

28th Annual Report 2012-13

Fiberweb (India) Limited

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. DILEEP V. NAIK
Mr. GOPALJI M. RANA
Mr. C.A. REGE
Mr. K.I. JOS

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.) 396 210.
Email – fiberweb@vsnl.net
Website–www.fiberwebindia.com

BANKERS

DENA BANK, Industrial Finance Branch, Mumbai
BANK OF BARODA, Matunga, Mumbai
ICICI BANK, Dadar, Mumbai

WORKS

Plot No. 92/93B, 100' Coastal Highway, Nani Daman,
Daman (U.T.) 396 210.

STOCK EXCHANGE LISTING

MUMBAI and AHMEDABAD

**REGISTRARS &
TRANSFER AGENTS**

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

FIBERWEB (INDIA) LIMITED

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 28th September, 2013, at 10.00 a.m. at the Registered office of the company at Air Port Road, Kadaiya, Nani 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, 2013 and 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-appointment.
3. To appoint a Director in place of Mr. G.M. Rana who retires from office by rotation, but eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. A. Rege who retires from office by rotation, but eligible, offers himself for re-appointment.

5. 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

6. 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 reappointment of Mr. G. Ravindran as an Executive Director of the Company for the period of 5 years from 1st January, 2013 to 31st December, 2017 and that he will work under the guidance of the Board Directors of the Company.

“RESOLVED that subject to the approval of the members at the Annual General Meeting and in accordance with the provisions of Section 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

ANNUAL REPORT 2012-13

subject to such sanctions as may be necessary, the Board be and hereby re-appoints Mr. G. Ravindran, Executive Director of the Company for the period of 5 years w.e.f. 1.1.2013 to 31.12.2017 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 :

1. Salary of Rs.75,000/- per month including dearness allowance, with an annual increase of Rs.5,000/- upto Rs.1,00,000/-
2. 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.
3. 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.
4. The Executive Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.
5. Gratuity not exceeding half month's salary for each completed year of service.

PERQUISITES:

Mr. G. Ravindran 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 and travel 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

FIBERWEB (INDIA) LIMITED

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.

Mr. G. Ravindran neither participated in the discussion nor voted for the above resolution.

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

Sunita Agarwal
Company Secretary

Place: Daman
Date: 30th July, 2013

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

ANNUAL REPORT 2012-13

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 21st September 2013 to 28th September 2013 (both days inclusive).
6. The documents referred to above 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 Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a Green Initiative in Corporate Governance and allowed companies to serve documents on its shareholders through electronic mode. Members are requested to support this green initiative by registering/updating their

FIBERWEB (INDIA) LIMITED

e-mail address, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with company/its Share Transfer Agents.

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, 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. Bhadresh H. Shah
Age: 60 years, Qualification: B.E. Bachelor of Engineering, Nature of expertise: Civil & Plastic Engineering. Name of the Companies in which he also holds Directorship: 1) Kunststoffe Industries Ltd., Name of the Companies in which he also hold Membership/ Chairmanship: Kunststoffe Industries Ltd. Audit & Share Transfer Committee's Chairman.

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

- (II) Name: Mr. Gopalji M. Rana (N.R.I.) Age: 69 years. Qualification: B.E. Bachelor of Engineering, M.B.A. Nature of expertise: Management & Marketing.. 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. Gopalji M. Rana continues as Director of the Company.

- (III) Name: C.A. Rege Age: 49 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 with good knowledge of financial field.

Name of the Companies in which he also hold 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.

ANNUAL REPORT 2012-13

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)
Item No.6 – SPECIAL BUSINESS

The Board of Directors unanimously reappointed Mr. G. Ravindran as an Executive Director of the company for a period of 5 years from 01-01-2013 to 31-12-2017, subject to the approval of the general meeting and on the terms and conditions mentioned in the resolution.

The Board recommends passing of this resolution for smooth and efficient conduct of the affairs of the company.

Except Mr. G. Ravindran none of the directors is interested in the resolution.

By Order of the Board of Directors
For **Fiberweb (India) Limited**

Sunita Agarwal
Company Secretary

Place: Daman
Date: 30th July, 2013

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

FIBERWEB (INDIA) LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 28th Annual Report and Audited Accounts of the Company for the 12 months period ended 31st March 2013(01.04.2012 to 31.03.2013). The summarized financial results are given below:

01. SUMMARISED FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	2012-13	2011-12
Sales and other Receipts	5436.87	4665.31
Gross Profit / (Loss) before depreciation	229.71	371.46
Less: Depreciation	224.05	123.09
Profit from regular Activities	5.66	248.37
Extra ordinary items (Net)	(97.00)	6.88
Profit/ (Loss) before and after taxation	(91.34)	255.25
Balance carried from earlier year	(9975.83)	(10231.08)
Profit available for appropriation	0	0
Balance carried forward to next year	(10067.17)	(9975.83)

02. OPERATIONS:

During the 12 months period, April 2012 to March 2013 under review, your Company recorded a turnover of Rs 54.36 crores compared to Rs 46.65 crores during the previous period of 12 months. The last 12 months period witnessed 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 5.66 lacs as against profit of Rs 248.37 lacs last year. Your company is 100% EOU facing various constraints like wide fluctuation in polymer (our R.M.) prices, steep increase in ocean freight at regular intervals, RBI/Govt. policy etc. There is no support or incentive from Govt. for increasing exports. In spite of all odds the working result of your company is encouraging. 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 and the activities of the Company will be profitable. Your company is not having banking facilities which also restricts flexibility.

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 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 all its dues including the dues of IDBI,

ANNUAL REPORT 2012-13

Corporation Bank and BOI Mutual Fund and the Administrator of the specified undertaking of UTI, the BHF Bank, UTI (MF) and Canara Bank. 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.2951.52 lacs during the year, and incurred expenditure of Rs.2455.49 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. Bhadresh H. Shah, Mr. Gopalji M. Rana and Mr. C.A. Rege retire by rotation and being eligible offer