

# **24th Annual Report 2008-09**



## **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  
Mr. C. A. REGE (w.e.f. 30.04.2009)

### 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.

## Fiberweb (India) Limited

### NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 30th September, 2009, 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 31<sup>st</sup> March, 2009 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. J.B. Patel who retires from office by rotation, but eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Dileep V. Naik, 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. C.A. Rege who was appointed as an additional Director of the company on 30th April 2009 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 pursuant to the provisions of Section 17 and other

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applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation and approval of the Company Law Board, the Registered Office of the Company by shifted from, State of Gujarat to the Union Territory of Daman and Diu and the clause ii of the Memorandum of Association be substituted by the following clause :

ii The Registered Office of the Company will be situate in the Union Territory of Daman and Diu.

RESOLVED FURTHER THAT Shri Pravin V. Sheth, Managing Director & Mr. P. S. Krishnan Executive Director of the Company be and are hereby jointly and severally authorised to do all such acts

and deeds as may be necessary, incidental or consequential to give effect to this resolution.”

By order of the Board  
**For FIBERWEB (INDIA) LIMITED**

**PRAVIN V. SHETH**  
Chairman & Managing Director

Place : Daman

Date : 31st July, 2009

Registered Office :

Ameo 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 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 September 2009 to 30th September 2009 (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.

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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 Ahmedabad Stock Exchange Ltd., Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahemdabad - 380 015.

(2) The Bombay Stock Exchange Ltd., 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. J. B. Patel Age : 62 years, Qualification: B.A. Nature of expertise : Management & Marketing. Name of the companies in which he also holds directorship: None. Name of the companies's committees in which he holds Memberships/chairmanship: None. It will be in the interest of the Company that Mr. J. B. Patel continues as Director of the the Company.

(II) **Name :** Mr. Dileep V. Naik Age: 61 years, Qualification: B.E. Mechanical. Nature of expertise: Well versed in computerized industrial engineering , material planning & inventory control product costing. Achieved reduction in direct cost & developed special frame prototype worked with state of the art plant & machinery for SBPP Non Woven since 1994 till 2007with

## Fiberweb (India) Limited

our Company. 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. Dileep V. Naik 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 30<sup>th</sup> April, 2009 Mr. C.A.Rege 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. C.A.Rege 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. C. A. Rege 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. C.A.Rege is elected as Director.

Mr. C.A.Rege is Bachelor of Engineering Management. He has long experience in Engineering & Plastics with the management & business working experience as professional with leading industries in plastics at higher management level mainly expertise in global marketing with good knowledge of financial field. His experience will be beneficial to the Company and hence your Directors recommended his appointment.

#### Item No. 6

The Registered office of the Company is situated at Vapi in the state of Gujarat since incorporation, as at that time the activities were confirmed to Vapi. Over a period of time due to technical obsolescence the Company had stopped manufacture of Blow Moulded and Injection Moulded products at Vapi. At present Company is carrying on the business activities of manufacture of garbage bags and carrier bags and plastic films, spun bond polypropylene nonwoven fabrics and products, and blown films in Daman. The entire business activities of the Company are concentrated in the Union Territory of Daman and Diu.

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In order to continue the business activities of the Company at Daman more economically and more efficiently and as the Company has no activity at present at Vapi, it is considered necessary to shift the Registered Office of the Company to the Union Territory of Daman and Diu.

The Directors recommend the proposed resolution for approval of members.

None of the Directors of the Company are

interested or concerned on the above resolution.

By order of the Board  
**For FIBERWEB (INDIA) LIMITED**

**PRAVIN V. SHETH**  
Chairman & Managing Director

Place : Daman

Date : 31st July, 2009

Registered Office :

Amee Co-op. Hsg. Society Ltd.

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

Vapi - 396 195

Dist. Valsad, Gujarat



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### DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report and Audited Accounts of the Company for the 15<sup>th</sup> months period ended 31<sup>st</sup> March 2009, (01.01.2008 to 31.03.2009). The summarized financial results are given below :

#### 01. SUMMARISED FINANCIAL RESULTS : (Rs. In Lakhs)

	2008-09	2007
Sales and other Receipts	4015.39	3355.10
Gross Profit / (Loss) before depreciation	(104.63)	59.84
<b>Less : Depreciation</b>	<b>303.71</b>	<b>140.46</b>
Loss from regular Activities	(408.35)	(80.61)
Extra ordinary items		
Revaluation of Assets	3853.27	(5036.57)
Net Profit/(Loss) before taxation	3444.91	(5117.18)
Balance carried from earlier year	(9832.51)	(4715.33)
Balance carried forward to next year	(6387.60)	(9832.51)

#### 02. OPERATIONS :

During the 15 months period, January 2008 to March 2009 under review, your Company recorded a turnover of Rs. 40.15 crores compared to Rs.33.55 crores during the previous year. The last 15 months period witnessed deep economic recession in all the countries especially in the developed countries where our products are widely exported. The regular activities of the Company during this period resulted in a loss of Rs. 4.08 crores. The

downward trend of the effects of economic recession has slowed down and it is expected that the economies of the affected countries will improve in the next six months. We are hopeful that with the consequent increase in demand the activities of the Company will be profitable. The revaluation of Assets resulted in reduction of earlier year loss due to devaluation by Rs. 38.53 crores.

The depreciated Rupee continue to over shadow the performance of the Company in the first four months of the year.

#### 03. REFERENCE UNDER SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT 1985 :-

Pursuant to an Order dated 18/1/2007 of the Hon'ble Bench of BIFR, the Company was declared as a sick industry and IDBI was appointed as the operating agency, a rehabilitation Scheme has been prepared and submitted. Under the Scheme One Time Settlement of Dues with financial institutions and bankers were envisaged. Accordingly

The Company has settled and paid the dues of IDBI, Corporation Bank and BOI Mutual Fund. The BHF Bank has agreed to accept the One Time Settlement amount offered by the Company. Efforts are being made to get the approval of other financial institutions and bankers to accept the OTS offer. The Company

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is hopeful that Rehabilitation Scheme approved by the BIFR, when implemented will result in profitable revival of the Company in the near future.

**04. DIVIDEND :**

Owing to continued loss, your Directors do not recommend any dividend.

**05. FIXED DEPOSITS :**

The Company has not accepted any deposits from the Public within the meaning of Section 58 A of the Companies Act, 1956 during the period under review.

**06. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The Company constantly takes effective steps to attain energy conservation.

The Company does not employ any foreign technology which needs absorption or adaptation.

The Company is the leading manufacturer and exporter of Spun Bond Polypropylene Nonwoven Fabrics & products thereof. The Company has earned foreign exchange of Rs. 2362.28 lacs during the year, and incurred expenditure.

**07. SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17 :**

Your Company's main business is "Polymer Processing" and all other activities of the company revolve around this main business. As such there are no separate reportable segments within the Company and Hence, the segment wise reporting as defined in Accounting Standards 17 is not applicable to the Company.

**08. CORPORATE GOVERNANCE :**

Your Company has always been conducting its business with due compliance of laws, rules, regulations and with sound internal control systems and procedures.

The Company has obtained a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. This is annexed to the Directors Report

**09. DIRECTORATE :**

Mr. J.B.Patel and Mr. Dileep V. Naik retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend that re-election of Mr. J. B. Patel and Mr. Dileep V.Naik will be in the interest of the Company.