

26th Annual Report 2010-11

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. P. S. KRISHNAN – *Executive Director*

Mr. G. RAVINDRAN – *Executive Director*

Mr. BHAVESH P. SHETH

Mr. BHADRESH H. SHAH

Mr. J. B PATEL

Mr. JANAK R. PATEL

Mr. DILEEP V. NAIK

Mr. GOPALJI M. RANA

Mr. C. A. REGE

COMPANY SECRETARY

Ms. SUNITA AGARWAL

AUDITORS

P. M. TURAKHIA & ASSOCIATES

Chartered Accountants, Mumbai

SOLICITORS

LITTLE & CO., MUMBAI

DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

REGISTERED OFFICE

Airport Road, Kadaiya,

Nani Daman,

Daman (U.T.) 396210.

BANKERS

DENA BANK, Industrial Finance Branch, Mumbai

BANK OF BARODA, Matunga, Mumbai

ICICI BANK, Dadar, Mumbai

WORKS

Plot No. 92/93B, 100' Costel Highway,

Nani Daman, Daman, (U.T.) 396210.

STOCK EXCHANGE LISTING

Mumbai and Ahemdabad

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 26th Annual General Meeting of the Shareholders of the Company will be held on Friday, the 30th day September, 2011, at 10.00 a.m. at the Registered office of the company at Air Port Road, Kadaiya, Nani Daman, Daman (U.T.) 396 210 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 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. Janak R. Patel who retires from office by rotation, but eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. C.A.Rege, 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.

By order of the Board

For FIBERWEB (INDIA) LIMITED

Sunita Agarwal

Company Secretary

Place: Daman

Date: 28th July, 2011

Registered Office:

Air Port Road,
Kadaiya, Nani Daman
Daman (U.T.) 396 210.

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 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.
2. 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.
3. 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.
4. 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.
5. The Share Transfer Books and the Register of Members of the Company will remain closed from 23rd September 2011 to 30th September 2011 (both days inclusive).
6. 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.
7. 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.
8. 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.
9. The Equity Shares of the Company are listed at the following stock exchanges:

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- (1) The Ahmedabad Stock Exchange Ltd., Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 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. R. Patel Age: 61 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.J. R. Patel continues as Director of the the Company.

- (II) Name: Mr. C. A. Rege Age: 47 years, Qualification: Engineering Management . Nature of expertise: Engineering & Plastics with the Management & business working experience as professional with leading industries in plastics at higher management level. Mainly expertise in global Marketing wit good knowledge of financial field. 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. C. A. Rege continues as Director of the Company.

By Order of the Board of Directors
For FIBERWEB (INDIA) LIMITED

Sunita Agarwal
Company Secretary

Place: Daman
Date: 28th July, 2011

Registered Office:
Air Port Road,
Kadaiya, Nani Daman,
Daman (U.T.) 396 210,

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 26th Annual Report and Audited Accounts of the Company for the 12 months period ended 31st March 2011,(01.04.2010 to 31.03.2011). The summarized financial results are given below :

01. SUMMARISED FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	2010-11	2009-10
Sales	4682.48	3129.13
Gross Profit / (Loss) before depreciation	203.77	216.57
Less: Depreciation	135.05	176.43
Profit from regular Activities	68.72	40.14
Extra ordinary items	(3952.34)	0
Profit/ (Loss) before and after taxation	(3883.62)	40.14
Balance carried from earlier year	(6347.46)	(6387.60)
Profit available for appropriation	0	0
Balance carried forward to next year	(10231.08)	(6347.46)

02. OPERATIONS:

During the 12 months period, April 2010 to March 2011 under review, your Company recorded a turnover of Rs.46.82 crores compared to Rs.31.29 crores during the previous period of 12 months. The last 12 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 profit of Rs.68.72 lacs as against profit of Rs.40.14 lacs last year. However considering extraordinary items the loss for the period amounted to Rs.38.84 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.

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, New Delhi was appointed as the Operating Agency, A draft Rehabilitation Scheme has been prepared and submitted. Under the Scheme One Time Settlement of Dues with financial institutions and bankers

have been envisaged. Accordingly the Company has settled and paid the dues of IDBI, Corporation Bank and BOI Mutual Fund and the Administrator of the specified undertaking of UTI, the BHF Bank and UTI (MF). The Company is hopeful that Draft Rehabilitation Scheme will be approved by the BIFR soon, which when implemented will result in profitable revival of the Company.

04. DIVIDEND :

Owing to huge carried forward 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.3000.57 lacs during the year, and incurred expenditure of Rs.3032.27 lacs in foreign exchange.

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. R. Patel and Mr. C. A. Rege retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend that re-election of Mr. J. R. Patel and Mr. C.A.Rege will be in the interest of the Company.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- ❖ That in the preparation of the accounts for the financial period ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures ;

- ❖ That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 period and of the profit or loss of the Company for the period under review;

- ❖ That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- ❖ That the Directors have prepared the annual accounts for the financial period ended 31st March, 2011 on a 'going concern' basis.

11. DEPOSITORY SYSTEM:

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities

& Exchange Board of India (SEBI) from 30th October, 2000. As on 31st March, 2011, about 81.24 % share holding representing 8931010 Equity Shares of the Company have been Dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

12. ENVIRONMENTAL PROTECTION & INSURANCE:

Top priority continues to be given to environmental protection for all the units of the Company by keeping emission levels to the minimum possible. Adequate Insurance cover has been taken for properties of the Company including Buildings, Plant & Machineries, Stocks and other assets.

13. AUDITORS:

The retiring Auditors, M/s P.M. Turakhia & Company, Chartered Accountants, Mumbai, are eligible for re-appointment and have indicated their willingness to act as such. In terms of Section 224A of the Companies Act, 1956, their appointment needs to be confirmed and their remuneration has to be fixed.

14. AUDITORS' REPORT:

The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

15. AUDIT COMMITTEE:

As required by the provisions of Section 292 A of the Companies Act, 1956, and as a consequence of the cessation of Directorship of Mrs. Vilina P. Sheth the Board of Directors of the Company at their meeting held on 5th March 2010 had reconstituted an Audit Committee comprising of three Non-Executive Directors viz. Mr. Bhadresh H. Shah, Mr. J. B. Patel and Mr. C. A. Rege.

16. PARTICULARS OF EMPLOYEES:

None of the Company's employees were covered by the disclosure requirement pursuant to provisions of Section 217(2A) of the Companies Act, 1956 and rules framed there under.

17. REGULATORY STATEMENT:

In conformity with the provisions of clause 32 of the Listing Agreement/(s)