



FIBERWEB (INDIA) LTD

HARNESSING TECHNICAL TEXTILES

36th Annual Report 2020-21





This Annual Report can be downloaded from our website at https://fiberwebindia.com/wp-content/uploads/2021/08/Fibeweb_Annual_Report_2021-1.pdf

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Disclaimer

In this annual report, we have disclosed certain forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make certain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipates’, ‘estimates’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

HARNESSING TECHNICAL TEXTILES

Fiberweb is implementing plans efficiently to adapt the changing conditions and pursuing significant growth by turning problems into opportunities. As the complexity of COVID-19 spreads, we will use our collective strength to confront this unprecedented situation and develop defensive and offensive tactics with the goal of being able to adapt to and surpass any situation. We are devoted to achieving corporate success and addressing social concerns by efficiently reacting to emerging societal needs.



We stand behind the power of technical textile products and its ability to not only meet but exceed sustainability goals for our customers and society





This is the Fiberweb India

Fiberweb (India) Ltd. was founded in 1985 and specialised in the production and export of Injection, Blow and Roto Moulded products, as well as garbage and carrier bags, using German machinery.

Fiberweb planned to diversify into the non-woven sector in the early 1990s to meet the expanding global demand for non-woven fabrics and to de-risk the existing business strategy. Since commissioning of its plant in 1996, it has become 100% EOU, exporting to countries like UAE, South Africa, Australia, USA, UK and Europe.

The company also has in-house facilities for manufacturing stitched garments like medical and Industrial gowns and overhauls, Aprons, Car Covers and Other made-ups as per client's specifications. It has also set-up a new product line of Melt Blown Non-woven fabrics used in facemask, filtration, absorbent, rail track etc. The company today having become debt free and is exploring new opportunities and product segments for growth.



36 years

of Global presence



Mission

To leverage capabilities of technical textiles to provide sustainable products that meet the evolving needs in healthcare, hygiene, medical, agriculture and various industrial segments, while helping us fulfill our social objectives.



Vision

To be a trusted brand recognised for it's innovative, cost effective, sustainable solutions that leave the world a better place.



State of the Art
manufacturing unit

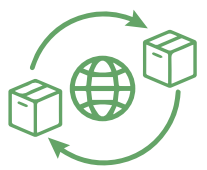
Spunbond
5000 MTPA

Melt Blown
3000 MTPA



Quality Standards

ISO 9001:2015	Intertek
ISO 14001:2015	
ISO 45001:2018	
	UKAS



Empowering people lives for a better tomorrow!

Due to the recent global scare of Covid-19, there has been huge demand for melt blown fabrics from India for face masks. Fiberweb has efficiently provided raw material for manufacturing:
Personal Protective Equipment (PPE) Kits
Face Masks N95 and N99

CSR Spent of ₹ 41.26 lakhs in the education and healthcare sector.

FY21 - Standalone



Revenue

₹ 107.5 Cr.



EBITDA

₹ 23.6 Cr.

Margin 21.7%



PAT

₹ 14.4 Cr.

Margin 13.2%



Cash from Ops.

₹ 15.3 Cr.



Book Value

₹ 55.02



Zero Debt
Company

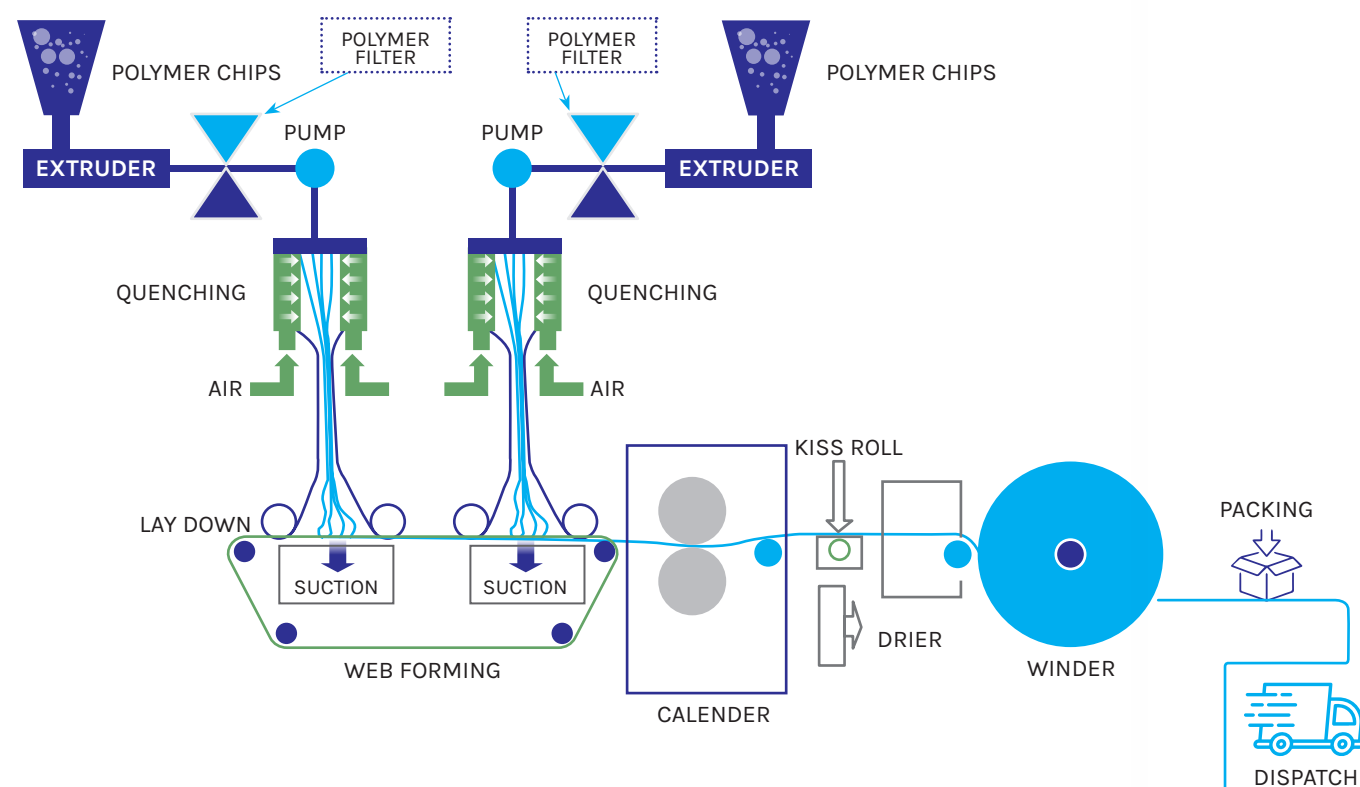
Spunbond Fabric and Its Usage

Started 1996

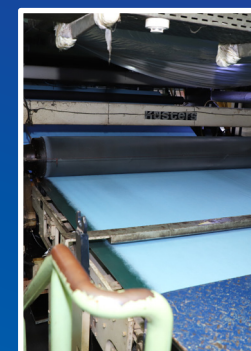
These are produced by depositing extruded, spun filaments onto a collecting belt in a random manner followed by bonding the fibers. The fibers are separated during the web laying process by air jets or electrostatic charges

Capacity:
5,000 MTPA

Spunbond Fabric Line Process



Manufacturing Facility



End Usage



Automotive

Bumper Covers, Interior Carpets, Trunk Carpets, Underbody Panels



Industrial Applications

Hospital Masks and Industrial Garments



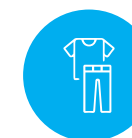
Agricultural Applications

Crop Cover, Soil Cover, Weed Protection



Personal Hygiene Applications

Baby Diapers, Female Hygiene, Adult Incontinence and Face Masks



Textile Applications

Curtains, Lining/Backing/Interlining in Upholstery, Luggage and Garments, Bedsheets / Pillow Covers



Technical Application

Geotextiles and Structural Engineering

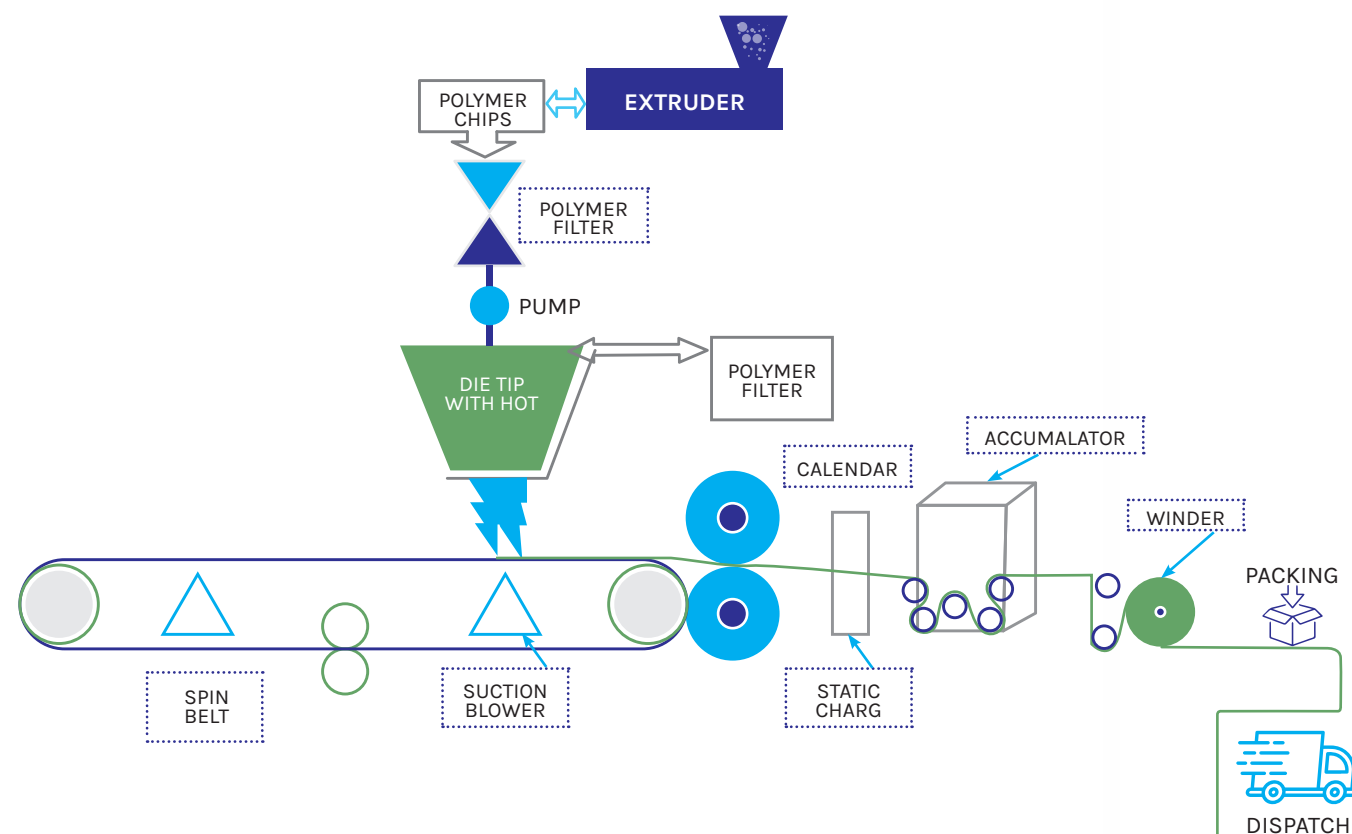
Melt Blown Fabric and its Usage

Started 2017

These are extremely fine fibers which differ from spunbond, in that they have low intrinsic strength and a less dense web structure offering key properties not present in spunbond

Capacity:
3,000 MTPA

Melt Blown Fabric Line Process



Manufacturing Facility



End Usage



Medical Fabrics

Face Masks, Disposable Gowns, Drapes and Sterilization Wraps.



Oil Absorbents

For Oil Spills In Water, Absorbent Flooring In Machine Shops / Industrial Plants.



Wipes

Face Wipes, Hand Wipes, Surface Cleaning (Wood, Leather, Floors, Tiles Etc).



Filtration

Filtration Of Chemicals, Oil, Air, Liquids And Face Masks



Sanitary Products

Feminine Sanitary Napkins, Baby Diapers and Disposable Adult Incontinence Products



Apparel

Disposable Industrial Apparel, Thermal Insulation and Substrates for Synthetic Leather

Chairman’s Speech



First And Foremost, We
Care For Our Society



Pravin Sheth
Chairman Emeritus

Dear Stakeholders,

During these 36 years, Fiberweb has earned its reputation by keeping our culture, people and brand trilogy as our key assets, thereby creating sustainable growth environment and long-term value for our stakeholders. The world is facing a global pandemic that has affected us all in unprecedented ways, both personally and professionally. On behalf of the company, I would like to convey our heartfelt condolences to everyone who have been affected by COVID-19, as well as their families and friends. The global pandemic and continuous lockdowns are wreaking havoc on people's lives, livelihoods and general well-being. I also want to express our sincere gratitude to those working to prevent the spread of illness, particularly those in the domains of healthcare, medicine and essential services.

This year has been full of fresh experiences and achievements. We are really happy of how we have come out of this year, as well as our workers who worked together to achieve exceptional outcome in an ever-changing environment. Our priority has always been to put our workers and consumers first. We have mobilized our entire organisation in response to the worldwide pandemic. We

have become more flexible, modified our working methods, and concentrated on a few key areas to ensure company's longevity and continuous service to our clients. Several steps have been taken to guarantee that our production activities are not disrupted. As always, we have worked really hard to create solutions that offer value to a wide range of clients, people, society and stakeholders. Furthermore, we have strictly enforced social distancing, masks at work, and frequent hand sanitization across our industrial facilities and offices.

Important aspect of our ideology is in upholding the dynamics of our community and playing an active role in its development and success. Our endurance, adaptability, and organisational agility have enhanced our company's capabilities, allowing us to advance from a position of strength and grow over time.

The increase in the number of COVID-19 cases worldwide and the growing need for healthcare workers, are expected to boost the demand for disposable hospital supplies and non-woven materials. The rise in demand for non-woven products and solutions for hygiene, medicinal, construction, and filtration applications is



We have stayed true to our mission and principles throughout the Year of uncertainties



fueling the expansion of the non-woven fabrics market. In India, melt blown non-woven fabrics are in the early growth stage and gaining popularity in the medical, filtration, and absorbent industries. To address the growing global demand for face masks and related products, we have already invested in a new fine fiber melt blown production line and have increased our protective material offerings. We were able to produce high-quality fine fibers, and melt blown filtering media for face masks, surgical masks, and respiratory masks. With this new production line, we will be greatly increasing their supply and helping alleviate melt blown material shortages. We have been able to achieve a positive outcome and make substantial progress across the board, regardless of the concerning economic upheaval.

As we look ahead to this coming year, we will witness an era marked by unequivocal changes. Consumer behaviour will shift in a variety of ways, from the demand for more integrated digital experiences to the prioritization of health and safety aspects in purchase decisions. We aspire to excel in our markets and continue to deliver to the bottom line by remaining consumer centric and maintaining cost discipline. As we enter the

next phase of our journey, we continue to advance, guided by a new business philosophy that shall display our passion for pioneering in the world of fibers and continue to be a vital component in the fight against pandemic related uncertainties and preserving the health of people all over the world.

We were able to start the year strong, persevere through the pandemic and eventually develop and serve successfully throughout the year because of our guiding principals and clear strategy. We all have experienced challenging times but I believe that our timely execution and consumers response validate that we have the right strategy in place.

We express our deep appreciation for the unconditional support from staff, shareholders and bankers, which has given us the courage to forge ahead in this journey. Thank you for assisting us in making the world a cleaner and safer place for everyone. Let us all work together to support our country overcome this situation. It may take some time but there is reason to believe it is attainable.

Jai Hind..
Pravin Sheth
Chairman Emeritus



We continue to draw inspiration from our vision to be a world class leader in non-woven textile industry, that enrich lives of the people



President's Message



Our 36 years of experience has allowed us to remain focussed and determined even in the challenging times and helped the society with our operational capabilities

Bhavesh Sheth
President



Dear Stakeholders,

The global COVID-19 pandemic has affected every aspect of our lives. Coronavirus caught every nation by surprise. It was a tumultuous time for all with pandemic-induced lockdowns and lack of opportunities for businesses and beyond. It has changed mindsets, perceptions and strategies.

The financial year 2021 started on a challenging note with nationwide lockdowns at the start of Q1, however we were declared as an essential unit since our products form the primary component used in making Personal Protection Equipment (PPE) Kits and Protective Face Masks. Prior to the pandemic, there was not a huge demand for PPEs, so there was negligible production in India and majority of the requirement was met by imports, primarily from China. Hence, when the pandemic started, the requirement for PPEs sky-rocketed and with non-availability of imported materials, we were among the handful of producers in India and certainly the one with the largest capacity to produce the filtration materials for PPEs. This allowed us to aid our country and the rest of the world in the battle against the pandemic.

Now, let me give you an overview of your company. Let me start with an overview of your company's operating performance for the financial year 2021.

We have two product categories, Spunbond Fabrics and Melt Blown Fabrics, with both the products having a huge demand for multiple applications. We have a Spunbond capacity of 5,000 MTPA with utilisation level of 4,100 MTPA and we have a Melt Blown capacity of 1,500 MTPA with utilisation level of 1,000 MTPA. Spunbond fabrics contribute to 70% of our total revenue, while melt blown fabrics contribute to 30% of our total revenue.

Now, let me give you an overview of your company's financial performance for the financial year 2021.

Capacity Utilised During FY21
Spunbond : 82%
Melt Blown : 67%

Our top line increased by 9.33% to ₹108.63 Cr. Our full-year EBITDA was up by 31.06% to ₹23.59 Cr. Our full-year PAT was up by 42.26% to ₹14.37 Cr. Which is commendable given that we are 100% export-oriented unit and there was export ban in place for a year for one of our product i.e. melt blown, and how quickly we managed to shift our focus to domestic markets and add more than 25 new customers without any special marketing efforts. Which reflects our strong brand recognition among the customers.

Our total sales can be divided into the following sectors:

Sr. No.	Particulars	Spun-Bond	Melt Blown
1	Hygiene and Health-care	20.00%	30.00%
2	Agriculture	50.00%	-
3	General Textile	30.00%	5.00%
4	Absorbent	-	40.00%
5	Filtration	-	25.00%
Total		100.00%	100.00%

Corporate vulnerabilities are always changing in a dynamically changing business environment along with varied customer expectations. As a result, the panorama of developing risk varies significantly

amongst companies. We continued to stay focused on understanding changing customer needs across all the business segments we serve and addressing these through new products and solutions with a strong value proposition for our customers. While we continued to manage the business dynamics to address the uncertainties in the aftermath of the pandemic. If there is one takeaway, it is that long-term growth and development necessitates the holistic development of human, environmental, and financial capital.

We have seen increased demand for melt blown products due to the pandemic and seeing its market potential for next 3 years. We have started the process of increasing the capacity of our melt blown line and it was increased from 1,500 MTPA to 3,000 MTPA before the end of the year through internal accruals only.

Our approach has always been one of measured incremental growth, to ensure we continue to increase our revenues and enrich shareholders. We do it by diversifying into niche technical textiles that have significant potential and higher margins. We had diversified from spunbond into melt blown precisely with this approach and it yielded the desired results. We are currently planning the next phase of our growth and hope to share the news with you shortly as soon as we have concluded our study and our due diligence.

I am sure that we can look forward to better times as Individuals and as a Company. I assure you that your Company is on the growth path and together as Fiberweb family, we can continue to serve the society and grow bigger.

With Warm regards
Bhavesh Sheth
President

“
Being a 100% EOU, we were able to showcase our brand recognition by adding 25 new clients in India.
”

“
Ensuring business continuity by prioritising the well-being of the employees, their families and other stakeholders
”

Core Management Team

Pravin Sheth

CA by profession. Over 5 decades of industry experience. Responsible for driving the vision and strategy for the Company.

Bhavesh Sheth

Responsible for business development, business process and organization strategy.

Total Experience – 30 years (10 years with Fiberweb (India) Limited). Earlier worked with Fortune 500 Companies in USA as Senior Management.

Rajesh Shukla

B.Com (Major in Finance and Marketing) with 35 years of experience in retail industry, managing business and sales operations. He is the CEO at Fiberweb (India) Limited.

G Ravindran

B. Tech (Chem Engg), M.Tech (Ind. Management) from IIT-Kharagpur and responsible for manufacturing facility in Daman Total experience – 40 years, 30 years with Fiberweb (India) Limited.

Mukesh Pandya

Qualified FCA, DISA and CISA with more than 22 years experience in accounts, auditing and taxation. He is the Chief Financial Officer of Fiberweb (India) Limited.

Corporate Information

BOARD OF DIRECTORS

Mr. Pravin V. Sheth - Chairman Emeritus
Mr. Bhavesh P. Sheth
Ms. Soniya P. Sheth
Mr. Bhadresh H. Shah
Mr. Gopalji M. Rana
Mr. Chidambar A. Rege
Mr. Vijay M. Satkalmi (upto 29th June, 2020)
Mr. Rajesh U. Shukla
Mr. Sorabh Gupta (w.e.f. 28th May, 2021)

KEY MANAGERIAL PERSONNEL

Mr. Rajesh Shukla - Chief Executive Officer
Mr. Mukesh M. Pandya- Chief Financial Officer
Ms. Sonali Rudre - Company Secretary and Compliance Officer (w.e.f. 28th May, 2021)

TECHNICAL PERSONNEL

Mr. Dinesh Mori
Mr. Bhaskarray N Raval

STATUTORY AUDITORS

M/s. Akshay Kirtikumar and Associates
Chartered Accountants, Mumbai

INTERNAL AUDITORS

M/s. Atul Dedhia and Associates
Chartered Accountants, Mumbai

SOLICITORS

Little and Co., Mumbai
Divyakant Mehta and Associates, Mumbai

REGISTERED OFFICE

Airport Road, Kadaiya,
Nani Daman,
Daman (U.T.) 396 210
Email – fiberweb@fiberwebindia.com
Website - www.fiberwebindia.com

BANKERS

Bank of Baroda, Mumbai
Axis Bank, Mumbai
Kotak Mahindra Bank, Mumbai

WORKS

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

LISTED ON STOCK EXCHANGE

BSE Limited and Ahmedabad Stock Exchange Ltd
(Ahmedabad Stock Exchange is derecognized by SEBI)

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C - 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai 400 083
Email – rnt.helpdesk@linkintime.co.in

Financial Highlights (Standalone)

			(₹ in Lacs)
Particulars	FY19	FY20	FY21
Profit and Loss Statement			
Revenues	15,271	9,818	10,745
Other Income	63	118	118
Expenditure	12,733	8,136	8,504
EBITDA	2,601	1,800	2,359
EBITDA Margin(%)	17.0%	18.1%	21.7%
Interest	0	134	0
Depreciation	454	471	513
PBT	2,147	1,195	1,846
PBT Margin (%)	14.0%	12.0%	17.0%
Exceptional items	1,569	0	0
PBT after exceptional items	578	1,195	1,846
Tax	0	177	409
PAT	2147	1018	1437
PAT Margin(%)	14.0%	10.2%	13.2%
Balance Sheet			
Fixed Assets	9,150	9,071	10,151
Investments	20	20	20
Non Current Assets	407	722	236
Current Assets	4,819	5,927	6,803
Total Assets	14,396	15,740	17,210
Equity	2,879	2,879	2,879
Reserve and Surplus	10,651	11,669	12,963
Net Worth	13,530	14,549	15,842
Long Term Borrowings	0	0	0
Total Non current Liabilitie	0	0	0
Short Term Borrowings	0	611	0
Total Current Liabilities	866	580	1,368
Total Liabilities	14,396	15,740	17,210
Cash Flow statement			
Cash from Operations	1,120	609	1,528
Cash from Investments	-1,169	-633	-1,569
Cash from financial Activities	-48	507	-111
Ratios			
Current Ratio	5.57	10.22	4.97
EPS (Rs) Basic	2.01	3.54	4.99
EPS (Rs) Diluted	2.01	3.54	4.99
BV (Rs)	46.99	50.53	55.02

Key Performance





Economy and Industry Outlook

Global economy



The year in consideration is one of the most difficult in recent years, marked by volatility and instability. Countries across the world faced a multi-dimensional crisis that encompassed health scares, local economic upheaval, capital flow reversals, commodity price collapses and a drop in international demand. Governments from all around the world jumped in with extraordinary policy

IMF expects the Global Economy to rebound faster in 2021 and 2022, with growth of 6% in 2021 and 4.4 percent in 2022

support, limiting the economic devastation that could have resulted otherwise. Central banks have implemented additional monetary and prudential measures to boost liquidity and ensure financial stability. The pandemic also demonstrated a dramatic global employment crisis. The challenges to business posed by the inflationary pressure and the uncertain market conditions, would place strong emphasis on managing the business in a dynamic manner

and altering operational priorities to cover the changing market conditions. The ability of governments and regions to adapt to the pandemic crisis will likely define the outlook. While there are still many obstacles to overcome and multispeed economic recovery is underway.

As the globe tries to vaccine itself out of this pandemic, the mutations and paths of the disease's genesis remain mostly unknown, casting a shadow over the situation. Countries should also collaborate on climate change mitigation, digitalization, international co-operation, tax modernization and measures to prevent cross-border profit shifting, avoidance and evasion. We have seen huge changes in economic policy and massively scaled-up assistance at the national level over the last year,

According to the World Bank, the global economy will grow at 5.6 percent in 2021, the fastest rate since the Great Depression.

particularly among advanced economies that can afford these efforts. Maintaining comparable bold initiatives in the foreseeable future will aid the global economy in navigating these uncharted circumstances. Increased COVID-19 caseloads, vaccine barriers and a partial loss of macroeconomic support are offsetting some of the benefits of stronger external demand and higher commodity prices in many emerging markets and developing economies (EMDEs). The United States is likely to surpass its pre-COVID GDP level this year, whereas many other advanced economies will not return to pre-COVID levels until 2022.

Indian Economy



COVID-19, with its altered contagious strains, has resurfaced in 2021, with a drastic rise of cases over the world, particularly in India. The pandemic demanded a complete nationwide lockdown, followed by an 'unlock' phase marked by intermittent regional lockdowns and

According to the National Statistical Office ("NSO"), India's GDP is estimated to contract by 8.0% in FY 2020-21.

limitations, resulting in the biggest real GDP drop on record in the first quarter at 23.9 percent year-on-year.

The Indian economy was similarly impacted by the crisis, with a de-growth rate of 10.4 percent in the first nine months of FY 2020-21, compared to 4.4 percent the previous year (Source: Ministry of Statistics and Programme Implementation, Government of India). The Indian GDP shrank by 7% in the fiscal year that ended in March 2021. The economy, which had plunged off a cliff in Q1, began to display a V-shaped rebound, fueled largely by government spending and exports. The first-half decrease of 15% was countered by 3% growth in the second half of FY21.

The counter measures resulted in a cumulative stimulus of ~20 lakh crore (~10% of the GDP) with a clarion call to make India self-reliant under the "Aatmanirbhar Bharat Abhiyan".

The economy's long-term development fundamentals, such as favorable demography, a stable geopolitical environment and rising urbanisation are expected to continue to fuel India's growth story in the long run. Consumer sentiment was subdued due to macroeconomic issues such as slowing

industrial growth, resulting in lower per capita income and discretionary spending, which was significantly impacted by the pandemic's disruptions across the country. Despite this, the Indian economy's fundamentals remained robust, with GDP growth forecast to pick up in the first quarter of 2020-21.

Global Textile Industry

The global textile sector was impacted by the pandemic with production standstill, supply chain interruptions and market closures.

The market is expected to reach US\$821 Bn in 2025 at a CAGR of 6%.

According to the new market research report 'Textile Global Market Report 2021: COVID-19 Impact and Recovery To 2030' published by The Business Research Company, the global textile market is expected to grow from US\$594 Bn in 2020 to US\$654 Bn in 2021 at a compound annual growth rate (CAGR) of 10%. The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges.

Indian Textile Industry

India is the world's second-largest textile and clothing producer. It is also the world's fifth-largest exporter of textiles, which includes clothes, household goods and technical items. The textile industry contributes nearly 13% of industrial output and 2% of GDP, making it a critical component of economic growth. COVID-19 has had an influence on Indian textile and apparel exports, which are estimated to exceed US\$ 65 Bn by FY26.

The textile industry has around 45 million of workers employed

The textile sector in the country is fueled by a robust manufacturing base that includes a diverse range of yarns, fibres, and fabrics. The Indian apparel market was US\$ 40 Bn in 2020 and is expected to reach US\$ 135 Bn by 2025.