



ARORA FIBRES LIMITED

**22nd Annual Report
2014-2015**

ARORA FIBRES LIMITED

Board of Directors:

Rupinder Singh Arora	: Chairman
Navdeep Singh Khera	: Director
Surendra Gupta	: Director
Wilma Lobo	: Executive 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,
Dadra & Nagar Haveli, Silvassa -396 230.

Corporate Office:

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

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 Twenty Second Annual General Meeting of the Members of **ARORA FIBRES LTD.** will be held on Monday, the 28th September, 2015, at 11.30 A.M. at the Registered office of the Company at Survey No.213, Piparia Industrial Estate, Dadra Nagar Haveli, 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, 2015 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 M/s. Sunil Mistry & Co., Chartered Accountants (Registration No.123435W), as Auditorsfor a period of five 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 Mr. Navdeep Singh Khera as an Independent Director of the Company

“Resolved that Mr. Navdeep Singh Khera who was appointed as an Additional Director on 11th December,2014 be and is hereby appointed as Director of the Company”

“Resolved further 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. Navdeep Singh Khera (Holding DIN 00362310), 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 10th December, 2019.

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

Appointment of Ms. Wilma Lobo as Director of the Company

“Resolved that Ms. Wilma Lobo (DIN 07112198) who was appointed as an Additional Director on 16th March,2015 be and is hereby appointed as Director of the Company”

“Resolved Further that pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, 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), and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to the appointment of Ms. Wilma Lobo (DIN 07112198) as the Whole Time Director of the Company for a period of five years w.e.f. 16th March,2015 on the terms and conditions and remuneration as set out in the explanatory statement annexed to the notice convening this AGM, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deem to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment including designation and/ or remuneration subject to the same being within the limits specified in the said Schedule V to the Companies Act, 2013 or any re-enactment thereof.

“Resolved Further That the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to carry on the terms of this resolution; to settle any question or doubt that

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may arise in relation thereto in order to give effect to the forgoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.”

By Order of the Board

RUPINDER SINGH ARORA
CHAIRMAN

Mumbai, Dated : 30th July, 2015.

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 Monday, the 21st September, 2015 to Monday, the 28th September, 2015 (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.
5. The shares of the Company are listed on Bombay Stock Exchange Ltd (BSE) and the Listing Fees in respect thereof for the year 2015-16 have been paid to BSE.
6. All enquires and correspondence regarding transfer of shares, dematerialization, etc. should be made with the Share Transfer Agents of the Company, **M/s. SHAREX DYNAMIC (INDIA) PVT. LTD.** Unit-1, Luthra Ind. Premises, Andheri Kurla Road, Saffed Pool, Andheri (East), Mumbai 400 072.
7. Members are requested to note that pursuant to amended Clause 5A (II) of the Listing Agreement with the Stock Exchange, the company is required to transfer all the unclaimed shares into one folio in the name of 'Unclaimed Suspense Account' and these shares are to be dematerialized and kept with depository participants. The Company is taking steps in that regard.
8. The Notice of the Twenty Second Annual General Meeting and instructions for e-voting, along with the Attendance Slip/ Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode. Members may also note that the notice of the Twenty Second Annual General Meeting and the Annual Report 2015 will be available on the Company's website, www.arorafibres.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on all working days.

ARORA FIBRES LIMITED

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Friday 25th September, 2015, 10.00 a.m. and ends on Sunday the 27th September, 2015 at 6.00 p.m. 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 21.09.2015, 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 sequence number which is printed on Postal Ballot/ Attendance Slip indicated in 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.
- (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 Non- Individual Shareholders and Custodians
 - Non- Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to www.evotingindia.com 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 a 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commence on Friday 25th September, 2015, 9.00 am and ends on Sunday the 27th September, 2015 at 5.00 pm. During this period, member of the company holding share either in physical form or in dematerialize form as on 21.09.2015 may cast he/her vote electronically. The e-voting module shall be disabled 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. Mr. V. N. Deodhar, Practicing Company Secretary (membership No: FCS 1880 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 scrutinizer's 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 22nd AGM of the company on 28th September 2015 and communicated to the BSE Limited where the shares of the company are listed.

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ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of The Companies Act, 2013

SPECIAL BUSINESS:

Item No.4

Mr. Navdeep Singh Khara aged about 64 years is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 11.12.2014. Mr. Navdeep Singh Khara is a member of the Audit Committee and Nomination and Remuneration Committee. He is a member of Stakeholders Relationship Committee of the Board of Directors of the Company.

Mr. Navdeep Singh Khara is having versatile experience stretching to over 4 decades in the field of Corporate Management. He is not holding any equity shares of the Company. Mr. Navdeep Singh Khara is Director of Perfect Industrial Agencies Private Limited, Navdeep Agro Tech Private Limited, Perfect Finlease Private Limited and Prime Fincap Private Limited.

In terms of Section 149 and any other applicable provision of the Companies Act, 2013, Mr. Navdeep Singh Khara being eligible and offering himself for appointment is proposed to be appointed as an independent Director for five consecutive years for a term upto 10th December, 2019.

In the opinion of the Board, Mr. Navdeep Singh Khara 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 and it is desirable to continue to avail services of Mr. Navdeep Singh Khara as an Independent Director. Accordingly the Board recommends the resolution relating to appointment of Mr. Navdeep Singh Khara 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. Navdeep Singh Khara, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No.4. This Explanatory Statement may also be regarded as disclosure under clause 49 of the Listing Agreement with Stock Exchange.

SPECIAL BUSINESS:

Item No.5

Ms. Wilma Lobo was appointed as Executive Director of the Company for a period of five years w.e.f. 16th March, 2015. Ms. Lobo has been with the Company for many years. It is now proposed to appoint Ms. Lobo as the Executive Director of the Company on the following terms and conditions:

Remuneration and Perquisites in the band of Rs.3,48,400/- to Rs.6,00,000/- p.a.

Gratuity not exceeding half month's salary for each completed year of service.

Subject to the aforesaid Ms. Lobo will be governed by such other existing service Rules as are applicable to Senior Management personnel of the Company as may be in force from time to time.

Where in any financial year during the currency of the tenure of Ms. Lobo as Executive Director, if the Company has no profits or inadequacy of profits, the remuneration payable to her by way of salary and perquisites shall be subject to maximum amount permissible pursuant to limits prescribed under table A or section II of part II of schedule V to the Companies Act, 2013 or any such modification or enactment thereof or any similar provision introduced substituting the prevalent provisions pursuant to any amendment or re-enactment of the said Act.

By Order of the Board

RUPINDER SINGH ARORA
CHAIRMAN

Mumbai, Dated : 30th July, 2015.

Corporate Office :

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

DIRECTORS' REPORT

The Members,
Arora Fibres Limited

Your Directors present the twenty second Annual Report of your Company along with the Financial Statements for the year ended 31st March, 2015.

Financial Highlights:

Particulars	For the year ended March 31, 2015 Rupees in lacs	For the year ended March 31, 2014 Rupees in lacs
Revenue from operations	3551.20	6282.81
Operating Profit/ (Loss)	95.42	666.65
Extraordinary Item	302.46	0.00
Profit/ (Loss) before Tax	216.55	370.86
Provision for Tax	—	—
Profit/ (Loss) after Tax	216.55	370.86
Balance brought forward from previous year	(573.99)	(944.85)
Profit/ (Loss) carried to Balance Sheet	(357.44)	(573.99)

Dividend

The Directors do not propose to recommend any dividend for the year under review in view of accumulated losses.

Operations:

During the year under review, your Company's revenue declined by Rs.27.32 Crores. Sales of Polyester Staple Fibres declined to Rs.35.41 crores from Rs. 42.81 crores. The Company did not carry out much of Investment activity during the year. As a result the income from Investment activity declined to Rs.0.09 crores from Rs. 20.02 crores.

The Polyester Staple Fibre market is going through a volatile phase. During the first half of the year the market was favourable with good order traction. But during the second half market went into recession with drop in product prices and drying up of orders. The cost of raw materials did not decline in proportion to fall in product prices. This resulted into operating profit of just Rs.0.95 crores.

The extraordinary item is reversal of Excise Duty provision due to relief granted to the Company by Finance Act 2014 which has done away with retrospective amendment of Finance Act 2012 which had imposed excise duty on the Company's product.

Material changes and commitments after the end of financial year

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the financial year and date of the report.

Particulars of loans, guarantees or investment

The Company does not have any loans, guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

Human Resource

The Company continues to place significant importance on its human resources and enjoys cordial and peaceful relations at all levels. The Directors are pleased to place on record their appreciation of the services rendered by the employees at all levels.

ARORA FIBRES LIMITED

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at workplace and matters connected therewith or incidental thereto covering all the aspects.

Particulars of Employee:

There is no information required to be given pursuant to section 197 read with Rule -5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Environment, Health & Safety:

Your Company is committed to ensure a clean and green pollution-free environment as well as a healthy and safe work place at its plant location. In fact the Company's business is of converting waste PET bottles into Polyester Staple Fibre. Thus the Company's operations are beneficial to the environment. Further the Company is taking environmental friendly initiatives like, energy saving projects and waste reduction initiatives.

Energy Conservation, Technology Absorption, Foreign Exchange Earnings & Outgo:

The Information on conservation of energy , technology absorption and foreign exchange earning and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure A" which forms the part of the report .

Deposits

The Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Directors:

As per the provisions of Section 149(1), 161 and other applicable provision under The Companies Act, 2013, the Board has appointed Ms. Wilma Lobo as Additional Executive Woman Director of the Company with effect from March 16, 2015. The above appointment was based on recommendation of Nomination and Remuneration Committee and subject to approval of the Shareholders of the Company at the forthcoming Annual General Meeting.

The Board also appointed Mr. Navdeep Singh Khara as an Independent Director with effect from December 11, 2014. The appointment is subject to approval of the Shareholders of the Company at the forthcoming Annual General Meeting.

During the year, Mr. H V Deodhar resigned as Director due to personal reasons.

As per the provisions of the Companies Act, 2013 and Articles of Association, Mr. R. S. Arora is liable to retire by rotation at the Twenty Second Annual General Meeting.

Mr. R.S. Arora has confirmed his eligibility and willingness to accept the office of Directorship of your Company, if appointed. In the opinion of your Directors, Mr. R.S. Arora has the requisite qualifications and experience which would be useful for your Company and would enable him to contribute effectively to your Company's good operational performance and overall good corporate governance in his capacity as Director of your Company.

It is, therefore, considered prudent that your Company should continue to avail of the services of Mr. R.S Arora as Director and the Board recommends that the proposed resolution relating to re-appointment of Mr. R.S. Arora as Director of your Company be approved.

None of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions vis-à-vis the Company, other than salaries, commission, sitting fees.