

21st Annual Report 2013-2014

ARORA FIBRES LIMITED

Board of Directors:

Rupinder Singh Arora : Chairman
Hrushikesh Deodhar : Director
Surendra Gupta : 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.

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.

Corporate Office:

Arora House,
16, Golf Link, Union Park,
Khar (West), Mumbai-400 052.
Corporate Identification Number:
L17119DN1993PLC000054

ARORA FIBRES LIMITED

NOTICE

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of **ARORA FIBRES LTD.** will be held on Saturday, the 27th September, 2014, 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, 2014 and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr.R.S.Arora who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors M/s. Vinay Gudi & Associates, Chartered Accountants, for a period of three years at the ensuing Annual General Meeting and to be ratified their appointment every year in the Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Independent Director of the Company

“Resolved that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013. Mr.Surendra Gupta (Holding DIN 00050819), Director of the Company be and is hereby appointed as an Independent Director of the Company at the ensuing Annual General Meeting to hold office for five consecutive years for a term up to 27th September, 2019.

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

Appointment of Independent Director of the Company

“Resolved that pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr.Hrushikesh Deodhar (Holding DIN 02038084), Director of the Company be and is hereby appointed as an Independent Director of the Company at the ensuing Annual General Meeting to hold office for one year up to 27th September, 2015 not liable to retire by rotation.

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

“RESOLVED that in supersession of the earlier resolution passed, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of the Company to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company's bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs.50 crore (Rupees Fifty crore).”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

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“RESOLVED THAT in supersession of the earlier resolution passed, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company whosoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favor of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures/ secured premium notes/ bonds/ other securities/ debt instruments, and other secured lenders (hereinafter referred to as “the Lenders”) to secure repayment of any loans (both rupee loans and foreign currency loans) and / or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly / fully convertible or non-convertible)/ secured premium notes/ bonds/ other securities/ debt instruments and /or rupee / foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest; commitment charge, liquidated damages, premium on prepayment or on redemption, trustees’ remuneration, costs, charges, expenses and all other moneys including revaluation/ devaluation/ fluctuation in the rates of foreign currencies involved, payable by the Company to the lenders concerned, in terms of their respective Loan Agreements/ Heads of Agreements/ Hypothecation Agreements / Trustees Agreements / Letters of Sanction/ Memorandum of terms and conditions/ Debenture Certificates entered into / to be entered into/ issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and / or any other financial assistance and /or guarantee facilities and / or issue of debentures / secured premium notes/ other securities/ debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) shall not any time exceed the limit of Rs.50 Crore (Rupees Fifty Crores).

By Order of the Board of Directors

RUPINDER SINGH ARORA
Chairman

Mumbai, Dated : 12th August, 2014.

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 Tuesday, the 23rd September, 2014 to Saturday, the 27th September, 2014 (both days inclusive).
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. In compliance with the provisions of section 108 of the Companies Act 2013 and the rules framed there under and as per Clause 35B of Listing agreement, the members are provided with the facility to cast their vote electronically, though the e- voting services provided by CDSL, on the resolutions set forth in this Notice.

ARORA FIBRES LIMITED

The instructions for shareholders voting electronically are as under :

- (i) The voting period begins on Monday 22nd September, 2014, 10.00am and ends on Tuesday the 23rd September, 2014 at 6.00 pm . During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME: Arora Fibres Ltd" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Pawan Kumar with sequence number 1 then enter PA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for ARORA FIBRES LIMITED EVSN on which you choose to vote.

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- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding evoting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commence on Monday 22nd September, 2014, 10.00am and ends on Tuesday the 23rd September, 2014 at 6.00 pm. During this period, member of the company holding share either in physical form or in dematerialize form as on 29.08.2014 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on 29.08.2014.
- iii. Mrs. Deepa Sathe of D.M. Sathe & Company, Practicing company secretary (membership No: ACS 12641 has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The scrutinizer, shall ,within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make scrutinizer's report of the vote cast in favour or against, if any, forthwith to the chairman of the company.
- v. The results declared along with the scrutinizers report shall be placed on the company website www.arorafibres.in and with the website of CDSL within two days of passing of resolutions at the 20th AGM of the company on 27th September 2014 and communicated to the BSE Limited where the share of the company are listed.

ARORA FIBRES LIMITED

ANNEXURE TO THE NOTICE

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

SPECIAL BUSINESS:

Item No.4

Mr.Surendra Gupta aged about 42 years is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 01.05.2001. Mr.Surendra Gupta is a member of the Audit Committee and Nomination and Remuneration Committee. He is a member of Stakeholders Grievance Committee of the Board of Directors of the Company.

Mr.Surendra Gupta is having versatile experience stretching to over 2 decades in the field of Taxation, Accounts, and Corporate Management. He is not holding any equity shares of the Company. Mr.Surendra Gupta is Director in Rap Projects Private Limited.

In terms of Section 149 and any other applicable provision of the Companies Act, 2013. Mr.Surendra Gupta being eligible and offering himself for appointment is proposed to be appointed as an independent Director for five consecutive years for a term upto 27th September, 2019.

In the opinion of the Board, Mr.Surendra Gupta fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

The Board considers that his continued association would be of immense benefit to the company ad it is desirable to counties to avail services of Mr.Surendra Gupta as an Independent Director. Accordingly the Board recommends the resolution relating to appointment of Mr.Surendra Gupta as an Independent Director for the approval of the Shareholders of the Company. The said Independent director is not liable to retire by rotation.

Except Mr.Surendra Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item No.3. This Explanatory Statement may also be regarded as disclosure under clause 49 of the Listing Agreement with Stock Exchange.

SPECIAL BUSINESS:

Item No.5

Mr. Hrushikesh V. Deodhar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 14th August, 2013. Mr. Hrushikesh V. Deodhar is a member of the Audit Committee and Nomination and Remuneration Committee. He is a member of Stakeholders Grievance Committee of the Board of Directors of the Company.

Mr. Hrushikesh V. Deodhar is a Chartered Accountant and is having versatile experience in the field of Taxation, Accounts, Audit and Corporate Management. He is holding Three Hundred equity shares of the Company. Hrushikesh V. Deodhar is Director in following Companies:

- a. Rap Media Limited
- b. Hemat Processing Company Limited
- c. Easy Online Education Private Limited
- d. Kuldatta Chemicals Private Limited

In terms of Section 149 and any other applicable provision of the Companies Act, 2013, Hrushikesh V. Deodhar being eligible and offering himself for appointment is proposed to be appointed as an independent Director for one year upto 27th September, 2015.

In the opinion of the Board, Mr. Hrushikesh V. Deodhar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company.

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The Board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Hrushikesh V. Deodhar as an Independent Director. Accordingly the Board recommends the resolution relating to appointment of Mr. Hrushikesh V. Deodhar as an Independent Director for the approval of the Shareholders of the Company. The said Independent director is not liable to retire by rotation.

Except Mr. Hrushikesh V. Deodhar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in the resolution set out at item No.5. This Explanatory Statement may also be regarded as disclosure under clause 49 of the Listing Agreement with Stock Exchange.

SPECIAL BUSINESS:

Item No.6

Section 180 (1) (c) of the Companies Act, 2013, requires Shareholders approval to the limit of moneys borrowed by the Company when they exceed the aggregate of the paid up Capital of the Company and its free reserves.

As a part of future growth and expansion plans of the Company, the Company may have to borrow more funds from banks, financial institutions and other parties in excess of the Paid-Up capital and free reserves of the Company and thus it is necessary that a higher ceiling limit for borrowing be approved by the members to enable the Board of Directors to procure funds for business purposes as and when required. It is therefore proposed to authorise the Board of Directors to borrow in excess of the paid-up capital and free reserves of the Company subject to a maximum of Rupees 50 Crore only.

A special resolution under Section 180 (1) (c) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval for the said resolution.

SPECIAL BUSINESS:

Item No.7

As a part of future growth plans of the Company, the borrowings from the Banks, financial institutions or other parties might be secured by mortgaging or charging the movable and/or immovable assets of the Company. This may attract the provisions of Section 180(1)(a) of the Companies Act, 2013 which requires Shareholders approval.

A special resolution under Section 180 (1) (a) of the Companies Act, 2013 is therefore proposed for approval by the members.

None of the Directors, Key Managerial Personnel and the relatives of the aforesaid persons of the Company are interested in the said resolution.

The Board commends your approval for the said resolution.

By Order of the Board of Directors

RUPINDER SINGH ARORA
Chairman

Mumbai, Dated : 12th August, 2014.

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 Twenty First Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March 2014.

FINANCIAL RESULTS :

	2013-2014 Rupees	2012-2013 Rupees
Profit/Loss before Finance Charges, Depreciation and Taxation.....	6,66,65,323	3,27,02,089
Less: Interest	1,98,29,262	2,08,91,702
Profit/Loss before Depreciation and Taxation.....	4,68,36,061	1,18,10,387
Less: Depreciation.....	97,49,872	1,19,08,871
Profit/Loss for the year before extraordinary item	3,70,86,189	(98,484)
Brought forward Loss from previous year	9,44,85,279	9,43,94,322
Balance carried to Balance Sheet	(5,73,99,090)	(9,44,85,279)

DIVIDEND :

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

WORKING:

The Company has registered a Net Profit of Rs.3.71 Crores. The carry forward loss at present stands at Rs.5.74 Crores.

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. The Company registered a profit before depreciation of Rs.4.68 Crores as compared to a profit of Rs.1.18 Crore in the previous year. After providing for depreciation the net profit was of Rs.3.71 Crores as compared to Loss of Rs.0.01 Crore in the previous year. The Directors are hopeful of still better performance during the current year.

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, 2014 and of the profit of the Company for that year;

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(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 Surendra Gupta and Shri R.S.Arora as members. Shri Hrushikesh Deodhar, and Shri S.M.Gupta are independent directors with independent judgment in the deliberation and decisions of the Board.

4. Directors

Shri R.S.Arora 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. 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.Nil. The Company incurred foreign exchange outgo amounting to Rs.19.61Lacs 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 : 12th August, 2014.

Corporate Office:

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

ARORA FIBRES LIMITED

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	31.03.2014	31.03.2013
1. Electricity		
(a) Purchased - Units (in lacs).....	53.29	52.21
Total amount (Rs. in lacs).....	231.97	212.88
Rate per Unit (Rs.).....	4.35	4.08
(b) Own generation.....	NIL	NIL
2. Coal	NIL	NIL
3. LPG Gas		
Quantity (Kgs in lacs).....	0.82	0.91
Total (Rs. in Lacs).....	62.27	64.99
Average Rate (Rs.).....	75.53	71.08
(B) Consumption per unit of production		
Electricity (Per kg)	4.58	4.63
LPG Gas (Per kg).....	1.23	1.41

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	NIL
b) Foreign Exchange used-Import of Plant & Machinery	11.31