

23rd Annual Report 2007

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Fiberweb (India) Limited

(Formerly known as PVD Plast Mould Industries) Ltd.)

ISO 9001 - 2000 Company



Fiberweb (India) Limited

BOARD OF DIRECTORS

Mr. PRAVIN V. SHETH – Chairman & Managing Director
 Mr. J. B PATEL
 Mr. BHADRESH H. SHAH
 Ms. VILINA P. SHETH – Executive Director
 Mr. P. S. KRISHNAN – Executive Director
 Mr. G. RAVINDRAN – Executive Director
 Mr. JANAK R. PATEL
 Mr. DILEEP V. NAIK
 Mr. GOPALJI' M. RANA (w.e.f. 16.01.2008)

AUDITORS

P. M. TURAKHIA & COMPANY
 Chartered Accountants, Mumbai

SOLICITORS

KANTILAL UNDERKAT & CO., MUMBAI
 DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

REGISTERED OFFICE

Amee Co-op. Hsg. Society Ltd.
 Ground Floor, G.I.D.C.,
 Vapi (Dist. Valsad) - 396 195. GUJARAT

BANKERS

DENA BANK, Industrial Finance Branch,
 9th Floor, Maker Tower E, Cuffe Parade,
 Mumbai - 400 005.

WORKS

Airport Road, Kadaiya Village,
 Nani Daman, Daman, (U.T.)

REGISTRARS & TRANSFER AGENTS

SHAREX DYNAMIC (INDIA) PVT. LTD.
 Unit No. 1, Luthra Industrial Premises, 1st Floor,
 Adheri-Kurla Road, Safed Pool, Andheri (East),
 Mumbai - 400 072.

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NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of the Company will be held on Monday, the 30th June, 2008, at 10.00 a.m. at Fortune Hotel Galaxy, National Highway No.8, G.I.D.C., Vapi – 396 195, Dist.Valsad, Gujarat to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st December, 2007 and the Profit and Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhadresh H. Shah, who retires from office by rotation, but eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. J. R. Patel, who retires from office by rotation, but eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Gopalji M. Rana who was appointed as an additional Director of the company on 16th January 2008 under article 86 of the Articles of Association of the Company and who

holds office upto the date of this Annual General Meeting of by reason of the Section 260 of the Companies Act, 1956 but being eligible offers himself for the reappointment and in respect of whom the Company has received a notice in writing from a shareholder proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

6. To consider and if thought fit, to pass with or without modification the following resolution as a special resolution.

“RESOLVED that consent of the Company be and is hereby accorded for the appointment of Mr. Pravin V. Sheth, Chairman of the Company, as a Managing Director of the Company for a period of 5 years with effect from 1st August 2007 to 31st July 2012 by the Board of Directors in their meeting held on 30th July 2007 pursuant to the provisions of Section 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, as amended from time to time, to discharge the duties as may be entrusted to him by the Board of Directors as a Managing Director of the Company from time to time on the following terms and conditions :

- I. Salary of Rs.75,000/- per month including dearness allowance, with an annual increase of Rs.10,000/-.
- II. House Rent Allowance @ 60% of salary including dearness allowance.

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- III. A commission @ 1% of the net profits of the Company subject to the ceiling prescribed under part II of Clause I Schedule XIII(as amended)of the Companies Act, 1956.
- IV. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
- V. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
- VI. The Chairman & Managing Director shall not be entitled to any sitting fees for attending the meeting of the Board Of Director or any Committee thereof.
- VII. Gratuity not exceeding half month's salary for each completed year of service.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Fees of clubs and credit/debit card for official use only.
- d. Personal accident insurance, premium whereof shall not exceed Rs.10,000/- per annum.
- e. For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.

PERQUISITES :

Mr. Pravin V. Sheth shall be entitled to the following perquisites as Managing Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act,1956.

- a. Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Pravin V. Sheth, Managing Director of the Company may be altered and/or varied so as not to exceed the limits specified in Schedule XIII to the amendments and/or modifications that may hereafter to be made thereto by the Central Government in that Companies Act,1956 including any statutory modifications or re-enactment thereof, for the time being in force or any behalf from time to time or any amendments thereto s may be agreed to between the Board of Directors and Mr.Pravin V. Sheth or as may be varied by the General Body Meeting.

RESOLVED FURTHER THAT Mr. P.S. Krishnan – Executive Director and/or

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Mr. Bhadresh H. Shah, Director be and are hereby severally authorized to take necessary action to give effect to the resolution.

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

"RESOLVED that consent of the Company be and is hereby accorded for the appointment of Mr. P.S. Krishnan as an Executive Director of the Company for the period of 5 years from 1st August, 2007 to 31st July, 2012 and that he will work under the guidance of the Board Directors of the Company.

"RESOLVED FURTHER PURSUANT TO sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the members at the General Meeting, the Board be and is hereby accorded to the re-appointment of Mr. P. S. Krishnan as Executive Director (Whole Time) of the Company for a period of 5 years w.e.f. 1st August, 2007 to 31st July 2012 to discharge the duties as may be entrusted to him as Executive Director of the Company from time to time on the following terms and conditions:

- I. Salary of Rs. 60,000/- per month including dearness allowance, with an annual increase of Rs.6,000/-.
- II. The Company's contribution towards Provident Fund as per the Company's

Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.

- III. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
- IV. The Executive Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.
- V. Gratuity not exceeding half month's salary for each completed year of service.

PERQUISITES :

Mr. P.S. Krishnan shall be entitled to the following perquisites as Executive Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act, 1956.

- a. Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Fees of clubs and credit/debit card for official use only.
- d. Personal accident insurance, premium whereof shall not exceed Rs.10,000/- per annum.

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- e. For the purpose of computing the aforesaid ceiling, Perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of the Company's car for official duties and cellular phone and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. P.S. Krishnan, Executive Director of the Company may be altered and/or varied so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter to be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Mr. P.S. Krishnan or as may be varied by the General Body Meeting.

RESOLVED FURTHER THAT Mr. Pravin V. Sheth – Chairman & Managing Director and/or Mr. Bhadrash H. Shah, Director be and are hereby severally authorized to take necessary action to give effect to the resolution.

8. To consider and if thought fit, to pass with or without modification, the following resolution as a special Resolution:

“RESOLVED that pursuant to Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the members of the General Meeting, the Board be and hereby appoints Mr.G. Ravindran, as Executive Director (Whole-time) of the Company for the period of 5 years w.e.f. 1st January 2008 to 31st December 2012 to discharge the duties as may be entrusted to him as a Executive Director of the Company from time to time on the following terms and conditions :

- I. Salary of Rs.50,000/- per month including dearness allowance, with an annual increase of Rs.5,000/- upto Rs.70,000/-.
- II. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
- III. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
- IV. The Executive Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof. Gratuity not exceeding half month's salary for each completed year of service.

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PERQUISITES :

Mr.G.Ravindran shall be entitled to the following perquisites as Executive Director of the Company. However, the perquisites shall be counted for the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act, 1956.

- a. Reimbursement of medical expenses actually incurred for self and family to a ceiling of one month's salary in any year or three month's salary in a block of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Fees of clubs and credit/debit card for official use only.
- d. Personal accident insurance, premium whereof shall not exceed Rs.10,000/- per annum.
- e. For the purpose of computing the aforesaid ceiling, Perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone and telephone at residence (including payment for local calls and long distance official calls shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. G. Ravindran, Executive Director of the Company may be altered and/or varied so as not to exceed the limits specified in

Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter to be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Mr. G. Ravindran or as may be varied by the General Body Meeting.

RESOLVED FURTHER THAT Mr. Pravin V. Sheth – Chairman & Managing Director and/or Mr. P.S. Krishnan, Executive Director be and are hereby severally authorized to take necessary action to give effect to the resolution.

9. To consider and if thought fit to pass with or without modification the following Resolutions as Ordinary Resolution

RESOLVED THAT THE board of Directors of the company be and is hereby authorized to submit such scheme, proposal with such terms and conditions as they deem fit in the BIFR case, and implement the scheme as per the direction of the BIFR for rehabilitation of the company as approved by the BIFR, and do such acts and deeds as deem fit and proper.

AND FURTHER RESOLVED THAT Mr. Pravin V. Sheth, Managing Director and Mr. P.S. Krishnan, Executive Director be and are hereby authorized jointly and severally to represent the company before the BIFR and such appropriate authority and file any modification, amendment,

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revised scheme and arrangement, and submit, resubmit and do such acts and deeds to implement the Rehabilitation Scheme as approved by the BIFR.

10. To consider and if thought fit to pass with or without modification the following Resolutions as Special Resolutions:

RESOLVED THAT PURSUANT TO Sec.293(l)(a) of the Companies Act, 1956, and other applicable provisions of the Act, the consent of the members be and is hereby accorded for the sale, lease, mortgage, disposal of, compromise, assignment of any of the units, undertakings, immovable and moveable properties, including plant and machinery of the company with or without any lien or charge and located any where in India, or elsewhere including the immovable properties at:-

1. Daman (Union Territory)
2. Vapi(Gujarat)

FURTHER RESOLVED that Mr Pravin V. Sheth, Managing Director, and Mr. P.S. Krishnan and Mr. G. Ravindran, Executive Directors of the company be and are hereby authorized jointly and severally for the sale, lease, mortgage, disposal, compromise, assignment of any unit, undertaking and immovable and moveable properties including plant and machinery with or without any lien or charge and located anywhere in India or elsewhere including the immovable properties situated at:

1. Daman (Union Territory)
2. Vapi (Gujarat)

And do such acts and deeds as deemed fit and proper.

FURTHER RESOLVED that Mr. Pravin V. Sheth, Managing Director, and Mr. P.S. Krishnan and Mr. G. Ravindran, Executive Directors of the company be and are hereby authorized jointly and severally to finalise any agreement for sale , MOU and other documents and sign, modify, represent and do such acts and deeds to complete the sale, lease, mortgage, disposal, compromise, assignment of any immovable and moveable property , units and undertakings of the company including plant and machinery of the company and do such acts and deeds as they deem fit and proper.

By order of the Board

For FIBERWEB (INDIA) LIMITED

PRAVIN V. SHETH

Chairman & Managing Director

Place: Daman

Date : 30th April, 2008

Registered Office:

Amee Co-op. Hsg. Society Ltd.

Ground Floor, G.I.D.C.,

Vapi - 396 195

Dist. Valsad, Gujarat

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NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No.5, 6, 7, 8, 9 & 10 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
3. Members who hold shares in dematerialised form are requested to bring their CLIENT ID AND DP ID numbers for easy identification of attendance at the meeting.
4. Members holding shares in dematerialised form are requested to intimate any change in their address, bank details etc. to their respective DPs and those holding shares in physical form are to intimate the above said changes to the Secretarial Department at the Registered Office of the Company.
5. Members who holds shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail the nomination facility by filing Form 2B. Blank forms will be supplied by Company's Registrar & Transfer Agent on request. Members holding shares in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from 23rd June 2008 to 30th June, 2008 (both days inclusive).
7. The documents referred above to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day during the business hours of the Company.
8. Members seeking any information with regard to accounts of the Company are requested to send their queries so as to reach the registered office at least 10 days before the meeting to enable the management to keep the information ready for clarification.
9. As a measure of economy, copies of the Annual Report shall not be distributed at the meeting and therefore, Member are requested to bring their copies of Annual Report to the Meeting.
10. The Equity Shares of the Company are listed at the following stock exchanges:
 - (1) The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp.

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Sahajanand College, Panjara Pole,
Ambawadi, Ahemdabad - 380 015.

- (2) The Stock Exchange, Mumbai,
Rotunda Building, Phiroze Jeebhoy
towers, Dalal Street, Mumbai - 400
001.

The listing fees to the above exchanges have
been paid.

11. AS REQUIRED IN TERMS OF
PARAGRAPH VI(IA) OF CLAUSE 49 OF
THE LISTING AGREEMENT, THE
DETAILS OF THE DIRECTORS
RETIRING BY ROTATION AND
ELIGIBLE FOR REAPPOINTMENT ARE
FURNISHED BELOW:

- (I) **Name:** Mr. Bhadresh H. Shah Age:
55 years, Qualification: B.E, (Civil),
Nature of expertise: Vast experience
in rendering various guidance to the
Company. Basically he is an Engineer
and guide the company with his vast
knowledge and experience Company's
product. Name of the companies in
which he also holds directorship:
1. Chemical & Alkali Distributors
Limited. 2. Stallion Breweries Limited
3. Kunststoffe Industries Limited Name
of the company's committees in which
he holds Memberships/chairmanship:
Kunststoffe Industries Limited.
Chairman Audit Committee and
Investor Grievance Committee.

It will be in the interest of the
Company that Mr. Bhadresh H. Shah
continues as Director of the Company.

- (II) **Name:** Mr. Janak R. Patel Age: 58
years, Qualification: Studied up to C.A.
Nature of expertise: He has 22 years
Practical knowledge in Accounts,
Auditing, Financial and Management-
Reporting. Name of the Companies
in which he also holds Directorship:
None. Name of the Companies in
which he also hold Membership/
Chairmanship: None

It will be in the interest of the Company that
Mr. Janak R. Patel continues as Director of
the Company.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies
Act, 1956]

Item No.5

At the Meeting of the Board of Directors held
on 16th January, 2008 Mr. Gopalji M. Rana
was appointed as additional director of the
company pursuant to Section 260 of the
Companies Act, 1956 read with Articles 86 of
the Articles of Association of the Company.
Mr. Gopalji M. Rana holds office only upto
the date of forthcoming Annual General
Meeting.

Notice in writing has been received from a
shareholder of the company, pursuant to
section 257 of the companies Act, 1956 ,
signifying his intention to propose Mr. Gopalji
M. Rana as candidate for the office of Director.
As required by the said section 257, the
shareholder giving notice has deposited as
sum of Rs. 500/- with company, which shall
be refunded to him if Mr. Gopalji M. Rana is
elected as Director.