



ARORA FIBRES LIMITED

**20th Annual Report
2012-2013**

ARORA FIBRES LIMITED

Board of Directors:

Rupinder Singh Arora	: Chairman
Navin Marwah	: Director
Surendra Gupta	: Director
Hrushikesh Deodhar	: Director

Auditors:

M/s. VINAY GUDI & ASSOCIATES

Chartered Accountants
2/25, Meghdoot, Tilak Road,
Thane -400 603

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

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of ARORA FIBRES LTD. will be held on Saturday, the 21st September, 2013, 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, 2013 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 appoint Auditors and to authorize the Board to fix their remuneration. In this connection, to consider and, if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION :
"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provision, if any, of the Companies Act, 1956 M/s. Vinay Gudi & Associates, Chartered Accountants, be and are hereby appointed Auditors of the Company 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."
4. To appoint Shri Hrushikesh Deodhar as Director of the Company

By Order of the Board of Directors

RUPINDER SINGH ARORA
Chairman

Mumbai, Dated : 14th August, 2013.

Corporate Office :

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

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. 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 Friday, the 13th September, 2013 to Saturday, the 21st September, 2013 (both days inclusive).
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed hereto.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of The Companies Act, 1956

Special Business

Item No.4

The Board of Directors of the Company (the Board), pursuant to the provision of Section 260 of the Companies Act, 1956 ('the Act') appointed Shri Hrushikesh Deodhar as an Additional Director of the Company at its meeting held on 14th August, 2013.

In terms of the provision of Section 260 of the Act, Shri Hrushikesh Deodhar would hold office up to the date of the Annual General Meeting.

The Company has received a notice in writing under the provision of Section 257 of the Act from a member along with a deposit of Rs.500/- proposing the candidature of Shri Hrushikesh Deodhar for the office of Director of the Company.

Shri Hrushikesh Deodhar is a Chartered Accountant and is a Director in 5 more Companies. Apart from his knowledge in his field of Finance and taxations, he has vast experience in fields like education, chemicals and real Estate.

It will be in the interest of the Company, if Shri Hrushikesh Deodhar is appointed as a Director liable to retire by rotation, in accordance with the provisions of the Articles of association of the Company.

The Board recommends the Resolution set out at item No.4 of the Notice for your approval.

None of the Directors, except Shri Hrushikesh Deodhar, is in any way concerned or interested in passing of the resolution.

By Order of the Board of Directors

RUPINDER SINGH ARORA
Chairman

Mumbai, Dated : 14th August, 2013.

Corporate Office :

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

DIRECTORS' REPORT

To the Shareholders

Your Directors present before you the Twentieth Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2013.

FINANCIAL RESULTS :

	2012-2013 Rupees	2011-2012 Rupees
Profit/Loss before Finance Charges, Depreciation and Taxation.....	3,27,02,089	(1,76,480)
Less: Interest	2,08,91,702	1,79,11,883
Profit/Loss before Depreciation and Taxation.....	1,18,10,387	(1,80,88,363)
Less: Depreciation.....	1,19,08,871	1,17,59,716
Profit/Loss for the year before extraordinary item	(98,484)	(2,98,48,079)
Less: Extraordinary Item	-	3,02,46,000
Profit / Loss after tax.....	(98,484)	(6,00,94,079)
Brought forward Loss from previous year	9,43,94,322	3,43,00,243
Balance carried to Balance Sheet	(9,44,92,806)	(9,43,94,322)

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 cash Profit before depreciation of Rs.118.10 lacs.. After providing for Depreciation of Rs.119.09 Lacs the Company registered a loss of Rs.0.98 lacs. The carry forward loss at present stands at Rs.944.93 lacs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Global Economic Condition

The world continues to go through a difficult economic situation. Europe is still not out of difficulties. The United States is showing signs of recovery. The growth has slowed down in China and India. In addition inspite of Reserve Bank of India's efforts the inflation is not under control.

Overview of Indian Economy

The Indian economy witnessed a decline in GDP growth of 5% during the year compared to a growth of 8.5% in the previous year. The mounting fiscal deficit and high Current Account Deficit has impacted the investment momentum in the Indian economy. 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

The Company's performance improved during the year because of improvement in quality and customer satisfaction. The Company achieved Sales Turnover of Rs.3467.55 Lacs as compared to Rs.2491.71 Lacs of the previous year. The Company registered a profit before depreciation of Rs.118.10 Lacs as compared to loss of Rs. 180.88 lacs in the previous year. After providing for depreciation of Rs. 119.09 lacs the loss was Rs.0.98 Lacs.

ARORA FIBRES LIMITED

1. Directors' Responsibility Statement

Your Directors confirm:

- (i) that in 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, 2013 and of the loss 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 Hrushikesh Deodhar, with financial and accounting knowledge as Chairman and Shri Navin Marwah, Shri Surendra Gupta and Shri R. S. Arora as members. Shri Hrushikesh Deodhar, 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.

The Board of Directors has appointed Shri Hrushikesh Deodhar as an Additional Director, who holds office upto the date of ensuing Annual General Meeting. It is proposed to obtain approval of Shareholders at the ensuing Annual General Meeting for the appointment of Shri Hrushikesh Deodhar as a Director liable to retire by rotation.

5. Auditors' Report

The observations of the Auditors are self explanatory.

6. Auditors

M/s. Vinay Gudi & Associates, Chartered Accountants retire and are eligible for re-appointment. 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.

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 foreign exchange earnings during the year was Rs.93.31 Lacs. The Company incurred foreign exchange outgo amounting to Rs.12.32 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 : 14th August, 2013.

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	31.03.2013	31.03.2012
1. Electricity		
(a) Purchased - Units (in lacs).....	52.21	30.11
Total amount (Rs. in lacs).....	212.88	129.80
Rate per Unit (Rs.).....	4.08	4.31
(b) Own generation.....	NIL	NIL
2. Coal	NIL	NIL
3. LPG Gas		
Quantity (Kgs in lacs).....	0.91	0.96
Total (Rs. in Lacs).....	64.99	49.63
Average Rate (Rs.).....	71.08	51.66
(B) Consumption per unit of production		
Electricity (Per kg)	4.63	4.83
LPG Gas (Per kg).....	1.41	1.85

C. Research

There is no activity on research and development.

D. Technology absorption:

The Company has fully absorbed the technology obtained from Zhangjiagang Gangying Industry Co. Ltd., China. 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	93.31
b) Foreign Exchange used-Travelling Expenses	NIL
c) Foreign Exchange used – Import of Plant & Machinery	12.32
d) Advance to suppliers	NIL
e) Foreign Exchange used-Import of Stores, Spare & Machinery	NIL

For and on behalf of the Board of Directors

RUPINDER SINGH ARORA
Chairman

Mumbai, Dated : 14th August, 2013.

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 4 Directors. The Board comprises of 1 Promoter-Chairman and 3 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.

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

Number of Board Meetings – 4

Dates of Board Meetings

(1) 31th May, 2012 (2) 14th August, 2012 (3) 9th November, 2012 (4) 14th February, 2013

Sr.No	Name of the Director	Category	No. of Board Meetings attended	Attendance in last AGM
1.	Shri. Rupinder Singh Arora	Chairman	4	Yes
2.	Shri. Navin Marwah	Non-Executive Independent Director	4	Yes
3.	Shri. Surendra Gupta	Non-Executive Independent Director	4	Yes
4.	Shri. Hrushikesh Deodhar	Non-Executive Independent Director	-	-

Date of last AGM – 23rd September, 2012

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 Surendra Gupta	Nil	Nil
Shri Hrushikesh Deodhar	2	1

3. Audit Committee

The Audit Committee of the Company comprises of (1) Shri Hrushikesh Deodhar Chairman of the Committee with financial and accounting knowledge (2) Shri Navin Marwah, (3) Shri Surendra Gupta and (4) Shri Rupinder Singh Arora. Shri Hrushikesh Deodhar, 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

Dates of Audit Committee Meetings

(1) 31th May, 2012 (2) 14th August, 2012 (3) 9th November, 2012(4) 14th February, 2013

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. Surendra Gupta	4	4
Shri. R.S.Arora	4	4
Shri. Hrushikesh Deodhar	-	-

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

Name of the Director	Sitting fees paid (Rs.)
Shri Rupinder Singh Arora	8,000/-
Shri Navin Marwah	8,000/-
Shri S. M. Gupta	8,000/-

The company is too small to have a remuneration committee.

5. Shareholders Committee

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

6. General Body Meetings.

General Meeting	Date and Time	Place	No. of Special Resolution Passed
Annual General Meeting	23rd September,2012 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	23rd September,2011 at 11.30 a.m.	"	2
Annual General Meeting	25th September,2010 at 11.30 a.m.	"	-

During the Financial year 2011-2012, the Company has passed two 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 except the requirement of clause 40A of the Listing Agreement.

ARORA FIBRES LIMITED

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

21st September, 2013.

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

Financial Year

31st March, 2013

Book Closure

13.09.2013 to 21.09.2013

Dividend Payment date

No dividend

Listing on Stock Exchange

Mumbai

Stock Code

521174 (Mumbai)

Market Price Data :

	HIGH	LOW
*April, 2012	19.75	14.50
May, 2012	16.90	12.00
June, 2012	12.49	8.60
July, 2012	9.70	7.06
Aug, 2012	7.50	6.35
Sept, 2012	8.01	6.00
Oct, 2012	9.92	7.40
Nov, 2012	9.26	7.01
Dec, 2012	9.54	7.90
Jan, 2013	10.58	8.51
Feb, 2013	10.18	8.76
Mar, 2013	10.20	7.26

* The Stock Exchange suspended trading due to procedural reasons.

Any two of the directors were authorized to approve transfers / transmissions etc. The directors regularly approve 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 31/03/2013 :

Sr. No.	No. of equity shares held	No. of Shareholders	% of total shareholders	No. of Shares Held	% of Total Shares.
1.	UPTO TO 100	14778	93.89	316178	3.14
2.	101 TO 200	449	2.85	74825	0.74
3.	201 TO 500	309	1.96	105306	1.05
4.	501 TO 1000	89	0.57	70959	0.71
5.	1001 TO 5000	102	0.65	222800	2.22
6.	5001 TO 10000	8	0.05	37670	0.37
7.	10001 TO 100000	4	0.03	122383	1.22
8.	100001 TO ABOVE	1	0.01	9103609	90.55
		15959	100.00	1,00,53,730	100.00