,00,243)	(17,38,90,772)

### DIVIDEND :

The Board of Directors regrets its inability to declare dividend in view of carried forward loss and loss for the year.

### WORKING:

The Company has registered a net profit of Rs.42,54,829/-. As per BIFR Order the paid up capital was reduce by Rs.13,53,35,700/- which was adjusted against the carried forward loss of Rs.17,38,90,772/-. This reduced the carried forward loss and the carried forward loss at present stands at Rs.3,43,00,243/-

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

#### Global Economic Condition

In recent times, the economic crisis and its repercussions have accelerated the shift of economic power from the developed to the emerging nations.

The major challenges the world economy is facing now is managing the shift in balance of power from the developed to emerging economies.

#### Overview of Indian Economy

The Indian economy witnessed a higher growth in GDP of 8.5% for the year 2010-2011 over a growth of 8% in 2009-2010. A strong rebound in agriculture and continued momentum in some sectors of manufacturing and construction enabled the economy to achieve a higher growth in 2010-2011. Economic growth was supported on the demand side, by increased private consumption during the year, and accelerated investment in the first three quarters of 2010-2011. Consumer durables, Automobile sector and engineering goods were the main contributors to this growth. In 2011-2012, the projected growth rate is in the range of 8% to 8.5%.

Aided by its young demographic profile, India is regarded as one of the youngest economies in the world with considerable opportunities as a consumer market and a manufacturing hub. To achieve a sustainable

growth, the country needs to push forward governance reforms and innovative public-private partnerships to deliver rapid and inclusive growth and an enabling environment for upgrading infrastructure.

### **Our business and Performance**

BIFR vide its Order of 14th November, 2010 reduced the Paid up Capital of the Company by 90% and directed the promoter to invest Rs. 8.55 Crores in the Capital of the Company. The Paid up Capital now stands at Rs.10.05 Crores. The Company is manufacturer of Polyester Staple Fibre out of Polyester Waste. The Company achieved Sales Turnover of Rs. 25.39 Crores as compared to Rs. 15.05 Crores of the previous year. The Company registered a profit of Rs. 42.55 lacs as compared to a loss of Rs. 20.49 lacs.

#### **1. Directors' Responsibility Statement**

Your Directors confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and of the profit of the Company for that year;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors have prepared the annual accounts on a going concern basis.

#### **2. Corporate Governance**

As per clause 49 of the Listing Agreement with The Stock Exchange, a detailed Corporate Governance Report is annexed to the Directors' Report.

#### **3. Audit Committee**

The Audit Committee consists of Shri Navin Marwah, with financial and accounting knowledge as Chairman and Shri S. M. Gupta and Shri R.S.Arora as members. Shri Navin Marwah & Shri S.M.Gupta are independent directors with independent judgment in the deliberation and decisions of the Board.

#### **4. Directors**

Shri Surendra Gupta retires by rotation and being eligible offers himself for reappointment.

#### **5. Auditors' Report**

The observations of the Auditors are self explanatory.

#### **6. Auditors**

M/s. A. T. Jain & Co., the retiring Auditors have shown unwillingness to continue as Auditors of the Company due to other pressing commitments. It is therefore proposed to appoint M/s.Vinay Gudi & Associates, Chartered Accountants as Auditors for the current year. M/s.Vinay Gudi & Associates, have informed that they are willing to act as Auditors, if appointed.

#### **7. Particulars of Employees**

The particulars of employees required to be given under provisions of Section 217 (2A) of the Companies Act, 1956 – NIL.

## ARORA FIBRES LIMITED

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### 8. Conservation of Energy

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure 'A' and forms part of the Report.

### 9. Foreign Exchange Earnings and Outgo:

The Company's has no foreign exchange earnings during the year was Rs.179.57 Lacs. The Company incurred foreign exchange outgo amounting to Rs.377.98 Lacs during the year.

### 10. Acknowledgements:

Your Directors thank the Company's clients, vendors, investors and bankers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by employees at all levels.

For and on behalf of the Board of Directors

**RUPINDER SINGH ARORA**  
*Chairman*

Mumbai, Dated : 17th June, 2011.

***Corporate Office:***

Arora House, 16, Golf Link,  
Union Park, Khar (West),  
Mumbai- 400 052.

**Annexure to the Directors' Report**

**Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors') Rules, 1988.**

**Annexure 'A'**

**A Conservation of Energy:**

Various steps and measures are continuously being taken to further reduce consumption of electricity. These measures have resulted / will result in saving in the consumption of power and fuel.

**B Total energy consumption and energy consumption per unit of production as per prescribed Form 'A':**

**(A) Power and Fuel Consumption**

	<b>31.03.2011</b>	<b>31.03.2010</b>
1. Electricity		
(a) Purchased - Units (in lacs)	32.91	94.09
Total amount (Rs. in lacs).....	108.10	129.23
Rate per Unit (Rs.).....	3.28	3.79
(b) Own generation.....	NIL	NIL
2. Coal .....	NIL	NIL
3. LPG Gas		
Quantity (Kgs in lacs).....	1.69	1.59
Total (Rs. in Lacs).....	74.54	64.62
Average Rate (Rs.).....	44.13	40.53

**C. Research**

There is no activity on research and development.

**D. Technology absorption:**

The Company has fully absorbed the technology obtained from Mijung Ind. Co. Ltd., Korea. The Company is continuously taking steps to improve the product and process technology.

**E Foreign Exchange Earning and Outgo :**

	(Rs. In Lacs)
a) Foreign Exchange earned	NIL
b) Foreign Exchange used-Travelling Expenses	179.57
c) Foreign Exchange used – Import of Plant & Machinery	2.95
d) Advance to suppliers	375.04
e) Foreign Exchange used-Import of Stores, Sparse & Machinery	0.42
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For and on behalf of the Board of Directors

**RUPINDER SINGH ARORA**

*Chairman*

Mumbai, Dated : 17th June, 2011.

**Corporate Office:**

Arora House, 16, Golf Link,  
Union Park, Khar (West),  
Mumbai- 400 052.

# ARORA FIBRES LIMITED

## Report of the Directors on Corporate Governance

(As per clause 49 of the Listing Agreement with Stock Exchange, Bombay)

### 1. Company's philosophy on code of Governance.

The company is committed to adhere to the code of corporate governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to investors, customers, creditors, employees and the society at large.

The objective of the Company is not just to meet the statutory requirements of the Code of Corporate Governance as prescribed under Clause 49 of the Listing Agreement but, to develop such systems and follow such practices and procedures to satisfy the spirit of the law.

### 2. Board of Directors

The present strength of the Board of Directors of the Company is 3 Directors. The Board comprises of 1 Promoter-Chairman and 2 Non-Executive Directors with independent judgment in the deliberation and decisions of the Board.

Attendance of each Director at the Board Meetings and last AGM.

Sr.No	Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM
1.	Shri. Rupinder Singh Arora	Chairman	7	Yes
2.	Shri. Navin Marwah	Non-Executive Independent Director	7	Yes
3.	Shri. S. M. Gupta	Non-Executive Independent Director	7	Yes

Date of last AGM – 25th September, 2010

Number of other companies or committees the Director is a Director / Member.

Name of Director	No. of other Directorships in Public Limited Companies	No. of other Board Committees in which Member
Shri Rupinder Singh Arora	2	Nil
Shri Navin Marwah	1	1
Shri S. M. Gupta	Nil	Nil

Number of Board meetings held and dates of the Board Meetings.

Number of Board Meetings – 7

Dates of Board Meetings

(1) 19th April, 2010 (2) 21st May, 2010 (3) 29th July, 2010 (4) 29th October, 2010  
(5) 6th January, 2011 (6) 20th January, 2011 (7) 7th February, 2011

### 3. Audit Committee

The Audit Committee of the Company comprises of (1) Shri Navin Marwah, Chairman of the Committee with financial and accounting knowledge, (2) Shri S. M. Gupta and (3) Shri Rupinder Singh Arora. Shri Navin Marwah and Shri S.M.Gupta are independent directors with independent judgment in the deliberation and decisions of the Board. This committee has been empowered to cover all the matters specified under Section 292 A of the Companies Act, 1956, and also the matters listed under the Listing Agreement with Stock Exchanges.

Number of Audit Committee meetings – 4

Attendance of each member of the Audit Committee

Name of the Director	No. of meetings held	No. of Meetings attended
Shri Navin Marwah	4	4
Shri. S. M. Gupta	4	4
Shri. R.S.Arora	4	4

Dates of Audit Committee Meetings

(1) 21st May'2010 (2) 29th July 2010, (3) 29th October'2010 (4) 7th February, 2011.



**4. Remuneration Committee**

- a) Details of remuneration paid / payable to whole-time Director

The Company does not have a whole-time Director.

Details of payments made to non-executive Directors

<b>Name of the Director</b>	<b>Sitting fees paid (Rs.)</b>
Shri Rupinder Singh Arora	11,000/-
Shri Navin Marwah	11,000/-
Shri S. M. Gupta	11,000/-

The company is too small to have a remuneration committee.

**5. Shareholders Committee**

A Shareholders / Investors grievance committee comprises of two independent Directors viz. Mr. Navin Marwah (Chairman) and Mr. S.M.Gupta.

**6. General Body Meetings.**

<b>General Meeting</b>	<b>Date and Time</b>	<b>Place</b>	<b>No. of Special Resolution Passed</b>
Annual General Meeting	25th September, 2010 at 11.30 a.m.	At the Registered office of the company at Survey No. 213, Piparia Industrial Estate, Silvassa – 396 230. Dadra & Nagar Havel.	
Annual General Meeting	26th September, 2009 at 11.30 a.m.	-"	
Annual General Meeting	30th September, 2008 at 11.00 a.m.	-"	1

During the Financial year 2010-2011, the Company has not passed any Special Resolution through postal ballot.

**7. Disclosures**

- A. None of the transactions with any of the related parties were in conflict with the interests of the company.
- B. The Company has complied with all the requirements of Stock Exchange or SEBI or any other authority related to the Capital markets during the last 3 years.

**8. Means of Communication**

The quarterly results are normally published in "Free Press Journal" and "Nav Shakti". The Annual Report is sent every year to the shareholders. Half yearly reports are not sent.

**9. General Shareholder Information :**

Annual General Meeting

23rd September, 2011.

11.30 a.m. at the Registered Office of the Company at Survey No. 213, Piparia Industrial Estate, Silvassa – 396 230, Dadra & Nagar Haveli.

## ARORA FIBRES LIMITED

Financial Year	31st March, 2011
Book Closure	16.09.2011 to 23.09.2011
Dividend Payment date	No dividend
Listing on Stock Exchange	Mumbai
Stock Code	521174 (Mumbai)

### Market Price Data :

	HIGH	LOW
April, 2010	3.04	2.41
May, 2010	3.14	2.55
June, 2010	3.00	2.51
July, 2010	3.20	2.58
Aug, 2010	4.64	2.96
Sept, 2010	6.34	4.22
Oct, 2010	5.44	4.48
Nov, 2010	6.65	3.87
Dec, 2010	6.00	4.28
* Till 13th Jan, 2011	7.68	5.02
* Feb, 2011	-	-
* Mar, 2011	-	-

□ The Stock Exchange suspended trading due to procedural reasons.

Any two of the directors were authorized to approve transfers / transmissions etc. The directors regularly approves transfers twice a month on 10th and 25th of every month and hence no share transfers are pending.

### Registrars and Share Transfer Agents :

SHAREX DYNAMIC (INDIA) PVT LTD.

Unit – I, Luthra Ind. Premises, Safed Pool, Andheri – Kurla Road,  
Andheri (E), Mumbai – 400 072.

Distribution of Shareholding as on 31/03/2011 :

Sr. No.	No. of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares Held	% of Total Shares.
1.	UPTO TO 100	15441	93.84	329820	3.29
2.	101 TO 200	483	2.94	77845	0.77
3.	201 TO 500	325	1.97	110122	1.10
4.	501 TO 1000	101	0.61	75101	0.75
5.	1001 TO 5000	97	0.59	198354	1.97
6.	5001 TO 10000	4	0.02	24482	0.24
7.	10001 TO 100000	4	0.02	133059	1.32
8.	100001 TO ABOVE	2	0.01	9104947	90.56
		16,457	100.00	1,00,53,730	100.00