



**27<sup>th</sup> Annual Report 2011-12**

**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. 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, 1 <sup>st</sup> Floor, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072.

# NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Shareholders of the Company will be held on Friday, the 28th day September, 2012, 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 31<sup>st</sup> March, 2012 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. Bhavesh P. Sheth who retires from office by rotation, but eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Dileep V. Naik who retires from office by rotation but eligible, offers himself for re-appointment..
- 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. Jos Kunampilly Iyappen who was appointed as an additional Director of the Company on 31<sup>st</sup> October 2011 under article 86 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting 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 reappointment of Mr. Pravin V. Sheth, Chairman of the company, as a Managing Director of the company for a period of 3 years with effect from 1<sup>st</sup> August 2012 to 31<sup>st</sup> July 2015 by the Board of Directors in their meeting held on 30<sup>th</sup> July 2012 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.2,00,000/- per month including dearness allowance, with an annual increase of Rs.10,000/-.
- II. 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.
- III. 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.
- IV. 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.
- V. 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.
- VI. Gratuity not exceeding half month's salary for each completed year of service.

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.
  - 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 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. Pravin V. Sheth, Chairman & 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 as 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 Mr. Bhadrash 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 reappointment of Mr. P.S. Krishnan as an Executive Director of the Company for the period of 3 years from 1<sup>st</sup> August, 2012 to 31<sup>st</sup> July, 2015 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 there-appointment of Mr. P.S. Krishnan as an Executive Director (Whole Time) OF THE Company for a period of 3 years w.e.f.1<sup>st</sup> August,2012 to 31<sup>st</sup> July 2015 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. 90,000/- 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.
- 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. Bhadresh H. Shah, Director be and are hereby severally authorized to take necessary action to give effect to the resolution.

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

Sunita Agarwal  
Company Secretary

Place: Daman  
Date: 30th July, 2012

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 21st September 2012 to 28<sup>th</sup> September 2012 (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 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, 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. Bhavesh P. Sheth Age: 49 years, Qualification: C.A, Financial Systems & other Software Development and implementation experience, Business development an organization strategy experience. Nature of expertise: Business process, Re-engineering, Management consulting and project management. 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.Bhavesh P. Sheth continues as Director of the Company.

- (II) **Name:** Mr. Dileep V. Naik Age: 64 years. Qualification: B.E.Mechanical. Nature of expertise: Well versed in computerized industrial engineering, material planning & inventory control products costing. Achieved reduction in direct cost & developed special frame prototype worked with state of the art plant & machinery for SBPP Nonwoven since 1994 till 2007 with 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 – SPECIAL BUSINESS

At the Meeting of the Board of Directors held on 31<sup>st</sup> October, 2011 Mr. Jos K.I. was appointed as an additional director of the company pursuant to Section 260 of the companies Act, 1956 read with Article 86 of the Articles of Association of the company. Mr. Jos K. I. holds office only up to the 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. Jos K.I. 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. Jos K.I. is elected as director.

Mr. Jos K. I., Ex. CEO of Johnson & Johnson India Ltd., a multinational company. He had been there for more than 30 years and has recently retired. His experience and ability will be an assets to the company.

**Item No.6**

The Board of Directors unanimously reappointed Mr. Pravin V. Sheth as the Managing Director of the company for the period of 3 years from 01-08-2012 to 31-07-2015, 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. Pravin V. Sheth and Mr. Bhavesh P. Sheth none of the Directors of the company is interested in the said resolution.

**Item No.7**

The Board of Directors unanimously reappointed Mr. P. S. Krishnan as an Executive Director of the company for a period of 3 years from 01-08-2012 to 31-07-2015, 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. P. S Krishnan 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, 2012

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

## DIRECTORS' REP ORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report and Audited Accounts of the Company for the 12 months period ended 31<sup>st</sup> March 2012(01.04.2011 to 31.03.2012). The summarized financial results are given below:

### 01. SUMMARISED FINANCIAL RESULTS:

	(Rs. In Lakhs)	
	2011-12	2010-11
Sales and other Receipts	4665.31	4682.48
Gross Profit / (Loss) before depreciation	371.46	203.77
<b>Less:</b> Depreciation	123.09	135.05
Profit from regular Activities	248.37	68.72
Extra ordinary items (Net)	6.88	(3952.34)
Profit/ (Loss) before and after taxation	255.25	(3883.62)
Balance carried from earlier year	(10231.08)	(6347.46)
Profit available for appropriation	0	0
Balance carried forward to next year	(9975.83)	(10231.08)

### 02. OPERATIONS:

During the 12 months period, April 2011 to March 2012 under review, your Company recorded a turnover of Rs 46.65 crores compared to Rs 46.82 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 248.37 lacs as against profit of Rs 68.72 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 policy etc. There is no support from Govt. for increasing exports. In spite of all odds the working result of your company is quite 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 98% of its total dues including 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). Only one unsecured creditor of 2% of Debts, Canara Bank, has to fall in line with other creditors as advised by BIFR. 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.267.03 lacs during the year, and incurred expenditure of Rs.171.99 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. Bhavesh P. Sheth and Mr. Dileep V. Naik retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend that re-election of Mr. Bhavesh P. Sheth and Mr. Dileep V. Naik will be in the interest of the Company.

Mr. Jos K. I. was appointed as an additional Director of the company on 31-10-2011 and he hold office till the date of this Annual General Meeting and being eligible offers himself for re-election and your Directors recommend that he should be appointed as Director 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 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2012 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 30<sup>th</sup> October, 2000. As on 31<sup>st</sup> March, 2012, about 85.92 % share holding representing 9445188 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 & Associates, 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 Mr. J. B. Patel the Board of Directors of the Company at their meeting held on 30<sup>th</sup> January 2012 had reconstituted an Audit Committee comprising of three Non-Executive Directors viz. Mr. Bhadresh H. Shah, Mr. C. A. Rege and Mr. K. I. Jos.

## **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) the Cash Flow Statement for the year ended 31.03.2012 is annexed to the Accounts.

**18. ACKNOWLEDGEMENT**

Yours Directors place on record their deep appreciation of the continued support received from shareholders and bankers.

On behalf of the Board

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

Place: Daman

Date: 30th July, 2012

Registered Office:

Air Port Road, Kadaiya,

Nani Daman, Daman (U.T.) 396 210

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **INDUSTRY- STRUCTURE AND DEVELOPMENT:**

As you are aware, your Company has been providing innovative and application focused products to enhance value of its customers globally. The customers are from Textile, Furnishing, Agriculture, Hygiene and personal care industries. The Company markets several value added products, which are steadily gaining strength in the overseas market through a net work of dealers and customers. We continue to develop new and innovative products for various applications. The demand for the products of the Company is dependent on the global market and economic growth.

The year 2011-12 continued to be a year of high raw material prices, as was the case for all petroleum based raw materials. The Company was not able to pass on the burden of increase to the customers due to intense competition from China.

### **BUSINESS OUTLOOK:**

The Company sees several opportunities for profitable growth in the areas of value added products, and a growing demand both in the international and domestic markets. The threats that the Company sees are from the Chinese competition in the markets. However, strong quality product development and marketing efforts have enabled the Company to stay ahead. The Company has also improved its geographic presence by enlarging its position in Europe and the America.

### **OPPORTUNITIES AND RISKS:**

The Company's products depend on the growth of the Global economy and rise in the purchasing power of the population. The spread of the Company's business across the continents has enabled it to cater to a steady demand base, thereby minimizing the dependence on any particular market.

Lack of Govt. backing, frequent policy change, constrains increase in ocean freight and PP prices are major constrains and did adversely affected the profitability'



In view of the anticipated growth in the demand for the products of the company in the years to come opportunities for the company to improve its performance is bright. The Company has also decided to improve its manufacturing efficiency by incorporating various balancing equipments and also by placing emphasis on efficient and professional management of the available resources of the company. However, the changing International developments affecting the production and distribution of the essential petrochemical products and raw materials are likely to have it s effect in our activities.

The plant and machinery of the Company are of the state of the art technology. The products of the company are of best quality and have been accepted by well-known end-users in many advanced countries like U.S.A, U.K. etc.

#### **HUMAN/INDUSTRIAL RELATIONS:**

Since the very inception of the company, the industrial relation aspect of the company has been very cordial at all locations of the company. The Company believes that manpower is the most valuable primary resource for the growth of the organization. Therefore the company has recruited competent managerial personnel and taken steps for strengthening their efficiency and competency, through their involvement in the company's development and by installation of effective system for improving productivity.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The company maintains adequate internal control systems, which provide among other things, reasonable assurance of recording the transaction of it operations in all material transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

#### **CAUTIONARY STATEMENT:**

Statement in this report on management Discussion and Analysis describing the company's objectives, projections, estimates, expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the

company's operations include global and domestic demand and supply conditions, finished goods prices, raw material costs and availability, change in Government regulations and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information or events.

On behalf of the Board

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

Place: Daman

Date: 30th July, 2012

Registered Office:

Air Port Road, Kadaiya,

Nani Daman, Daman (U.T.) 396 210.

# REPORT ON CORPORATE GOVERNANCE

This report on Corporate Governance forms part of the Directors Report. This section besides being in compliance of the mandatory listing agreement requirement gives an insight into the process of functioning of the Company.

## **Company's Philosophy on Code of Corporate Governance**

- ❖ To adopt internal and external measures to increase the level of transparency and accountability.
- ❖ To demonstrate to stakeholders that the Company is following right governance practices.
- ❖ To lead the Company towards high growth path of higher profits and revenue.
- ❖ To respect the laws of the land and rights of stakeholders and to get respect from all concerned.
- ❖ To uphold at all times fundamental values of accountability, probity and transparency in all areas of its operations and business practices.

## **Board of Directors**

### ➤ **Composition of Board of Directors**

The Board of Directors comprises of nine members, consisting of six Non-Executive Directors as per the listing agreement. The Board of Directors of the Company consists of eminent persons with considerable professional experience and expertise in respective fields. The composition is as under:-

<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>	<b>Status</b>
Mr. Pravin V. Sheth	Chairman & Managing Director	Executive	Non-Independent
Mr. Bhavesh P. Sheth	Director	Non Executive	Non-Independent
Mr. B.H. Shah	Director	Non-Executive	Independent
Mr. G.M. Rana	Director (N.R.I.)	Non-Executive	Independent
Mr. P.S. Krishnan	Whole-Time Director	Executive	Non-independent
Mr. G. Ravindran	Whole-Time Director	Executive	Non-independent
Mr. Dileep V. Naik	Director	Non-Executive	Independent
Mr. C.A. Rege	Director	Non-Executive	Independent.
Mr. Jos K.I.	Director	Non-Executive	Independent

None of the Directors is a member in more than ten Committees or acts as a Chairman in more than five committees across all companies in which he is a Director.

➤ **Board Meetings and attendance record of each Director**

(i) Five Meetings of the Board of Directors were held during the year ended 31<sup>st</sup> March, 2012. these were held on: -

1. 30th April, 2011
2. 28th July, 2011
3. 31st October, 2011
4. 30th January, 2012

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31<sup>st</sup> March, 2012 and of the last Annual General Meeting is as under:-

<b>Directors</b>	<b>No. of Board Meeting attended</b>	<b>Attendance at Last AGM</b>
Mr. Pravin V. Sheth	4	Yes
Mr. Bhadresh H. Shah	4	Yes
Mr. G.M. Rana (N.R.I.)	Nil	No
Mr. Bhavesh P. Sheth	1	No
Mr. P.S. Krishnan	4	Yes
Mr. G. Ravindran	4	Yes
Mr. Janak R.Patel	2	No
Mr. Dileep V. Naik	Nil	No
Mr. C.A. Rege	4	Yes
Mr. K.I. Jos	1	N/A

**Audit Committee**

In terms of the provisions of Section 292A of the Companies Act, 1956 and in order to comply with the corporate governance code and as consequence of the cessation of Directorship of Mr. J. B. Patel the Board of Directors at its meeting held on 30th January 2012 reconstituted an Audit Committee comprising of Mr. Bhadresh H. Shah, Mr. C.A. Rege and Mr. K.I. Jos.

Four Audit Committee Meetings were held on 19th April, 2011, 20th July, 2011 , 20<sup>th</sup> October, 2011 and 20<sup>th</sup> January, 2012 The Composition of Audit Committee and attendance of each Committee member is as under: -

<b>Name of the Audit Committee Member</b>	<b>Designation</b>	<b>No. of meeting attended</b>
Mr. B.H. Shah	Chairman	4
Mr. J.B. Patel	Member	1
Mr. C.A.Rege	Member	4

At the invitation of the Company, Statutory Auditors, Accounts Manager also attended the meeting to answer and clarify queries raised at the Committee meetings.

### **Remuneration Policy and Details of Remuneration paid**

The Company has on May 10, 2012 reconstituted the Remuneration Committee of Directors, consisting of Mr. Bhadresh H. Shah Chairman, Mr. C.A. Rege and Mr. K.I. Jos .

The terms of remuneration Committee include review and recommendation to the Board of Directors of the remuneration paid to the Directors. The Committee had a Meeting on 20-01-2012 which was attended by Mr. Bhadresh H. Shah and Mr. C.A. Rege.

Details of remuneration paid/payable to the Directors for the year ended on 31<sup>st</sup> March, 2012(from 01-04-2011 to 31-3-2012) is as follows:

Name	Position held During the year Remuneration	Salary & Allowances	Perquisites	Total
Mr. P.V. Sheth	Chairman & Managing Director	Rs 1504300	Rs 804000	Rs 2308300
Mr. P.S. Krishnan	Whole-time Executive Director	Rs. 1105580	Rs. 00	Rs 1105580
Mr. G. Ravindran	Whole-time Executive Director	Rs. 893900	Rs. 42866	Rs. 936766

No remuneration was paid to non-executive directors other than the sitting fees aggregating to Rs. 12000/- paid during the year for attending the Board Meetings.

### **Board Procedures**

The members of the Board have been provided with the requisite information mentioned in the listing agreement well before the Board Meetings and the same were dealt with appropriately. All the directors who are on various committees are within permissible limits of the listing agreement.

## **Shareholders/Investors Grievances and Share Transfer Committee**

As a measure of good corporate governance and to focus on the shareholders' grievances and towards strengthening investors relations and to expedite the transfer process in the physical segment. The Company has constituted a Share Transfer and Shareholders/Investors Grievances Committee consisting of directors of which Shri Bhadresh H. Shah is the Chairman. The Company Secretary, Ms. Sunita Agarwal has been designated as the Compliance Officer. During the year ended 31<sup>st</sup> March, 2012, Three investors complaints were received and as of 31<sup>st</sup> March, 2012 there were no complaints pending reply. There were no share transfers pending for registration for more than 30 days as on the said date. The Committee met 11 times during the year.

## **Compliance Certificate**

Compliance Certificate for corporate governance from Auditors of the Company is annexed herewith.

## **General Body Meetings**

❖ The details of Annual General Meetings held in last three year are as follows:-

<b>AGM</b>	<b>Day</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
24 <sup>th</sup>	Wednesday	30-09-2009	10.0 a.m.	Fortune Hotel Galaxy, Vapi
25 <sup>th</sup>	Wednesday	29-09-2010	10.00 a.m.	Fortune Hotel Galaxy, Vapi
26 <sup>th</sup>	Friday	30-09-2011	10.00 a.m.	Air-port Road, Kadiya, Nani Daman, Daman(U.T.)396 210

- ❖ Whether special resolutions were put through postal ballot last year? No
- ❖ Are special resolutions proposed to be put through postal ballot this year? No.

## **General Shareholders Informations**

The required information is provided in "Shareholders information" Section.

## **Means of Communication**

- ❖ The Board takes on record the unaudited quarterly financial results in the prescribed proforma of the stock exchanges within one month of close of the quarter and announces forthwith the results to all the stock exchanges where the shares of the Company are listed. The quarterly unaudited financial results are also published in Asli Azadi and Svera India Times within 48 hours of the conclusion of the meeting of the Board in which it is approved, same were posted within the stipulated time on the website of SEBI, EDIFAR as per the terms of Listing agreements with Stock Exchanges.

- ❖ Half yearly results/reports is not being sent to each household of shareholders as shareholders are intimated through press.
- ❖ Management Discussion and Analysis Report forms part of this Annual Report.

**Disclosure**

- ❖ There have been no transactions of material nature between the Company and its promoters, directors, management, their subsidiaries or relatives etc.
- ❖ No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

## SHAREHOLDERS INFORMATION

<b>Date, time and venue of 26th AGM</b>	:Friday 28th September,2012 at 10a.m. At M/s.Fiberweb (India) Ltd. Air Port Road, Kadaiya, Nani Daman, Daman (U.T.) 396 210.
<b>Accounting Year End 2012</b>	: 31 <sup>st</sup> March, 2012
<b>Dates of Book Closure</b>	: 21-09-2012 to 28-09-2012 (both days inclusive)
<b>Listing on Stock Exchanges</b>	: The Ahmedabad Stock Exchange Ltd. Ahmedabad The Bombay Stock Exchange Ltd, Mumbai
<b>Listing Fees</b>	: Paid for all above stock exchanges as per the listing agreement.
<b>Demat Arrangement ISIN No.</b>	: With NSDL and CDSL : INE 296C01012
<b>ASE and BSE Stock Code</b>	: 46910 and 507910
<b>Registered Office</b>	: Air Port Road, Kadaiya, Nani Daman, Daman (U.T.) 396 210. Tel No. 0260- 2221458 Fax No. 0260-2220758
<b>Company's E-Mail ID</b>	: fiberweb@vsnl.net
<b>Registrar &amp; Share Transfer Agents</b>	: Sharex Dynamic (India) Pvt. Ltd., Unit No. 1, Luthra Industrial Premises, 1 <sup>st</sup> Floor, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072 Tel No.022- 2851 5606 /6544 Fax No.022-2851 2885 E-mail ID: sharexindia@vsnl.com
<b>Compliance Officer</b>	: Ms. Sunita Agarwal.



**Stock Market Data:  
High and Low prices & Trading Volumes at BSE**

<b>MONTH</b>		<b>High (Rs.)</b>	<b>Low (Rs.)</b>
April	2011	9.92	7.00
May	2011	9.35	6.61
June	2011	8.99	4.94
July	2011	6.69	5.32.
August	2011	7.79	5.46
Sept.	2011	7.75	5.87
October	2011	7.00	4.65
Nov.	2011	6.86	5.20
December	2011	5.78	4.27
January	2012	7.26	4.13
February	2012	7.20	6.09
March	2012	6.80	5.72

**Source : [www.bseindia.com](http://www.bseindia.com)**

**Distribution of Shareholding as on 31<sup>st</sup> March, 2012:**

Category of Shareholder	Number of Shareholders	Percentage of (A+B+C)	Total Number of shares held
(A) Shareholding of Promoters & Promoter Group			
(1) Indian	9	46.25	5084128
(2) Foreign	0	0.00	0
<b>Total shareholding of Promoter &amp; Promoter Group</b>	<b>9</b>	<b>46.25</b>	<b>5084128</b>
(B) Public Shareholding			
(1) Institutions	20	5.33	586191
(2) Non - Institutions.	8111	48.42	5322774
<b>Total Public Shareholding</b>	<b>8131</b>	<b>53.75</b>	<b>5908965</b>
(C) Shares held by custodians		0.00	0
<b>Total (A)+(B)+(C)</b>	<b>8140</b>	<b>100.00</b>	<b>10993093</b>

**Shareholding Pattern by size as on 31<sup>st</sup> March, 2010**

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
<b>1 -100</b>	2788	34.25	203979	1.86
<b>101-200</b>	1815	22.30	307859	2.80
<b>201-500</b>	2283	28.05	764652	6.95
<b>501-1000</b>	715	8.77	538751	4.90
<b>1001-5000</b>	432	5.31	914810	8.32
<b>5001-10000</b>	46	0.57	344712	3.14
<b>10001-100000</b>	51	0.63	1713701	15.59
<b>100001- and above</b>	10	0.12	6204629	56.44
<b>Total</b>	<b>8140</b>	<b>100.00</b>	<b>10993093</b>	<b>100.00</b>

**Dematerialisation of equity shares**

The shares of the Company have been brought under compulsory demat mode with effect from 30<sup>th</sup> October, 2000. As on 31<sup>st</sup> March, 2012, about 85.92% share holding representing 9445188 Equity Shares of the Company have been converted into demat form. The Company has executed agreements with both the depositories namely NSDL and CDSL for demat of its shares.

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of

Fiberweb (India) Limited

(Formerly Known as PVD Plast Mould Industries Limited)

1. We have examined the Corporate Governance report of Fiberweb (India) Limited (Formerly known as PVD Plast Mould Industries Limited) for the year ended 31<sup>st</sup> March, 2012 with the relevant records and documents maintained & furnished to us by the Company and as approved by the Board of Directors.
2. The Compliance of conditions on Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. We state that no investor grievances is pending for a period exceeding one month against the Company as per records maintained by the Shareholders/Investors Grievance Committee.
5. On the basis of our review and according to information and explanations provided to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

**For P.M. Turakhia & Associates,  
Chartered Accountants**

**Pragna Patel  
Partner**

**Place : Daman**

**Date : 30th July, 2012**