

# **27th 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, 1st Floor,  
Andheri-Kurla Road, Safed Pool, Andheri (East),  
Mumbai – 400 072.

## FIBERWEB (INDIA) LIMITED

### 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.) 396210 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st 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 lyappen who was appointed as an additional Director of the Company on 31st 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

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a Managing Director of the company for a period of 3 years with effect from 1st August 2012 to 31st July 2015 by the Board of Directors in their meeting held on 30th 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.

## FIBERWEB (INDIA) LIMITED

- 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. Bhadresh 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 1st August, 2012 to 31st July, 2015 and that he will work under the guidance of the Board Directors of the Company.

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"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.1st August,2012 to 31st 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.

## FIBERWEB (INDIA) LIMITED

- 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.

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### 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 28th 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



## FIBERWEB (INDIA) LIMITED

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, 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. 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.

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### 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 31st 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,

# FIBERWEB (INDIA) LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report and Audited Accounts of the Company for the 12 months period ended 31st 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
Less: 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

## FIBERWEB (INDIA) LIMITED

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 31st 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 31st 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 30th October, 2000. As on 31st 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

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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 30th 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

## FIBERWEB (INDIA) LIMITED

### 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 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.



## FIBERWEB (INDIA) LIMITED

### 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.

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- Board Meetings and attendance record of each Director
- (i) Five Meetings of the Board of Directors were held during the year ended 31st 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 31st March, 2012 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting attended	Attendance at Last AGM
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, 20th October, 2011 and 20th January, 2012 The Composition of Audit Committee and attendance of each Committee member is as under: -

Name of the Audit Committee Member	Designation	No. of meeting attended
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.

## FIBERWEB (INDIA) LIMITED

### 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 31st 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 31st March, 2012,

## ANNUAL REPORT 2011-12

Three investors complaints were received and as of 31st 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:-

AGM	Day	Date	Time	Venue
24th	Wednesday	30-09-2009	10.0 a.m.	Fortune Hotel Galaxy, Vapi
25th	Wednesday	29-09-2010	10.00 a.m.	Fortune Hotel Galaxy, Vapi
26th	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.

## FIBERWEB (INDIA) LIMITED

<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>	: 31st 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</b>	: With NSDL and CDSL
<b>ISIN No.</b>	: 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 <b>Fax No. 0260-2220758</b>
<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, 1st 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.

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### Stock Market Data:

#### High and Low prices & Trading Volumes at BSE

MONTH	High (Rs.)	Low (Rs.)
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 31st 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>

## FIBERWEB (INDIA) LIMITED

### Shareholding Pattern by size as on 31st March, 2012

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 30th October, 2000. As on 31st 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 31st 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

**M. D. Turakhia**  
Partner

Place : Daman

Date : 30th July, 2012



## **FIBERWEB (INDIA) LIMITED**

### **AUDITORS' REPORT**

#### **AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY**

The Members of

#### **FIBERWEB (INDIA) LIMITED**

- 1) We have audited the attached Balance Sheet of FIBERWEB (INDIA) LIMITED, (Formerly known as PVD Plast Mould Industries Limited) as at 31st March 2012 the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.
- 2) We conducted our Audit in accordance with the Auditing Standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit includes assessing the Accounting Principles used and significant estimates made by management, as well as evaluating the overall Financial Statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 , we enclose in the Annexure a Statement on the matters specified in Paragraph 4 and 5 of the said Order.
- 4) Further to our comments, in the Annexure referred to above, we report that :
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
  - (ii) In our opinion, proper Books of Account as required by law have been Kept by the Company, so far as appears from our examination of those books;
  - (iii) The Balance Sheet and Profit & Loss Account dealt with by this Report are in agreement with the Books of Account;
  - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this Report

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comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.

- (v) On the basis of the written representations received from the directors , as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274 (1) (g) of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956 in the manner so required and subject to notes on accounts in general and in particular Note B.2, B.3, B.4, B.5, B.6 & B.7 of Notes forming part of the accounts for the year ended 31.3.2012, give a True and Fair view in conformity with the generally accepted Accounting Principles in India;
  - a) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March'2012;
  - b) In the case of the Profit and Loss Account, of the profit/loss for the year ended on that date; and

For P.M. Turakhia & Associates,  
Chartered Accountants

**M. D. Turakhia**  
Partner

Place : Daman

Date : 30th July, 2012

## **FIBERWEB (INDIA) LIMITED**

### **ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF "M/S FIBERWEB (INDIA) LIMITED." ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH'2012.**

On the basis of the presentations received from the management and according to the explanation given, information furnished to us and on the basis of scrutiny of books & records, we are of the opinion that: -

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details & situation of fixed assets.
- (b) All the Assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Fixed Assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off a major or substantial part of fixed assets so as to affect the going concern status of the Company.
- ii) (a) The Inventory has been physically verified during the year by the Management. The frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The material discrepancies noticed on physical verification have been properly dealt with in the books of accounts.
- iii) The Company had neither taken nor granted any loans, secured or unsecured from / to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Hence, the question of reporting whether the rate of interest and other terms and conditions of such loans are prima facie prejudicial to the interest

## ANNUAL REPORT 2011-12

of the company, whether reasonable step for recovery / payment of the overdues of such loans are taken does not arise

- iv) There is adequate inventory control procedure commensurate with the size of the company and nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in internal control.
- v) Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that there were no transactions during the year that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- vi) Based on our scrutiny of the company's records and according to the information and explanations provided by the management, in our opinion, the company has not accepted any public deposits so far upto 31st March,2012.
- vii) The company has an internal audit system commensurate with the size of the company and nature of its business.
- viii) We are unable to offer any comment on the clause no. (viii) pertaining to maintenance of cost records as the cost auditor has not completed cost audit till date.
- ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax Wealth Tax, Custom Duty, Excise Duty, and Cess any other material statutory dues applicable to it.  
  
(b) No Un-disputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears, as at 31st March'2012, for a period of more than six months from the date they became payable.

## FIBERWEB (INDIA) LIMITED

- (c) There are no dues of sales tax , income tax, custom tax , wealth tax, service tax, excise duty and Cess which have not been deposited on account of any dispute.
- x) The accumulated losses of the company are more than 50% (Fifty Percent) of its Net Worth and hence the company has filed a reference with the BIFR, New Delhi Under the SICA 1985 which has been registered by the BIFR.the company registered under the Sick Unit vide BIFR's order dated 18.01.2007.The company has earned Cash Profit of Rs.3,06,93,828/- in the current financial year and of Rs.2,40,25,642/- in the immediate preceding financial year. In arriving at the accumulated loss and net worth, we have considered the qualifications which are quantifiable in the Audit Report of the year to which these losses pertain.
- xi) The company has defaulted in repayment of dues to the following financial institution/s and / or Banks and / or Debenture holders in respect of the following amount and the period mentioned there against: -

<b>Sr. No.</b>	<b>Name of the Financial Institution / Banks</b>	<b>Principal Amount</b>	<b>Interest Amount</b>	<b>Period</b>
1	Canara Bank – Lease Rentals	1,73,07,490	-	14 years

Since the company is declared as Sick Company by BIFR and rehabilitation scheme is submitted, the interest has not been provided since then and the dues stays suspended and therefore company cannot be considered as defaulter.

- xii) The Company has not granted any Loans & Advances on the basis of Security by way Pledge of Shares, Debentures and other securities. Hence, the provisions as to whether the adequate documents and records are maintained and to point out the deficiencies, if any in this regard are not applicable.
- xiii) The Company is not a Chit Fund or Nidhi / Mutual Benefit Fund/Society. Hence, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) The Company is not dealing in or trading in Shares, Securities, Debentures and other

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investments. Hence, the provisions of Clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

- xv) The company has not given any guarantee for loans taken by others from Bank or Financial Institution. Accordingly, the provisions as to whether the terms & conditions in respect thereof are prejudicial to the interest of the Company are not applicable to the company.
- xvi) The company has no recorded, obtained any terms loans. Hence, comments under the clause are not called for the provisions as to whether the price at which shares have been issued is prejudicial to the interest of the company are not applicable.
- xvii) No funds raised on short term basis have been used for the long term investment by the company
- xviii) The company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act.1956. Hence the provisions as to whether the price at which shares have been issued is prejudicial to the interest of the company are not applicable.
- xix) According to the records of the company, the company has not issued any Debentures.
- xx) The company has not raised any money by public issue. Hence the provisions as to whether the management has disclosed on the end use of money raised by public issue and the same has been verified are not applicable.
- xxi) No fraud on or by the company has been noticed or reported during the course of our Audit.

**FOR P. M. TURAKHIA & ASSOCIATES**  
CHARTERED ACCOUNTANTS

**(M. D. TURAKHIA)**  
PARTNER

PLACE: MUMBAI  
DATE: 30.07.2012

# FIBERWEB (INDIA) LIMITED

## BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	AS AT 31-03-2012	AS AT 31-03-2011
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	109,930,930	109,930,930
(b) Reserves and surplus	2	-689,535,774	-869,597,342
		-579,604,844	-759,666,412
<b>2 Share application money pending allotment</b>	23	43,150,000	50,650,000
<b>3 Non-current liabilities</b>			
(a) Long-term borrowings	3	1,306,149,825	1,306,149,825
		1,306,149,825	1,306,149,825
<b>4 Current liabilities</b>			
(a) Short-term borrowings	4	2,700,000	4,311,250
(b) Trade payables	5	10,851,952	11,388,286
(c) Other current liabilities	6	795,586	137,137
(d) Short-term provisions	7	2,854,117	3,587,526
		17,201,655	19,424,199
TOTAL		786,896,635	616,557,612
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	8	573,411,378	428,068,787
		573,411,378	428,068,787
(b) Long-term loans and advances	9	79,640,526	79,425,526
		79,640,526	79,425,526
<b>2 Current assets</b>			
(a) Current investments	10	10,700	10,700
(b) Inventories	11	48,661,517	80,961,492
(c) Trade receivables	12	32,267,634	5,748,238
(d) Cash and cash equivalents	13	45,453,031	14,475,922
(e) Short-term loans and advances	14	6,318,630	7,766,446
(f) Other current assets	15	1,133,219	100,500
		133,844,731	109,063,298
TOTAL		786,896,635	616,557,612
See accompanying notes forming part of the financial statements		-0	0

In terms of our report attached.

**For P.M.TURAKHIA & NASSOCIATES**

Firm Registration NO 111086w

**For P.M.TURAKHIA & ASSOCIATES**

CHARTERED ACCOUNTANTS

**(M.D.TURAKHIA)**

Membership No. 017399

PLACE : DAMAN

DATE : 30.07.2012

**For FIBERWEB (INDIA) LIMITED**

On behalf of Board of Directors

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

**P.S.KRISHNAN** - Executive Director

**G.RAVINDRAN** - Executive Director

**SUNITA AGARWAL** - Company Secretary

PLACE : DAMAN

DATE : 30.07.2012

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**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	For the year ended 31-03-2012	For the year ended 31-03-2011
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	16	466,530,797	468,247,821
Less: Excise duty		26,502,335	18,637,128
Revenue from operations (net)		440,028,462	449,610,693
2 Other income	17	7,848,707	1,666,651
3 Total revenue (1+2)		447,877,169	451,277,344
4 Expenses			
(a) Cost of materials consumed	18.a	273,953,238	303,849,308
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	18.b	12,611,949	6,436,091
(c) Employee benefits expense	19	23,210,769	20,596,908
(d) Finance costs	20	215,218	4,539,528
(e) Depreciation and amortisation expense	8	12,308,737	13,504,997
(f) Other expenses	21	100,740,044	95,490,678
Total expenses		423,039,955	444,417,510
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		24,837,215	6,859,834
6 Exceptional items (Prior period Items)	22.a	-2,000,000	-395,222,088
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		22,837,215	-388,362,254
8 Extraordinary items	22.b	2,688,284	-
9 Profit / (Loss) before tax (7 + 8)		25,525,499	-388,362,254
financial statements			

In terms of our report attached.

**For P.M.TURAKHIA & NASSOCIATES**

Firm Registration NO 111086w

**For P.M.TURAKHIA & ASSOCIATES**

*CHARTERED ACCOUNTANTS*

**(M.D.TURAKHIA)**

Membership No. 017399

PLACE : DAMAN

DATE : 30.07.2012

**For FIBERWEB (INDIA) LIMITED**

On behalf of Board of Directors

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

**P.S.KRISHNAN** - Executive Director

**G.RAVINDRAN** - Executive Director

**SUNITA AGARWAL** - Company Secretary

PLACE : DAMAN

DATE : 30.07.2012



## FIBERWEB (INDIA) LIMITED

Cash Flow Statement for the year ended 31 March, 2012				
Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
	<b>A. Cash flow from operating activities</b>			
Net Profit / (Loss) before extraordinary items and tax		24,837,214		6,871,969
Adjustments for:				
Depreciation and amortisation	10,505,993		13,504,997	
Amortisation of share issue expenses and discount on shares	-		2,771,785	
Interest income	-877,984	9,628,009	-177,324	16,099,458
Operating profit / (loss) before working capital changes		34,465,223		22,971,427
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	32,299,975		-13,472,083	
Trade receivables	-26,519,402		20,079,900	
Short-term loans and advances	1,453,816		-	
Long-term loans and advances	-221,000		-	
Other current assets	4,500	7,017,889	-	6,607,817
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	-536,334		-8,174,792	
Other current liabilities	658,449			
Other long-term liabilities	-2,511,250			
Other short-term liabilities	900,000			
Short-term provisions	-733,409	-2,222,544		-8,174,792
Cash Generated form Operations		39,260,568		21,404,452
Interest Paid		215,218		4,539,500
Cash Before Extraordinary Items		39,475,786		25,943,952
Cash flow from extraordinary items		-		-
Cash generated from operations		39,475,786		25,943,952
Net income tax (paid) / refunds		-		-
Net cash flow from / (used in) operating activities (A)		39,475,786		25,943,952

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<b>Cash Flow Statement for the year ended 31 March, 2012 (Contd.)</b>				
Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011	
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital				
Proceeds from sale of fixed assets		-3,115,258		-6,059,276
Loans realised				
- Others		1,453,816		483,187
Interest received				
- Others		877,983		177,324
Net cash flow from / (used in) investing activities (B)		-783,459		-5,398,765
<b>C. Cash flow from financing activities</b>				
Share application money received / (refunded)		(7,500,000)		50,650,000
Proceeds from long-term borrowings		-		(103,427,500)
Finance cost		(215,218)		(4,539,500)
Net cash flow from / (used in) financing activities (C)		(7,715,218)		(57,317,000)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		30,977,109		(36,771,813)
Cash and cash equivalents at the beginning of the year		14,475,922		51,247,735
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		45,453,031		14,475,922
Cash and cash equivalents at the end of the year		(30,977,109)		36,771,813
See accompanying notes forming part of the financial statements				
<p>In terms of our report attached.  <b>For P.M.TURAKHIA &amp; NASSOCIATES</b>            Firm Registration NO 111086w  <b>For P.M.TURAKHIA &amp; ASSOCIATES</b>  <i>CHARTERED ACCOUNTANTS</i>  <b>(M.D.TURAKHIA)</b>            Membership No. 017399             PLACE : DAMAN            DATE : 30.07.2012</p>		<p><b>For FIBERWEB (INDIA) LIMITED</b>            On behalf of Board of Directors   <b>PRAVIN V SHETH</b> - Chairman &amp; Mananging Director  <b>P.S.KRISHNAN</b> - Executive Director  <b>G.RAVINDRAN</b> - Executive Director  <b>SUNITA AGARWAL</b> - Company Secretary             PLACE : DAMAN            DATE : 30.07.2012</p>		

## FIBERWEB (INDIA) LIMITED

<b>Note 1 Share capital</b>								
Particulars	As at 31 March, 2012		As at 31 March, 2011					
	Number of shares		Number of shares					
(a) Authorised								
Equity shares of ` 10 each with voting rights	15,000,000	150,000,000	15,000,000	150,000,000				
Redeemable preference shares of ` 10 each	5,000,000	50,000,000	5,000,000	50,000,000				
	20,000,000	200,000,000	20,000,000	200,000,000				
(b) Issued								
Equity shares of ` 10 each with voting rights	10,993,093	109,930,930	10,993,093	109,930,930				
	10,993,093	109,930,930	10,993,093	109,930,930				
(c) Subscribed and fully paid up								
Equity shares of ` 10 each with voting rights	10,993,093	109,930,930	10,993,093	109,930,930				
	10,993,093	109,930,930	10,993,093	109,930,930				
<b>Total</b>	<b>10,993,093</b>	<b>109,930,930</b>	<b>10,993,093</b>	<b>109,930,930</b>				
<b>Notes:</b>								
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2012								
- Number of shares	10,993,093	-	-	-	-	-	-	10,993,093
- Amount (`)	109,930,930	-	-	-	-	-	-	109,930,930
Year ended 31 March, 2011								
- Number of shares	10,993,093	-	-	-	-	-	-	10,993,093
- Amount (`)	109,930,930	-	-	-	-	-	-	109,930,930
<b>Particulars</b>								
<b>Notes:</b>								
(ii) Details of shares held by each shareholder holding more than 5% shares:								
Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011					
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares				
Equity shares with voting rights								
Pravin V Sheth	1,913,594	17.41	1,885,651	17.15				
Chemical & Alkalie Distributors Ltd.	953,899	8.68	953,899	8.68				
Bharat Capital & Holding Ltd.	1,178,327	10.72	1,178,327	10.72				

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### Notes forming part of the financial statements

<b>Note 2 Reserves and surplus</b>		
Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Securities premium account		
Opening balance	132,447,305	132,447,305
Closing balance	132,447,305	132,447,305
(b) Debenture redemption reserve		
Opening balance	21,000,000	21,000,000
Less: Transferred to General Reserve during the year	(21,000,000)	
Closing balance	-	21,000,000
(c) Revaluation reserve		
Opening balance	-	-
Add: Addition on revaluations during the year	276,887,178	-
Less: Utilised for set off against depreciation	122,351,108	-
Closing balance	154,536,070	-
(d) General reserve		
Opening balance	-	-
Add: Transferred from Debenture Redemption Reserve	21,000,000	-
Closing balance	21,000,000	-
(e) Other reserves - Forfeiture of Shares		
Opening balance	63,440	63,440
Closing balance	63,440	63,440
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(1,023,108,088)	(634,745,833)
Add: Profit / (Loss) for the year	25,525,499	(388,362,254)
Closing balance	(997,582,589)	(1,023,108,087)
Total	(689,535,774)	(869,597,342)
<b>Note 3: Long-term borrowings</b>		
Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Term loans		
From banks		
Secured (Refer Note (i) below & Note 26)	5,000,000	5,000,000
	5,000,000	5,000,000
From other parties		
Secured (Refer Note (i) below)	1,138,776,000	1,138,776,000
	1,138,776,000	1,138,776,000
(b) Deposits (Distributors)		
Unsecured	1,700,000	1,700,000
	1,700,000	1,700,000
(c) Other loans and advances		
From other parties		
Unsecured	160,673,825	160,673,825
	160,673,825	160,673,825
Total	1,306,149,825	1,306,149,825

## FIBERWEB (INDIA) LIMITED

Notes:

(iii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security*	As at 31 March, 2012		As at 31 March, 2011	
		Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks</u>					
Canara Bank	Against the security of Uninterrupted Power System	5,000,000	-	5,000,000	-
Total - Term loans from banks		5,000,000	-	5,000,000	-
<u>Term loans from other parties:</u>					
Gayatri Pipes & Fittings Pvt Ltd.	Deed of Assignment between UTI & Gayatri Pipes & Fittings Pvt Ltd	1,138,776,000	-	1,138,776,000	-
Total - Term loans from other parties		1,138,776,000	-	1,138,776,000	-

### Note 4 Short-term borrowings

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans repayable on demand		
From other parties		
Unsecured	-	4,311,250
		4,311,250
(b) Loans and advances from related parties (Refer Note 25)		
Unsecured	2,700,000	-
	2,700,000	-
Total	2,700,000	4,311,250

### Note 5 Trade payables

Particulars	As at 31 March, 2012	As at 31 March, 2011
Trade payables:		
Acceptances	10,851,952	11,388,286
Total	10,851,952	11,388,286

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### Note 6 Other current liabilities

Particulars	As at 31 March, 2012	As at 31 March, 2011
(i) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	692,563	4,788
(ii) Others (TDS)	103,023	132,349
Total	795,586	137,137

### Note 7 : Short-term provisions

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Provision for employee benefits:		
(i) Provision for other employee benefits - Medical Benefits	139,863.00	120,700.00
(b) Provision - Others:		
(i) Provision - others (outstandings at the year end)	2,714,254	3,466,826
Total	2,854,117	3,587,526

# FIBERWEB (INDIA) LIMITED

Note 8 Fixed assets		GROSS BLOCK									
		Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments (revaluation of prior period)	Balance as at 31 March, 2012
A. Tangible assets											
(a) Land											
Freehold	62,955,250	-	-	-	-	27,675,568	-	-	-3,254,500	87,376,318	
Leashold	2,561,511	-	-	-	-	-	-	-	2,594,474	5,155,985	
(b) Buildings											
Factory Building - Own use	54,311,646	-	-	-	-	4,142,403	-	-	30,102,904	88,556,953	
Office Building - Own use	25,000	-	-	-	-	-	-	-	-1,228	23,772	
(c) Plant and Equipment											
Owned	927,925,049	2,339,523	-	-	-	245,069,207	-	-	-275,803,689	899,530,090	
(d) Furniture and Fixtures											
Owned	7,620,260	30,000	-	-	-	-	-	-	-3,777,511	3,872,749	
(e) Vehicles											
Owned	14,150,963	600,000	-	-	-	-	-	-	-2,131,430	12,619,533	
(f) Office equipment											
Owned	3,118,935	40,000	-	-	-	-	-	-	-1,653,735	1,505,200	
(g) Others											
Other Electrical Items - Owned	1,178,787	-	-	-	-	-	-	-	-762,200	416,587	
Computer - Owned	2,172,103	105,735	-	-	-	-	-	-	-220,852	2,056,986	
Total	1,076,019,504	3,115,258	-	-	-	276,887,178	-	-	-254,907,767	1,101,114,173	
Previous year	453,158,868	6,058,583	-	-	-	-	-	-	-	459,217,451	

## Notes forming part of the financial statements

Note 8 Fixed assets (contd.)											
A	Tangible assets	Accumulated depreciation and impairment							Net block		
		Balance as at 1 April, 2011	Depreciation/amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2011	
(a)	Land Freehold Leasehold	57,080	-	-	-	-	-	-	57,080	87,376,318	59,700,750
(b)	Buildings Factory Building - Own use Office Building - Own use	23,593,128 4,823	1,380,799 323	-	-	-	-	-2,058,169 -190,217	22,915,758 -185,071	65,641,195 208,843	60,821,422 18,949
(c)	Plant and Equipment Owned	353,280,598	10,540,887	-	-	-	-	120,622,488	484,443,973	415,086,117	298,840,762
(d)	Furniture and Fixtures Owned	3,432,613	29,537	-	-	-	-	359,278	3,821,428	51,321	410,136
(e)	Vehicles Owned	9,756,449	254,297	-	-	-	-	2,608,787	12,619,533	-	2,263,084
(f)	Office equipment Owned	1,026,366	22,986	-	-	-	-	572,221	1,621,573	-116,373	438,834
(g)	Others Other Electrical Items - Owned Computer - Owned	251,818 1,640,075	8,379 71,529	-	-	-	-	207,711 229,009	467,908 1,940,613	-51,321 116,373	164,769 311,176
	Total	393,042,950	12,308,737	-	-	-	-	122,351,108	527,702,795	573,411,378	428,068,787
	Previous year	17,643,661	13,504,997	-	-	-	-	31,148,658	428,068,793	435,515,210	



# FIBERWEB (INDIA) LIMITED

## Notes forming part of the financial statements Note 8 Fixed assets (Contd.)

Particulars					
<b>C. Depreciation and amortisation relating to continuing operations:</b>					
Particulars	For the year ended 31 March, 2012		For the year ended 31 March, 2011		
Depreciation and amortisation for the year on tangible assets as per Note 12 A	12,308,737		13,504,997		
Depreciation and amortisation relating to continuing operations	12,308,737		13,504,997		
Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
LEASE HOLD LAND					
Opening balance	5,155,985	5,155,985	5,155,985	5,155,985	2,561,511
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date					
Amount	-	-	-	-	-
Added on revaluation					
Date					31.12.2007
Amount	-	-	-	-	2,594,474
Balance as at 31 March	5,155,985	5,155,985	5,155,985	5,155,985	5,155,985

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Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
<b>FREE HOLD LAND-DAMAN</b>					
Opening balance	59,700,750	59,700,750	59,700,750	62,955,250	62,955,250
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date				31.3.2009	
Amount	-	-	-	3,254,500	-
Added on revaluation					
Date	31.3.2012	-	-	-	-
Amount	27,675,568	-	-	-	-
Balance as at 31 March	87,376,318	59,700,750	59,700,750	59,700,750	62,955,250
<b>Notes:</b>					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15	31 December, 2007
<b>FACTORY BUILDINGS</b>					
Opening balance	81,755,354	81,755,354	81,755,354	61,482,347	51,652,646
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date					
Amount	-	-	-	-	-
Added on revaluation					
Date	31.3.2012			31.3.2009	31.12.2007
Amount	4,142,403	-	-	20,273,007	9,829,701
Balance as at 31 March	85,897,757	81,755,354	81,755,354	81,755,354	61,482,347

## FIBERWEB (INDIA) LIMITED

Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
<b>PLANT AND MACHINERIES</b>					
Opening balance	634,813,943	634,813,943	634,813,943	429,430,949	910,617,632
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date					31.12.2007
Amount	-	-	-	-	481,186,683
Added on revaluation					
Date	31.3.2012			31.3.2009	
Amount	245,069,207	-	-	205,382,994	-
Balance as at 31 March	879,883,150	634,813,943	634,813,943	634,813,943	429,430,949
Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
<b>OFFICE PREMISES-VAPI</b>					
Opening balance	23,772	23,772	23,772	24,672	25,000
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date				31.3.2009	31.12.2007
Amount	-	-	-	900	328
Added on revaluation					
Date					
Amount	-	-	-	-	-
Balance as at 31 March	23,772	23,772	23,772	23,772	24,672

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Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
<b>OFFICE &amp; LABORATORIES EQUIPMENTS</b>					
Opening balance	925,655	925,655	925,655	948,721	2,578,493
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date				31.3.2009	31.12.2007
Amount	-	-	-	23,066	1,629,772
Added on revaluation					
Date					
Amount	-	-	-	-	-
Balance as at 31 March	925,655	925,655	925,655	925,655	948,721
Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
<b>FURNITURE &amp; FIXTURES</b>					
Opening balance	3,410,361	3,410,361	3,410,361	3,162,186	7,188,566
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date					31.12.2007
Amount	-	-	-	-	4,026,380
Added on revaluation					
Date				31.3.2009	
Amount	-	-	-	248,175	-
Balance as at 31 March	3,410,361	3,410,361	3,410,361	3,410,361	3,162,186

## FIBERWEB (INDIA) LIMITED

Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
VEHICLES					
Opening balance	8,675,426	8,675,426	8,675,426	8,868,654	12,938,286
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date				31.3.2009	31.12.2007
Amount	-	-	-	96,614	2,034,816
Added on revaluation					
Date					
Amount	-	-	-	-96,614	-2,034,816
Balance as at 31 March	8,675,426	8,675,426	8,675,426	8,675,426	8,868,654
Notes:					
(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:					
Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
COMPUTERS					
Opening balance	1,533,157	1,533,157	1,533,157	1,419,722	1,754,009
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date					31.12.2007
Amount	-	-	-	-	334,287
Added on revaluation					
Date				31.3.2009	
Amount	-	-	-	113,435	-
Balance as at 31 March	1,533,157	1,533,157	1,533,157	1,533,157	1,419,722

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Notes:

(i) Details of amounts written off on reduction of capital or revaluation of assets or sums added to assets on revaluation during the preceding 5 years:

Particulars	Year				
	31 March, 2012	31 March, 2011	31 March, 2010	31 March, 2009-15 m	31 December, 2007
OTHER ELECTRICAL ITEMS					
Opening balance	108,636	108,636	108,636	200,555	870,836
Written off on reduction of capital					
Date					
Amount	-	-	-	-	-
Written off on revaluation					
Date				31.3.2009	31.12.2007
Amount	-	-	-	91,919	670,281
Added on revaluation					
Date					
Amount	-	-	-	-	-
Balance as at 31 March	108,636	108,636	108,636	108,636	200,555

# FIBERWEB (INDIA) LIMITED

## Notes forming part of the financial statements

<b>Note 9: Long-term loans and advances</b>						
<b>Particulars</b>		<b>As at 31 March, 2012</b>			<b>As at 31 March, 2011</b>	
(a)	Security deposits Unsecured, considered good	1,120,526			1,120,526	
(b)	Other loans and advances From other parties Unsecured, considered good	78,520,000			78,305,000	
Total		79,640,526			79,425,526	

  

<b>Notes forming part of the financial statements</b>						
<b>Note 10: Current investments</b>						
<b>Particulars</b>	<b>As at 31 March, 2012</b>			<b>As at 31 March, 2012</b>		
	Quoted #	Unquoted #	Total	Quoted	Unquoted	Total
Other current investments (At lower of cost and fair value, unless otherwise stated)						
(a) Investment in equity instruments						
(i) of other entities - GOA BANK - Fully paid up @ 100/- each	107	-	10,700	107	-	10,700

  

<b>Note 11: Inventories</b>						
<b>(At lower of cost and net realisable value)</b>						
<b>Particulars</b>		<b>As at 31 March, 2012</b>			<b>As at 31 March, 2011</b>	
(a)	Raw materials	13,861,948			32,516,252	
(b)	Finished goods (other than those acquired for trading)	17,974,076			30,586,025	
(c)	Stores and spares	16,571,197			17,490,788	
(d)	Others (PACKING MATERIALS)	254,296			368,427	
Total		48,661,517			80,961,492	

  

<b>Note 12: Trade receivables</b>						
<b>Particulars</b>		<b>As at 31 March, 2012</b>			<b>As at 31 March, 2011</b>	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment						
Less: Provision for doubtful trade receivables		4,040,181			4,040,181	
		-4,040,181			-4,040,181	
Other Trade receivables						
Unsecured, considered good		36,307,815			9,788,419	
Total		32,267,634			5,748,238	

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<b>Note 13: Cash and cash equivalents</b>		
Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Cash on hand	714,086	635,033
(b) Balances with banks		
(i) In current accounts	24,022,612	3,877,110
(ii) In EEFC accounts	18,149,303	8,394,942
(iii) In earmarked accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments (Refer Note (i) below)	2,567,030	1,568,837
Total	45,453,031	14,475,922
<b>Notes:</b>		
(i) Balances with banks include deposits amounting to ` NIL (As at 31 March, 2011 ` NIL) and margin monies amounting to ` 25,67,030/- (As at 31 March, 2011 ` 15,68,837/-) which have an original maturity of more than 12 months.		
<b>Note 14: Short-term loans and advances</b>		
Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Loans and advances to employees Unsecured, considered good	245,769	181,469
	245,769	181,469
(b) Prepaid expenses - Unsecured, considered good (For e.g. Insurance premium, Annual maintenance contracts, etc.)	357,368	260,439
(c) Balances with government authorities Unsecured, considered good		
(i) VAT credit receivable	-	133,502
(ii) Service Tax credit receivable	259,245	284,705
(iii) TDS	157,287	69,425
(iv) Excise	-	2,420
(v) Electricity	160,323	599,486
	576,855	1,089,538
(d) Others Unsecured, considered good	5,138,638	6,235,000
	5,138,638	6,235,000
Total	6,318,630	7,766,446
<b>Note 15: Other current assets</b>		
Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Others		
(i) Contractually reimbursable expenses -Security Charges	96,000	100,500
(ii) Others (Exhibition Expenses not yet w/off)	1,037,219	-
Total	1,133,219	100,500



## FIBERWEB (INDIA) LIMITED

<b>Note 16: Revenue from operations</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(a) Sale of products Net of CST & VAT (Refer Note (i) below)	465,253,399	466,614,454
(b) Other operating revenues (Refer Note (ii) below)	1,277,398	1,633,367
	466,530,797	468,247,821
Less:		
(c) Excise duty	26,502,335	18,637,128
Total	440,028,462	449,610,693

  

<b>Note</b>	<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(i)	Sale of products comprises :		
	Manufactured goods		
	Deemed Export Sales	7,888,798	1,128,800
	Fabric Sales	260,062,212	300,056,724
	High Seas Sale	19,102,500	37,645,000
	Local Fabric Sales	181,974,419	130,598,878
	Less: VAT & CST	3,774,530	2,814,948
	Total - Sale of products	465,253,399	466,614,454
(ii)	Other operating revenues		
	Sale of scrap	1,277,398	1,633,367
	Total - Other operating revenues	1,277,398	1,633,367

  

<b>Note 17: Other income</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(a) Interest income (Refer Note (i) below)	877,984	177,324
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	6,970,723	1,489,327
Total	7,848,707	1,666,651

  

<b>Note</b>	<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	877,324	-
	other balances	-	113,450
	Interest on income tax refund	-	63,874
	Other interest	660	-
	Total - Interest income	877,984	177,324

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### Note 18.a: Cost of materials consumed

Particulars	As at 31 March, 2012	As at 31 March, 2011
Opening stock	32,516,252	13,204,329
Add: Purchases	255,298,934	323,161,231
Less: Closing stock	13,861,948	32,516,252
Cost of material consumed	273,953,238	303,849,308

### Note 18.b: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March, 2012	As at 31 March, 2011
Inventories at the end of the year		
Finished goods	17,974,076	30,586,025
Inventories at the beginning of the year:		
Finished goods	30,586,025	37,022,116
Net (increase) / decrease	12,611,949	6,436,091

### Note 19: Employee benefits expense

Particulars	As at 31 March, 2012	As at 31 March, 2011
Salaries and wages	19,789,450	17,748,901
Contributions to provident and other funds (Refer Note 30.4)	1,724,108	1,459,090
Staff welfare expenses	1,697,211	1,388,917
Total	23,210,769	20,596,908

### Note 20: Finance costs

Particulars	As at 31 March, 2012	As at 31 March, 2011
(a) Interest expense on:	-	-
(i) Borrowings	214,841	4,539,500
(ii) Others		
- Interest on delayed / deferred payment of income tax	377	28
Total	215,218	4,539,528

## FIBERWEB (INDIA) LIMITED

<b>Note 21: Other expenses</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Consumption of stores and spare parts	6,131,532	2,810,110
Consumption of packing materials	10,407,411	9,114,939
Security Charges	1,140,419	751,478
Power and fuel	22,351,805	17,859,379
Rent including lease rentals	156,000	373,244
Repairs and maintenance - Buildings	2,818,812	1,296,543
Repairs and maintenance - Machinery	270,436	1,490,543
Repairs and maintenance - Others	260,814	201,609
Insurance	478,105	502,777
Rates and taxes	255,004	434,233
Communication	668,718	717,769
Travelling and conveyance	3,850,167	3,879,421
Printing and stationery	286,412	345,452
Freight and forwarding	31,798,585	32,961,017
Sales commission	9,624,205	9,923,269
Business promotion	1,056,232	1,038,657
Donations and contributions	2,266,500	-
Legal and professional	1,027,621	-152,769
Payments to auditors (Refer Note (i) below)	180,000	180,000
Advertisement & Publicity	192,911	261,435
Coolie & Cartage	669,275	694,187
DATA Processing Charges	109,097	104,687
Gardening Charges	148,040	149,200
Labour Charges	1,324,465	2,242,432
Misc. Expenses written off	518,600	3,491,555
Office Expenses	319,641	533,640
Postage Charges	128,038	221,029
Bank Charges (incl. Bill Discounting Charges)	1,874,454	1,775,926
Bad Debts	-	1,646,448
Unrealised Loans & Advances W/off	-	528,700
Miscellaneous expenses	426,745	101,632
Prior period items (net) (Refer Note (ii) below)	-	12,136
<b>Total</b>	<b>100,740,044</b>	<b>95,490,678</b>

## ANNUAL REPORT 2011-12

<b>Notes:</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	120,000	120,000
For taxation matters	60,000	60,000
<b>Total</b>	<b>180,000</b>	<b>180,000</b>
(ii) Details of Prior period items (net)		
Prior period expenses (TDS -A.Y.2007-08 w/off)	-	12,136
<b>Total</b>	<b>-</b>	<b>12,136</b>
<b>Note 22.a: Exceptional items</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Liabilities accepted for ICICI BANK	2,000,000	-
Deed of assignment UTI & Gayatri PFPL	-	1,036,182,880
Liabilities reduced w.r.t BHF Bank & Canara Bank	-	-640,960,792
<b>Total</b>	<b>2,000,000</b>	<b>395,222,088</b>
<b>Note 22.b: Extraordinary items</b>		
<b>Particulars</b>	<b>As at 31 March, 2012</b>	<b>As at 31 March, 2011</b>
Sundry Creditors Written Off	-188,284	-
Bad Debts recovered	-2,500,000	-
<b>Total</b>	<b>-2,688,284</b>	<b>-</b>

## FIBERWEB (INDIA) LIMITED

### Note 23: Additional information to the financial statements

Note	Particulars
<b>23</b>	<b>Share application money pending allotment</b>
	As at 31 March 2012, the Company has received an amount of `4,31,50,000/- towards share application money towards 43,15,000 equity / of the Company (As at 31 March, 2011 `5,06,50,000/- towards 50,65,000 equity) at a premium of ` NIL (As at 31 March, 2011 ` NIL). The share application money was received from promoters directors and freinds acting in concert, pursuant to an BIFR Order dated 27/07/2009.The allotment of shares can only be made after schemes is approved by BIFR.The Company has sufficient authorised capital to cover the allotment of these shares.

### Note 24: Disclosures under Accounting Standards (contd.)

Note	Particulars
<b>24</b>	<b>Employee benefit plans</b>
	Defined contribution plans
	The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ` 14,17,648/- (Year ended 31 March, 2011 ` 10,04,748/- ) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### Note 25: Disclosures under Accounting Standards (contd.)

Note	Particulars	
25	Related party transactions	
25.a	Details of related parties:	
	Description of relationship	Names of related parties
	Key Management Personnel (KMP)	Mr. Pravin Sheth
	Relatives of KMP	
	Daughter	Dhwani Sheth
	Brother-in-law	Jatin Shah

Note: Related parties have been identified by the Management.

## ANNUAL REPORT 2011-12

**25.b Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012:**

	Relatives of KMP	Total
Finance - Short Term Loan		
Dhwani Sheth	700,000	
Jatin Shah	500,000	
Jatin Shah HUF	1,500,000	2,700,000
<u>Balances outstanding at the end of the year</u>		
<u>Loans and advances</u>		
Dhwani Sheth	700,000	
Jatin Shah	500,000	
Jatin Shah HUF	1,500,000	2,700,000

**Note 26: Disclosures under Accounting Standards (contd.)**

Note	Particulars	For the year ended 31 March, 2012	For the year ended 31 March, 2011
26	<p>Details of leasing arrangements</p> <p>As Lessee</p> <p>The Company has entered into finance lease arrangements for certain equipments and vehicles, which provide the Company an option to purchase the assets at the end of the lease period.</p> <p>The Company has taken lease of Uninterrupted Power System from Canara Bank. Canara Bank has filed a suit against the company &amp; is pending before the Karnataka High Court. However, the company has offer one time settlement to the bank, which is pending.</p>	5,000,000	5,000,000
		5,000,000	5,000,000

**Note 27: Previous year's figures**

**Note Particulars**

- 27 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

# FIBERWEB (INDIA) LIMITED

## NOTES FORMING PARTS OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2012

### NOTE NO. 1

#### A. SIGNIFICANT ACCOUNTING POLICIES

##### 1. GENERAL :

- (a) The Accounts are prepared under the historical cost convention, in accordance with the generally accepted accounting principles and the provision of the Companies Act, 1956 as adopted consistently by the company.
- (b) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles.

##### 2. FIXED ASSETS :

Fixed Assets are shown at Original cost of acquisition less accumulated depreciation.

Fixed Assets are revalued as on 31.03.2012. The surplus arising from the revaluation has been transferred to "Revaluation Reserve" and shown under the head "Reserves & Surplus". As the Fixed Assets were revalued on the last day of the Balance sheet, no depreciation has been provided on Revalued Figures.

##### 3. DEPRECIATION :

Depreciation is provided on straight line basis applying the rates specified in Schedule XIV of the Companies Act 1956 under straight line method:

- (i) In respect of assets acquired on 01.01.1994 and thereafter at revised rates specified in the said Schedule vide Notification No 756 E dated 16.12.93 and as clarified in Circular No. 14 dated 20.12.1993 issued by the Department of the Company Affairs.
- (ii) In respect of assets on hand as on 31.12.93 at the rates in force prior to the abovementioned notification.

##### 4. INVENTORIES :

Raw materials and consumable Stores are valued at cost. Finished and Semi Finished goods are valued at lower of cost or market value.

##### 5. REVENUE RECOGNITION :

In case of Sales of Goods – When the property and all significant risk and rewards of ownership are transferred to the buyer or no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. It excludes amounts recovered towards Sales Tax and includes amount received towards processing activities done for other, if any.

##### 6. TREATMENT OF EXPENDITURE DURING CONSTRUCTION PERIOD:

All normal pre-production revenue expenditure including interest on borrowed funds till the commencement of commercial production are capitalized.

**7. TREATMENT OF EMPLOYEES BENEFITS :**

Benefits payable to employees during their tenure of employment viz. Bonus, Leave Encashment etc are accounted on cash basis. Retirement benefits are accounted as and when the same become due for payment.

**8. CURRENCY TRANSACTION :**

- (i) Import and Export of goods in foreign currency are accounted at exchange rates prevailing on the date of payment, whenever made.
- (ii) Term loans in foreign currency for financing capital expenditure were accounted at rupee equivalent values on the date of loans disbursement. Till 31.12.2001 year-end outstanding loans were reconverted at the rate prevailing on Balance Sheet Date.

**9. MISCELLANEOUS EXPENDITURE:**

The balance amount of Expenses on Exhibition Index-II would have been amortised in the two financial years

**10. TREATMENT OF CONTINGENT LIABILITIES/GAINS**

The amount of contingent losses are charged to the Profit & Loss Account on a reasonable estimated basis that probable future event confirm that an asset has been impaired or a liability has been incurred as at the Balance Sheet Date and contingent gains are not recognized in the accounts.

**B. OTHER NOTES ON ACCOUNTS:**

- 1 Pursuant to a reference made by the Company, the Hon'ble Bench of the BIFR, New Delhi, has by their Order dated 18th January 2007, declared the Company as a "SICK INDUSTRY". Rehabilitation Scheme (DRS) is under final stage of acceptance as all other creditors are settled except Canara Bank Lease rent dues.
- 2 The Company has revalued Fixed Assets, Investments and Loans & Advances for the year ended 31.12.2007; Fixed Assets & Investments for the year ended 31.03.2009 and Fixed Assets for the year ended 31.03.2012. The Revaluation of the year ended 31.12.2007 has resulted into a Loss of Rs.47,74,58,372/- and the same has been debited to Profit & Loss Account and shown below the line as "Extra Ordinary Items". Similarly, the Revaluation of the year ended 31.03.2009 has resulted into a Profit of Rs.22,25,50,613/- and the same has been credited to Profit & Loss Account as "Profit on Revaluation of Assets" and shown below the line. So also, the Revaluation of the year ended 31.03.2012 has resulted into a Profit of Rs.27,68,87,178/- and the same has been credited to the Revaluation Reserve Account and shown in the Balance Sheet as at 31.03.2012 under the head, Reserves & Surplus. At the time of earlier revaluations carried out as on 31.12.2007 & 31.03.2009, the Gross Block was shown at Revalued Figures instead of Cost. Hence the same has been rectified in the year under consideration i.e. as at 31.03.2012 by replacing the Gross Cost of the Assets deducting the loss on revaluation and adding the profit on revaluation carried out as at 31.12.2007 & 31.03.2009 respectively. The difference of Rs.12,23,51,108/- between the under depreciation provided on reduced value of the said assets for the year commencing from 01.01.2008 to 31.03.2009 (i.e. for a period of 15 months) and the over depreciation provided on the increased value of the said assets has been debited to the Revaluation Reserve Account of the year under consideration viz. 31.03.2012.



## FIBERWEB (INDIA) LIMITED

- 3 The Company has availed non funding facilities from its bankers. In this connection Rs.25,67,030/- (previous year Rs. 15,68,837/-) are kept with Banks as lien / margin money against guarantees opened by the bankers and guarantees issued by them. Contingent liability for bills discounted with Dena Bank is NIL.
- 4 Regarding leased assets taken from Canara Bank, Bangalore, the matter is pending before the Karnataka High Court against the Arbitrator's Award. Also this matter is before BIFR .In view of this no provision is made for lease rent in the accounts.
- 5 Debtors and Creditors balances are subject to confirmations from the parties
- 6 The company has not ascertained liability towards payment of gratuity and hence no provision has been made in accounts. It is accounted for on the basis of payment.
- 7 In the opinion of the Board of Directors the Current Assets, Loans & Advances except those shown as doubtful have a value on realization in the ordinary course of business at least equal to the amount at which items are stated in the Balance Sheet.
- 8 The company operates in a single segment namely "Polymer Processing". Hence segment wise reporting as defined in AS 17 of ICAI is not applicable.
- 9 Modvat credit of Excise duty taken on purchase of Raw Materials is not included in the value of inventory of Raw Material. Also value of inventory of finished goods does not include excise duty payable on manufacture. This has no effect on the profit of the Company.
- 10 Figures of the previous year have been re-grouped / rearranged /reclassified wherever necessary.  
P.S.KRISHNAN - Executive Director

In terms of our report attached.

**For P.M.TURAKHIA & NASSOCIATES**

Firm Registration NO 111086w

**For P.M.TURAKHIA & ASSOCIATES**

*CHARTERED ACCOUNTANTS*

**(M.D.TURAKHIA)**

Membership No. 017399

PLACE : DAMAN

DATE : 30.07.2012

**For FIBERWEB (INDIA) LIMITED**

On behalf of Board of Directors

**PRAVIN V SHETH** - Chairman & Mananging Director

**P.S.KRISHNAN** - Executive Director

**G.RAVINDRAN** - Executive Director

**SUNITA AGARWAL** - Company Secretary

PLACE : DAMAN

DATE : 30.07.2012

**AUDITORS' REPORT**

We have examined the above Cash Flow Statement of FIBERWEB (INDIA) LIMITED for the period ended 31st March, 2012. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 30th July, 2012 to the members of the Company and reallocation required for the purpose are as made by the Company.

For **P. M. TURAKHIA & ASSOCIATES**  
(*CHARTERED ACCOUNTANTS*)

**M. D. TURAKHIA**  
(*PARTNER*)

Place : Daman

Date : 30th July, 2012



## FIBERWEB (INDIA) LIMITED

(Formerly known as PVD Plast Mould Industries Ltd.)

**Registered Office:**

Airport Road, Kadaiya, Nani Daman (U.T.) 396210

L.F. No.	
No. of Shares held	
Depository Account No.	

### ATTENDANCE SLIP

I/We hereby record my/our presence at the 27th Annual General Meeting of the Company at Fiberweb (India) Limited, Airport Road, Kadaiya, Nani Daman, Daman (U.T.) 396210 at 10.00 a.m. on Friday, 28th September, 2012.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS) \_\_\_\_\_

SIGNATURE OF THE SHAREHOLDER/PROXY\* \_\_\_\_\_

\* Strike out whichever is not applicable.

**NOTES:**

1. You are requested to sign and hand this over at the entrance.
2. If you intend to appoint a proxy to attend the meeting instead of yourself, the Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
3. Persons attending the Annual General Meeting are requested to bring their copies.



## FIBERWEB (INDIA) LIMITED

(Formerly known as PVD Plast Mould Industries Ltd.)

**Registered Office:**

Airport Road, Kadaiya, Nani Daman,  
Daman (U.T.) 396210

L.F. No.	
No. of Shares held	
Depository Account No.	

### FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_  
 in the district of \_\_\_\_\_ being a member/members of the above named Company  
 hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the  
 district of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ in the district  
 of \_\_\_\_\_ as my/our Proxy to vote for me/us on my/our behalf at the  
 27th Annual General Meeting of the Company to be held on Friday, 28th September, 2012 and at any  
 adjournment thereof.

Please affix Rs.1.00 Revenue Stamp
--

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature

**NOTES:**

1. The Proxy form must be deposited at the Registered Office of the Company, not less than 48 hours before the time for holding the meeting.
2. This form must be used in  $\frac{\text{favour}}{\text{against}}$  of the resolution, unless otherwise directed, the Proxy will vote at he/she thinks fit.
3. Members who hold shares in the dematerialisation form are requested to quote their Depository Account Number for identification.

\* Strike out whichever is not applicable.

