

24th Annual Report 2008-09

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. J. B PATEL
Mr. BHADRESH H. SHAH
Ms. VILINA P. SHETH – Executive Director
Mr. P. S. KRISHNAN – Executive Director
Mr. G. RAVINDRAN – Executive Director
Mr. JANAK R. PATEL
Mr. DILEEP V. NAIK
Mr. GOPALJI M. RANA
Mr. C. A. REGE (w.e.f. 30.04.2009)

AUDITORS

P. M. TURAKHIA & COMPANY
Chartered Accountants, Mumbai

SOLICITORS

KANTILAL UNDERKAT & CO., MUMBAI
DIVYAKANT MEHTA & ASSOCIATES, MUMBAI

REGISTERED OFFICE

Amee Co-op. Hsg. Society Ltd.
Ground Floor, G.I.D.C.,
Vapi (Dist. Valsad) - 396 195. GUJARAT

BANKERS

DENA BANK, Industrial Finance Branch,
9th Floor, Maker Tower E, Cuffe Parade,
Mumbai - 400 005.

WORKS

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

REGISTRARS & TRANSFER AGENTS

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

Fiberweb (India) Limited

NOTICE

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of the Company will be held on Wednesday, the 30th September, 2009, at 10.00 a.m. at Fortune Hotel Galaxy, National Highway No.8, G.I.D.C., Vapi – 396 195, Dist.Valsad, Gujarat to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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. J.B. Patel who retires from office by rotation, but eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Dileep V. Naik, who retires from office by rotation, but eligible, offers himself for re-election.
4. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

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. C.A. Rege who was appointed as an additional Director of the company on 30th April 2009 under article 86 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting of 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 pursuant to the provisions of Section 17 and other

applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation and approval of the Company Law Board, the Registered Office of the Company by shifted from, State of Gujarat to the Union Territory of Daman and Diu and the clause ii of the Memorandum of Association be substituted by the following clause :

ii The Registered Office of the Company will be situate in the Union Territory of Daman and Diu.

RESOLVED FURTHER THAT Shri Pravin V. Sheth, Managing Director & Mr. P. S. Krishnan Executive Director of the Company be and are hereby jointly and severally authorised to do all such acts

and deeds as may be necessary, incidental or consequential to give effect to this resolution.”

By order of the Board
For FIBERWEB (INDIA) LIMITED

PRAVIN V. SHETH
Chairman & Managing Director

Place : Daman

Date : 31st July, 2009

Registered Office :

Amee Co-op. Hsg. Society Ltd.

Ground Floor, G.I.D.C.,

Vapi - 396 195

Dist. Valsad, Gujarat

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NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No. 5 & 6 of the Notice to be transacted at the Annual General Meeting is annexed hereto.
2. 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.
3. 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.
4. 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.
5. 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.
6. The Share Transfer Books and the Register of Members of the Company will remain closed from 23rd September 2009 to 30th September 2009 (both days inclusive).
7. The documents referred above to in any of the items of the Notice are available for inspection at the Registered Office of the Company on any working day during the business hours of the Company.

8. 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.
9. 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.
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, Ambawadi, Ahemdabad - 380 015.
 - (2) The Bombay Stock Exchange Ltd., Mumbai, Rotunda Building, Phiroze Jeebhoy towers, Dalal Street, Mumbai - 400 001.

The listing fees to the above exchanges have been paid.

11. AS REQUIRED IN TERMS OF PARAGRAPH VI(IA) OF CLAUSE 49 OF

THE LISTING AGREEMENT, THE DETAILS OF THE DIRECTORS RETIRING BY ROTATION AND ELIGIBLE FOR REAPPOINTMENT ARE FURNISHED BELOW:

(I) **Name :** Mr. J. B. Patel Age : 62 years, Qualification: B.A. Nature of expertise : Management & Marketing. Name of the companies in which he also holds directorship: None. Name of the companies's committees in which he holds Memberships/chairmanship: None.

It will be in the interest of the Company that Mr. J. B. Patel continues as Director of the the Company.

(II) **Name :** Mr. Dileep V. Naik Age: 61 years, Qualification: B.E. Mechanical. Nature of expertise: Well versed in computerized industrial engineering , material planning & inventory control product costing. Achieved reduction in direct cost & developed special frame prototype worked with state of the art plant & machinery for SBPP Non Woven since 1994 till 2007with

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our Company. Name of the Companies in which he also holds Directorship: None. Name of the Companies in which he also hold Membership/Chairmanship: None

It will be in the interest of the Company that Mr. Dileep V. Naik continues as Director of the Company.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No.5

At the Meeting of the Board of Directors held on 30th April, 2009 Mr. C.A.Rege was appointed as additional director of the company pursuant to Section 260 of the Companies Act, 1956 read with Articles 86 of the Articles of Association of the Company. Mr. C.A.Rege holds office only upto the date of forthcoming Annual General Meeting.

Notice in writing has been received form a shareholder of the company., pursuant to section 257 of the companies Act, 1956 , signifying his intention to propose Mr. C. A. Rege 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. C.A.Rege is elected as Director.

Mr. C.A.Rege is Bachelor of Engineering Management. He has long experience in Engineering & Plastics with the management & business working experience as professional with leading industries in plastics at higher management level mainly expertise in global marketing with good knowledge of financial field. His experience will be beneficial to the Company and hence your Directors recommended his appointment.

Item No. 6

The Registered office of the Company is situated at Vapi in the state of Gujarat since incorporation, as at that time the activities were confirmed to Vapi. Over a period of time due to technical obsolescence the Company had stopped manufacture of Blow Moulded and Injection Moulded products at Vapi. At present Company is carrying on the business activities of manufacture of garbage bags and carrier bags and plastic films, spun bond polypropylene nonwoven fabrics and products, and blown films in Daman. The entire business activities of the Company are concentrated in the Union Territory of Daman and Diu.

In order to continue the business activities of the Company at Daman more economically and more efficiently and as the Company has no activity at present at Vapi, it is considered necessary to shift the Registered Office of the Company to the Union Territory of Daman and Diu.

The Directors recommend the proposed resolution for approval of members.

None of the Directors of the Company are

interested or concerned on the above resolution.

By order of the Board
For FIBERWEB (INDIA) LIMITED

PRAVIN V. SHETH
Chairman & Managing Director

Place : Daman

Date : 31st July, 2009

Registered Office :

Amee Co-op. Hsg. Society Ltd.

Ground Floor, G.I.D.C.,

Vapi - 396 195

Dist. Valsad, Gujarat

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report and Audited Accounts of the Company for the 15th months period ended 31st March 2009,(01.01.2008 to 31.03.2009). The summarized financial results are given below :

01. SUMMARISED FINANCIAL RESULTS : (Rs. In Lakhs)

	2008-09	2007
Sales and other Receipts	4015.39	3355.10
Gross Profit / (Loss) before depreciation	(104.63)	59.84
Less : Depreciation	303.71	140.46
Loss from regular Activites	(408.35)	(80.61)
Extra ordinary items		
Revaluation of Assets	3853.27	(5036.57)
Net Profit/(Loss) before taxation	3444.91	(5117.18)
Balance carried from earlier year	(9832.51)	(4715.33)
Balance carried forward to next year	(6387.60)	(9832.51)

02. OPERATIONS :

During the 15 months period, January 2008 to March 2009 under review, your Company recorded a turnover of Rs. 40.15 crores compared to Rs.33.55 crores during the previous year. The last 15 months period witnessed deep economic recession in all the countries especially in the developed countries where our products are widely exported. The regular activities of the Company during this period resulted in a loss of Rs. 4.08 crores. The

downward trend of the effects of economic recession has slowed down and it is expected that the economies of the affected countries will improve in the next six months. We are hopeful that with the consequent increase in demand the activities of the Company will be profitable. The revaluation of Assets resulted in reduction of earlier year loss due to devaluation by Rs. 38.53 crores.

The depreciated Rupee continue to over shadow the performance of the Company in the first four months of the year.

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 rehabilitation Scheme has been prepared and submitted. Under the Scheme One Time Settlement of Dues with financial institutions and bankers were envisaged.Accordingly

The Company has settled and paid the dues of IDBI, Corporation Bank and BOI Mutual Fund.The BHF Bank has agreed to accept the One Time Settlement amount offered by the Company.Efforts are being made to get the approval of other financial institutions and bankers to accept the OTS offer. The Company

is hopeful that Rehabilitation Scheme approved by the BIFR, when implemented will result in profitable revival of the Company in the near future.

04. DIVIDEND :

Owing to continued 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. 2362.28 lacs during the year, and incurred expenditure.

07. SEGMENT REPORTING UNDER ACCOUNTING STANDARDS 17 :

Your Company's main business is "Polymer Processing" and all other activities of the company revolve around this main business. As such there are no separate reportable segments within the Company and Hence, the segment wise reporting as defined in Accounting Standards 17 is not applicable to the Company.

08. CORPORATE GOVERNANCE :

Your Company has always been conducting its business with due compliance of laws, rules, regulations and with sound internal control systems and procedures.

The Company has obtained a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in the Listing Agreement with the Stock Exchanges. This is annexed to the Directors Report

09. DIRECTORATE :

Mr. J.B.Patel and Mr. Dileep V. Naik retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend that re-election of Mr. J. B. Patel and Mr. Dileep V.Naik will be in the interest of the Company.

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Mr. C.A.Rege was appointed as the Additional Director of the Company on 30th April 2009 and Mr. C. A. Rege will hold office upto the Annual General Meeting and being eligible offers himself for reappointment. Your Directors recommend reappointment of Mr. C. A. Rege.

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, 2009, 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, 2009 on a 'going concern' basis.

10. 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, 2009, about 80.69 % share holding representing 8869796 Equity Shares of the Company have been Dematerialized. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

11. ENVIRONMENTAL PROTECTION & INSURANCE :

Top priority continues to be given to environmental protection for all the units of the Company by keeping emission levels to the minimum possible. Adequate

Insurance cover has been taken for properties of the Company including Buildings, Plant & Machineries, Stocks and other assets.

12. AUDITORS :

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

13. 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.

14. AUDIT COMMITTEE :

As required by the provisions of Section 292 A of the Companies Act, 1956, the Board of Directors had constituted an Audit Committee long back comprising of three Non-Executive Directors viz. Mr. Bhadresh H. Shah, Ms. Vilina P. Sheth and Mr. J. B. Patel.

15. 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 thereunder.

16. REGULATORY STATEMENT :

In conformity with the provisions of clause 32 of the Listing Agreement/(s) the Cash Flow Statement for the year ended 31.03.2009 is annexed to the Accounts.

17. ACKNOWLEDGEMENT :

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

By order of the Board
For FIBERWEB (INDIA) LIMITED

PRAVIN V. SHETH
Chairman & Managing Director

Place : Daman
Date : 31st July, 2009

Registered Office :
Amee Co-op. Hsg. Society Ltd.
Ground Floor, G.I.D.C.,
Vapi - 396 195
Dist. Valsad, Gujarat

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MANAGEMENT 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 2008-09 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.

The strengthening Rupee has been an area of major concern for the Company since the Company is a 100% EOU. The strong Rupee has however also meant lower cost of imported raw materials.

However, as exports constitute a major portion, the depreciation in the Rupee did adversely affect 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 its effect in our activities.

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

HUMAN/INDUSTRIAL RELATIONS :

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

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

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

CAUTIONARY STATEMENT :

Statement in this report on management Discussion and Analysis describing the company's objectives, projections, estimates,

expectations or predictions may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectation of future events. Actual results could however differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand and supply conditions, finished goods prices, raw material costs and availability, change in Government regulations and tax structure, economic developments within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

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

On behalf of the Board

PRAVIN V. SHETH

Chairman & Managing Director

Place : Daman

Date: 31st July, 2009

Registered Office:

Amee Co-op. Hsg. Society Ltd.

Ground Floor, G.I.D.C.,

Vapi - 396 195,

Dist. Valsad, Gujarat

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 ten 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:-

Name of the Director	Designation	Category	Status
Mr. Pravin V. Sheth	Chairman & Managing Director	Executive	Non-Independent
Mr. B.H. Shah	Director	Non-Executive	Independent
Mr. G.M. Rana	Director (N.R.I.)	Non-Executive	Independent
Mr. J.B. Patel	Director (N.R.I.)	Non-Executive	Independent
Ms. Vilina P. Sheth	Whole-Time Director	Executive	Non-independent
Mr. P.S. Krishnan	Whole-Time Director	Executive	Non-independent
Mr. G. Ravindran	Whole-Time Director	Executive	Non-independent
Mr. Janak R. Patel	Additional Director	Non-Executive	Independent
Mr. Dileep V. Naik	Additional Director	Non-Executive	Independent
Mr. C.A. Rege	Additional Director(w.e.f.30-4-2009)	Non-Executive	Independent

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

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

(i) Seven Meetings of the Board of Directors were held during the year ended 31st March, 2009. these were held on: -

- | | | |
|-----------------------------------|-----------------------------------|---------------------------------|
| 1. 16 th January, 2008 | 2. 31 st January 2008 | 3. 30 th April, 2008 |
| 4. 31 st July, 2008 | 5. 31 st October, 2008 | 6. 20 th Dec. 2008 |
| 7. 31 st January 2009. | | |

(ii) The attendance record of each of the Directors at the Board Meetings during the year ended 31st March, 2009 and of the last Annual General Meeting is as under:-

Directors	No. of Board Meeting attended	Attendance at Last AGM
Mr. Pravin V. Sheth	7	Yes
Mr. Bhadresh H. Shah	7	Yes
Mr. G.M. Rana (N.R.I.)	Nil	No
Mr. J.B Patel (N.R.I.)	1	No
Ms. Vilina P. Sheth	7	Yes
Mr. P.S. Krishnan	7	Yes
Mr. G. Ravindran	7	Yes
Mr. Janak R. Patel	5	Yes
Mr. Dileep V. Naik	1	No
Mr. C.A. Rege	Nil	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, the Board of Directors at its meeting held on 31st January, 2001 formed an Audit Committee comprising of Mr. Bhadresh H. Shah, Ms. Vilina P. Sheth and Mr. J.B. Patel.

Five Audit Committee Meetings were held on 25th January, 2008, 17th April, 2008, 17th July, 2008 , 20th October, 2008 and 20th January, 2009. 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	5
Ms. V.P. Sheth	Member	5
Mr. J.B. Patel	Member	1

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 July 30,2004 set up a Remuneration Committee of Directors, consisting of Mr. Bhadresh H. Shah, Chairman, Mr. J. B. Patel and Mr. Gopalji M. Rana.

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 20-01-2009 which was attended by Mr. Bhadresh H. Shah and Mr. J.B. Patel.

Details of remuneration paid/payable to the Directors for the year ended on 31st March, 2009(from 1-1-2008 to 31-3-2009) is as follows :

Name During the year	Position held Allowances	Salary & Remuneration	Perquisites	Total
Mr. P.V. Sheth	Chairman & Managing Director	Rs.1353100	Rs.723000	Rs.2076100
Mr. P.S. Krishnan	Whole-time Executive Director	Rs.1065260	Rs. 0	Rs. 1065260
Mr. G. Ravindran	Whole-time Executive Director	Rs. 860300	Rs. 70411	Rs. 930711
Ms. Vilina P. Sheth	Whole-time Executive Director	Rs. 877100	Rs. 0	Rs. 877100

No remuneration was paid to non-executive directors other than the sitting fees aggregating to Rs. 14,000/- 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 Executive Director, Mr. P.S.Krishnan has been designated as the Compliance Officer. During the year ended 31st March, 2009, 7 investors complaints were received and as of 31st March,2009 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 16 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
21st	Wednesday	28-06-2006	10.30 a.m.	Fortune Hotel Galaxy, Vapi
22nd	Friday	29-06-2007	10.00 a.m.	Fortune Hotel Galaxy, Vapi.
23 rd	Monday	30-06-2008	10.00 a.m.	Fortune Hotel Galaxy, Vapi.

- 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 **Free Press Journal, Nav Shakti and Sandesh** 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

SHAREHOLDERS INFORMATION

Date, time and venue of 23rd AGM	: Wednesday 30th September,2009 at 10.00 a.m. At Fortune Hotel Galaxy, National Highway No.8, Vapi - 396 195, Dist.Valsad, Gujarat.
Accounting Year End 2009	: 31 st March, 2009
Dates of Book Closure	: 23-09-2009 to30-09-2009 (both days inclusive)
Listing on Stock Exchanges	: The Ahmedabad Stock Exchange Ltd., Ahmedabad The Bombay Stock Exchange Ltd, Mumbai
Listing Fees	: Paid for all above stock exchanges as per the listing agreement.
Demat Arrangement	: With NSDL and CDSL
ISIN No.	: INE 296C01012
ASE and BSE Stock Code	: 46910 and 507910
Registered Office	: Ameer Co-op. Hsg. Society Ltd. Ground Floor, G.I.D.C., Vapi - 396 195. Dist. Valsad, Gujarat. Tel No. 0260- 2221858 Fax No. 0260-2262758
Company's E-Mail ID	: fiberweb@vsnl.net
Registrar & Share Transfer Agents	: Sharex Dynamic (India) Pvt. Ltd., Unit No. 1, Luthra Industrial Premises, 1 st 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
Compliance Officer	: Mr. P.S. Krishnan, Executive Director

Stock Market Data:

High and Low prices & Trading Volumes at BSE

MONTH	High (Rs.)	Low (Rs.)
January 2008	9.73	4.92
February 2008	6.45	4.47
March 2008	5.50	4.25
April 2008	6.09	4.57
May 2008	6.96	4.90
June 2008	11.37	6.36
July 2008	12.41	9.52
August 2008	14.16	10.02
Sept. 2008	11.28	8.00
October 2008	8.65	7.12
Nov. 2008	7.94	6.00
December 2008	6.89	6.00
January 2009	6.00	4.77
February 2009	6.60	4.65
March 2009	7.28	4.95

Source : www.bseindia.com

Categories of Shareholders as on 31st March, 2009:

Category	% of Shareholding	Nos. of shares held
Promoters & persons Acting in concert	45.85	5040591
Non Resident Indians	1.05	115609
Mutual Funds & UTI	0.41	45080
Nationalised Banks, Financial Institutions & Insurance Cos.	4.56	500891
Foreign Companies	0.37	40220
Private Bodies Corporate	5.54	608794
Indian Public	42.22	4641908
Total	100.00	10993093

Fiberweb (India) Limited

Distribution of Shareholding as on 31st March, 2009:

No. of Equity Shares	Shareholders		No. of Shares	
	Number	% of holders	Number	% of shares
1 - 100	2891	33.29	215438	1.96
101 - 200	1928	22.20	328981	2.99
201 - 500	2473	28.49	833279	7.58
501 - 1000	814	9.37	620698	5.65
1001 - 5000	463	5.33	988265	8.99
5001 - 10000	56	0.65	409629	3.73
10001 - 100000	48	0.55	1679037	15.27
100001 -and above	10	0.12	5917766	53.83
Total	8683	100.00	10993093	100.00

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, 2009, about 80.69% share holding representing 8869796 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, 2009 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 investors 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 informations 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 & Company,
Chartered Accountants

M.D. TURAKHIA
Proprietor

Place : Daman
Date : 31st July 2009

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 2009, 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

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, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 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 forming of Accounts in schedule 21 in general and note "A" point no.2 and note "C" point no. 4 and 5** in particular , 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'2009;
 - b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and

FOR P. M. TURAKHIA & COMPANY
CHARTERED ACCOUNTANTS

(M. D. TURAKHIA)
PROPRIETOR

PLACE: Daman
DATE : 31st July 2009

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'2009.

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) (a) The Company had not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
(b) Hence the provisions as to whether the rate of interest and other terms and conditions of loans by the company, secured or unsecured, are prima facie prejudicial to the interest of the company are not applicable.
(c) So also the provisions as to whether the payment of principal and interest are also regular are not applicable.
(d) Similarly the provisions as to whether reasonable step have been taken by the Company for recovery of the principal and interest, if the overdue amount is more than one lakh are not applicable.

- (e) The Company had not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.
 - (f) Hence the provisions as to whether the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company are not applicable.
 - (g) So also the provisions as to whether the payment of principal and interest are also regular are not applicable.
- 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) (a) There are no contracts or arrangements the particular of which are required to be entered into the register in pursuance of section 301 of the Companies act 1956.
- (b) Hence the provisions as to whether the transactions made in pursuance of such Contracts or Arrangements have been made at which are reasonable, having regard to the prevailing market prices at the relevant time are not applicable.
- vi) As the Company has not accepted deposits from the public, hence the question of complying with the directions issued by the Reserve Bank of India and the provision of section 58A & 58AA or any other relevant provisions of the Act and the rules framed there under ,where applicable, have been complied with and in case of non compliance, stating of nature of contraventions and whether the company has complied with the order of the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal are not applicable.
- vii) The company has an internal audit system commensurate with the size of the company and nature of its business.
- viii) Maintenance of Cost Records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act 1956.
- 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

Fiberweb (India) Limited

March'2009, for a period of more than six months from the date they became payable.

- (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 incurred Cash Loss of Rs. (94, 57,506/-) in the current financial year and a cash profit of Rs.62, 96,214/- 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 amounts and the period mentioned there against: -

Sr. No.	Name of the Financial Institution / Banks	Principal Amount	Interest Amount	Period
1.	* BHF Bank – Term Loan	34,89,56,639	38,63,24,163	13 Years
2.	Unit Trust of India – Term Loan	1,00,00,000	72,28,492	12 Years
3.	Canara Bank – Lease Rentals	1,73,07,490	—	12 years
4.	Unit Trust Of India – Debentures	2,00,00,000	1,67,39,560	Since 19.02.1998
5.	Unit Trust Of India – Debentures	3,00,00,000	2,46,25,068	Since 28.09.1998

* Since, The BHF Bank's loan along with the interest was covered by Insurance; they had received their full claim from Hermes Insurance Company. However, the Company has not written off the above dues, as the matter is sub-judice.

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 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 & COMPANY
CHARTERED ACCOUNTANTS

(M. D. TURAKHIA)
PROPRIETOR

PLACE: Daman
DATE : 31st July 2009

Fiberweb (India) Limited

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule No.	15 Months 31.03.2009 Rupees	12 Months 31.12.2007 Rupees
SOURCES OF FUNDS :			
Shareholder's Funds			
Share Capital	1	109,930,930	109,930,930
Reserves & Surplus	2	157,550,926	157,553,074
		<u>267,481,856</u>	<u>267,484,004</u>
Loan Funds :			
Secured Loans	3	91,364,628	320,839,561
Unsecured Loans	4	849,620,609	771,985,777
		<u>940,985,237</u>	<u>1,092,825,338</u>
TOTAL		<u>1,208,467,093</u>	<u>1,360,309,342</u>
APPLICATION OF FUNDS :			
Fixed Assets :			
Gross Block	5	814,919,499	580,133,489
Less: Depreciation		<u>361,894,294</u>	<u>331,523,121</u>
Net Block		453,025,205	248,610,368
Investments :			
Investment in Eq. Shares	6A	10,700	0
Current Assets Loans & Advances :			
Inventories	6	63,845,140	100,854,481
Sundry Debtors	7	18,867,838	10,579,932
Cash & Bank Balances	8	34,054,979	11,443,562
Loans and Advances	9	7,985,096	9,231,388
TOTAL (A)		<u>124,753,053</u>	<u>132,109,363</u>
Less : Current Liabilities & Provisions Liabilities	10	11,674,240	6,028,875
TOTAL (B)		<u>11,674,240</u>	<u>6,028,875</u>
Net Current Assets (A - B)		113,078,813	126,080,488
Miscellaneous Expenditure to the extent not w / off or adjusted	11	3,592,504	2,367,394
Profit & Loss Account		<u>638,759,871</u>	<u>983,251,092</u>
TOTAL		<u>1,208,467,093</u>	<u>1,360,309,342</u>
Significant Accounting Policies & Notes Forming Part of the Accounts	21	0	0

AS PER OUR REPORT OF EVEN DATE

For FIBERWEB (INDIA) LIMITED

For P. M. TURAKHIA & COMPANY
CHARTERED ACCOUNTANTS

On behalf of Board of Directors

M. D. TURAKHIA
(PROPRIETOR)

PRAVIN V. SHETH Chairman & Managing Director

P. S. KRISHNAN }
G. RAVINDRAN } Exec. Directors

PLACE : DAMAN
DATED : 31ST JULY, 2009

ANNUAL REPORT 2008-09

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule No.	15 Months 31.03.2009 Rupees	12 Months 31.12.2007 Rupees
INCOME			
Sales	12	401,538,705	335,509,795
Miscellaneous Income	13	6,564,621	17,797
Increase / (Decrease) in Stock	14	(8,283,272)	(1,414,014)
TOTAL		<u>399,820,054</u>	<u>334,113,578</u>
EXPENDITURE			
Consumption of Raw Materials	15	301,717,957	234,679,178
Excise Duty		14,257,776	14,397,041
Employee's Reumneration & Benefits	16	22,008,797	16,428,827
Interest	17	3,501,838	3,431,898
Selling Expenses	18	10,699,621	10,857,884
Other Expenses	19	56,768,910	47,679,027
Miscellaneous Expenditure Written off	20	1,005,980	312,074
Fringe Benefit Tax		322,661	343,509
TOTAL		<u>410,283,540</u>	<u>328,129,438</u>
PROFIT			
Profit / (Loss) before Depreciation		(10,463,486)	5,984,140
Depreciation		(30,371,173)	(14,045,569)
Profit / (Loss) after Depreciation		(40,834,659)	(8,061,429)
EXTRA ORDINARY ITEMS			
Loss on Revaluation of Assets	2A	385,325,880	(503,656,660)
Net Profit / (Loss) before Tax		344,491,221	(511,718,089)
Balance carried from earlier year		(983,251,092)	(471,533,003)
Balance carried to Balance Sheet		<u>(638,759,871)</u>	<u>(983,251,092)</u>
Basic & Diluted Earning Per Share (Rs.)		-	-
Significant Accounting Policies & Notes Forming Part of the Accounts	21		

AS PER OUR REPORT OF EVEN DATE

For **P. M. TURAKHIA & COMPANY**
CHARTERED ACCOUNTANTS

M. D. TURAKHIA
(PROPRIETOR)

PLACE : DAMAN
DATED : 31ST JULY, 2009

For **FIBERWEB (INDIA) LIMITED**

On behalf of Board of Directors

PRAVIN V. SHETH Chairman & Managing Director

P. S. KRISHNAN
G. RAVINDRAN } Exec. Directors

Fiberweb (India) Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>31.03.2009</u> Rupees	<u>31.12.2007</u> Rupees
<u>SCHEDULE 1</u>		
SHARE CAPITAL		
Authorised :		
15000000 (15000000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
5000000 (5000000) Preference Shares of Rs. 10/- each	50,000,000	50,000,000
TOTAL	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid Up :		
10993093 (10993093) Equity Shares of Rs.10/- each. (Including 1000000 Bonus Shares of Rs.10/- each issued by capitalisation of General Reserve)	109,930,930	109,930,930
TOTAL	<u>109,930,930</u>	<u>109,930,930</u>
<u>SCHEDULE 2</u>		
RESERVES & SURPLUS		
Share Premium	132,447,305	132,447,305
Share Forfeiture Account	63,440	63,440
Debenture Redemption Reserve	21,000,000	21,000,000
Reserve for Doubtful Debts	4,042,329	
Less Bad Debts. W/off	2,148	4,042,329
TOTAL	<u>157,550,926</u>	<u>157,553,074</u>
<u>SCHEDULE 2A</u>		
LOSS ON REVALUATION OF ASSETS		
Revaluation of Fixed Asstes	222,550,613	477,458,372
Unrealised Loans & Advances	(324,303)	23,191,273
Decline in value of investment	7,300	9,344,787
TOTAL	<u>222,233,610</u>	<u>(509,994,432)</u>
Reduction in Liabilities	163,092,270	6,337,772
TOTAL	<u>385,325,880</u>	<u>503,656,660</u>

ANNUAL REPORT 2008-09

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>31.03.2009</u> Rupees	<u>31.12.2007</u> Rupees
SCHEDULE 3		
SECURED LOANS		
I. Debentures		
16% 200000 Non-Convertible Debentures of the face value of Rs.100/- each privately placed with bank of India – Mutual fund redeemable on the expiry of 7 years from the date of allotment, being 19.03.1998 with redemption premium @ 5% payable alongwith.	0	20,000,000
Interest Payable on above	0	10,297,206
17.5% 200000 Non-Convertible Debentures of the face value of Rs.100/- each privately placed with Unit Trust of India redeemable in three equal annual installments commencing on the expiry of 4th year from the date of allotment, being 09.02.1994	20,000,000	20,000,000
Interest Payable on above	7,455,675	7,455,675
Interest Payable as claimed in plaint before DRT (up to 31.12.1999)	9,283,885	9,283,885
17.5% 300000 Non-Convertible Debentures of the face value of Rs.100/- each privately placed with Unit Trust of India redeemable in six equal annual installments commencing on the expiry of 4th year from the date of allotment, being 28.09.1995	30,000,000	30,000,000
Interest Payable on above	12,135,865	12,135,865
Interest Payable as claimed in plaint before DRT (up to 31.12.1999)	12,489,203	12,489,203
The above Debentures are secured by an Equitable Mortgage by deposit of title deeds or by extension to cover all the immovable properties of the company at Vapi including Plant & Machinery spares, tools & accessories & first charge by way of hypothecation on all the movable properties of the company (save & except book debts) subject to charge created/to be created in favour of the company's Bankers on its stock of raw-material, finished & semi finished goods, consumable stores for secured borrowing for working capital requirements.		
II. Loans & Advances from Banks		
For working capital Requirement secured by hypothecation of raw materials, work-in-process and finished goods etc. stored at company's factory	0	33,619,762
III. Other Loans & Advances		
Term Loans under equipment refinance scheme secured by an exclusive first charge by way of hypothecation in favour of the lenders of all the company's movable machinery, machinery spares, tools & accessories acquired by the company out of the proceeds of loan		
From IDBI	0	165,557,965
TOTAL	<u>91,364,628</u>	<u>320,839,561</u>
SCHEDULE 4		
UNSECURED LOANS		
Long Term Foreign Currency Loan from BHF Bank, Frankfurt	348,956,639	348,956,639
Interest Payable on above	77,414,591	77,414,591
Interest Provided for earlier years	308,909,572	308,909,572
	<u>735,280,802</u>	<u>735,280,802</u>
Other Short Term Loans & Advances	111,624,572	33,989,705
Interest Payable as claimed in plaint before DRT (up to 31.12.1999)	2,715,270	2,715,270
TOTAL	<u>849,620,609</u>	<u>771,985,777</u>

SCHEDULE 5

FIXED ASSETS

Sr. No.	Name of the Assets	Gross Block			Depreciation			Net Block			
		Rate of Deprn.	Actual	Total Gross	Depre-	During		WDV as on before Revaluation	Increase due to Revaluation	WDV as on after Revaluation	
			01.01.08	Block as on 31.03.09	ciation up to 31.12.07	15 Months ended 31.03.09	up to 31.03.09				
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
	1	2		3	4	5	6(1+2-5)	7	8		
1.	LEASHOLD LAND	0	5,155,985	0	5,155,985	57,080	0	57,080	5,098,905	0	5,098,905
2.	FREEHOLD LAND DAMAN	0	62,955,250	0	62,955,250	0	0	0	62,955,250	(3,254,500)	59,700,750
3.	FACTORY BUILDING-DAMAN	3.34%	64,089,347	52,000	64,141,347	16,727,397	2,669,955	19,397,352	44,743,995	18,067,024	62,811,019
4.	FACTORY BUILDING-VAPI	3.34%	0	0	0	0	0	0	0	2,205,983	2,205,983
5.	OFFICE PREMISES (VAPI)	1.63%	24,672	0	24,672	3,672	501	4,173	20,499	(900)	19,599
6.	PLANT & MACHINERY-DAMAN	4.75%	422,600,417	10,993,743	433,594,160	293,347,303	253,980,022.8	318,745,326	114,848,834	204,866,820	319,715,654
7.	ELECTRIC INSTALLATION	4.75%	8,368,085	0	8,368,085	7,471,485	495,494	7,966,979	401,106	516,174	917,280
8.	LABORATORY EQUIPMENT	4.75%	128,243	0	128,243	128,243	0	128,243	0	0	0
9.	OFFICE EQUIPMENT	4.75%	919,257	85,700	1,004,957	818,736	57,536	876,272	128,685	(23,066)	105,619
10.	FURNITURE & FIXTURE	6.33%	3,162,186	255,047	3,417,233	3,137,186	257,027	3,394,213	23,020	248,175	271,195
11.	VEHICLES	9.50%	10,903,470	669,893	11,573,363	8,188,470	1,344,941	9,533,411	2,039,952	(96,614)	1,943,338
12.	COMPUTER	16.21%	1,475,572	75,484	1,551,056	1,429,040	122,016	1,551,056	(0)	113,435	113,435
13.	OTHER ELECTRICAL ITEMS	4.75%	351,005	103,530	454,535	214,509	25,679	240,188	214,347	(91,919)	122,428
	TOTAL		580,133,489	12,235,397	592,368,886	331,523,121	30,371,173.4	361,894,294	230,474,592	222,550,613	453,025,205
	PREVIOUS YEAR										

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SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	<u>31.03.2009</u> Rupees	<u>31.12.2007</u> Rupees
<u>SCHEDULE 6</u>		
INVENTORIES		
(As valued and certified by the Management)		
(i) Stores & Spare Parts	17,087,745	21,952,965
(ii) Stock in Trade		
(a) Raw Materials	17,334,760	41,828,051
(b) Finished Goods	28,123,065	36,406,090
(c) Semi-Finished Goods	6,300	6,547
(d) Packing Material	1,293,270	660,828
TOTAL	<u>63,845,140</u>	<u>100,854,481</u>

SCHEDULE 6A

INVESTMENTS

Investment in Goa Bank Shares

107 shares @ 100/- each

	<u>10,700</u>	-
	<u>10,700</u>	-

SCHEDULE 7

SUNDRY DEBTORS

Over Six Months

Unsecured Considered Good	0	2,804,713
Unsecured Considered Doubtful	0	0

Other Debts

Unsecured Considered Good	18,867,838	7,775,219
Unsecured Considered Doubtful	-	-
TOTAL	<u>18,867,838</u>	<u>10,579,932</u>

Fiberweb (India) Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	31.03.2009 Rupees	31.12.2007 Rupees
SCHEDULE 8		
CASH AND BANK BALANCES		
a) Cash in Hand	1,155,507	4,309,788
b) Bank Balances		
Balance with Scheduled Banks		
(i) In Current Account	31,284,560	2,006,638
(ii) In Fixed Deposit (Margin Money)	1,614,912	5,127,136
TOTAL	<u>34,054,979</u>	<u>11,443,562</u>
SCHEDULE 9		
LOANS AND ADVANCES		
(Unsecured – Considered Goods)		
Advances recoverable in cash or kind for value to be received	5,785,854	2,710,535
Sundry Deposits	2,199,242	6,520,853
TOTAL	<u>7,985,096</u>	<u>9,231,388</u>
SCHEDULE 10		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors		
– For Goods	5,250,552	1,290,972
– For Expenses	6,423,688	4,737,903
TOTAL	<u>11,674,240</u>	<u>6,028,875</u>
SCHEDULE 11		
MISCELLANEOUS EXPENDITURE		
(TO THE EXTENT NOT WRITTEN OFF)		
Exp. on Index 2008 Trade Fair	2,212,064	505,861
Exp. on Index 2005 Trade Fair	1,175,365	1,430,878
Exp. on Index 2002 Trade Fair	296,075	430,655
TOTAL	<u>3,592,504</u>	<u>2,367,394</u>
SCHEDULE 12		
SALES		
Export Sales	245,135,436	198,683,199
Domestic Sales	156,403,269	136,826,596
TOTAL	<u>401,538,705</u>	<u>335,509,795</u>

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SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH, 2009

	31.03.2009 Rupees	31.12.2007 Rupees
<u>SCHEDULE 13</u>		
OTHER INCOME		
Compenstion from suppliers	400,000	0
Interest on I.T. Refund (Ass Yr.-05-06)	0	17,797
Exchange rate differences	61,64,621	0
TOTAL	6,564,621	17,797
<u>SCHEDULE 14</u>		
INCREASE / (DECREASE) IN STOCK		
Opening Stock :		
Finished Goods	36,406,090	37,820,126
Semi-Finished Goods	6,547	6,525
TOTAL	36,412,637	37,826,651
Closing Stock :		
Finished Goods	28,123,065	36,406,090
Semi-Finished Goods	6,300	6,547
TOTAL	28,129,365	36,412,637
Increase (+) / (Decrease) (-) in Stock	(8,283,272)	(1,414,014)
<u>SCHEDULE 15</u>		
CONSUMPTION OF RAW MATERIALS		
Raw Materials		
Opening Stock :	41,828,051	45,957,673
Purchases	272,864,166	230,549,556
	314,692,217	276,507,229
Closing Stock :	12,974,260	41,828,051
TOTAL	301,171,957	234,679,178
<u>SCHEDULE 16</u>		
EMPLOYEE'S REMUNERATION & BENEFITS		
Salary and Wages	15,349,540	11,361,011
Provident Fund & Other Funds	1,355,008	1,003,465
Others	788,838	477,480
TOTAL (A)	17,503,386	12,841,956
<u>SCHEDULE 16A</u>		
MANAGERIAL REMUNERATION & BENEFITS		
Salary and Bonus	3,315,786	2,701,000
Provident Fund & Other Fund	396,214	322,440
Others	793,411	563,431
TOTAL (B)	4,505,411	3,586,871
TOTAL (A+B)	22,008,797	16,428,827

Fiberweb (India) Limited

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH, 2009

	31.03.2009 Rupees	31.12.2007 Rupees
<u>SCHEDULE 17</u>		
INTEREST		
To Bank	3,501,838	3,431,898
TOTAL	<u>3,501,838</u>	<u>3,431,898</u>
<u>SCHEDULE 18</u>		
SELLING EXPENSES		
Commission on Sales	197,242	211,111
Freight, Clearing & Forwarding	9,692,463	9,845,254
Sales Promotion Expenses	809,916	801,519
TOTAL	<u>10,699,621</u>	<u>10,857,884</u>
<u>SCHEDULE 19</u>		
OTHER EXPENSES		
Bank Charges	1,525,304	1,478,373
Consumption of Packing Material	12,941,029	13,772,388
Consumption of Stores	8,620,768	5,471,419
Conveyance & Travelling	194,177	1,65,045
Directors sitting Fees	14,000	12,000
Donations	139,822	157,001
Insurance Charges	1,234,372	1,437,532
Legal & Professional Charges	2,383,968	786,927
Miscellaneous Expenses	3,651,461	3,357,054
Motor Car Expenses	1,483,243	1,349,361
Payment to Auditors		
– Audit Fees	120,000	120,000
– Tax Audit Fees	60,000	60,000
– Stock Audit Fee	0	22,448
Power & Fuel	16,396,778	1,330,711
Printing & Stationery	361,248	288,558
Rates & Taxes	610,533	316,547
Repairs to Building & Others	2,783,786	707,486
Repairs to Plant & Machinery	457,172	216,802
Security Charges	1,137,742	1,074,791
Telephone Charges	663,291	518,050
Travelling	1,818,922	2,913,832
Rent	105,744	75,900
Canteen Expenses	64,550	40,669
Business Conversion	0	35,133
TOTAL	<u>56,768,910</u>	<u>47,679,027</u>
<u>SCHEDULE 20</u>		
MISCELLANEOUS EXPENDITURE NOT W/OFF		
Exp. on Index 2008 Trade Fair	615,887	0
Exp. on Index 2005 Trade Fair	255,513	204,411
Exp. on Index 2002 Trade Fair	134,580	107,663
TOTAL	<u>1,005,980</u>	<u>312,074</u>

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SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE 15 MONTHS PERIOD ENDED 31ST MARCH, 2009

SCHEDULE 21

NOTES FORMING PARTS OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009.

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 :

During the Current year, the Assets (both Fixed & Current)) were revalued as on 31.03.09 vide Valuation Report of Mr. L.R.Damaniya dated 31.03.2009 This Revaluation has resulted into a Surplus of Rs.25,25,38,008 which has been credited to Profit & Loss Account. Prior to the present Revaluation, the Company had revalued all its Assets, which is resulting into a Deficit of Rs14, 93,96,645/- which was transferred to Profit & Loss Account in the Financial year 2007 – 08. .

3. DEPRECIATION :

Depreciation is provided on straight line basis applying the rates specified in Schedule XIV of the Companies Act, 1956.

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 :

- (a) 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.
- (b) Dividend – Consistent with past practice. Dividend from investments in shares are accounted as and when the same are received.

6. TREATMENT OF EXPENDITURE DURING CONSTRUCTION PERIOD :

All normal pre-production revenue expenditure including interest on borrowed funds up to fabric 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 accrual 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 transaction.
- (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. However, in view of OTS discussions, further year-wise adjustments are not made in the accounts.

9. MISCELLANEOUS EXPENDITURE :

Expenditure shown under Miscellaneous Expenditure viz. Equity / Debenture issue expenpenses, Expenses on Index 2002 Trade Fair, Expenses on Index 2005 Trade Fair are amortized equally over ten years and Expenses on Index 2008 Trade Fair are amortized, equally over five years.

10. TREATMENT OF CONTINGENT LIABILITIES / GAINS :

The amount of contingent losses are charged to the Profit & Loss Account on a reasonable estimated basis it is probable that 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.

Fiberweb (India) Limited

B. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE VI OF COMPANIES ACT, 1956

(a) Payments to and provisions for Managerial Personals :	31.03.2009 Rupees	31.12.2007 Rupees
(i) Payment to Directors as under :		
Salary & Bonus	37,12,000	27,01,000
Contribution to Provident Fund	4,43,760	3,22,440
Other Perquisites	7,93,411	5,63,431
TOTAL	49,49,171	35,86,871
(ii) Auditors Remuneration :		
Payment to Auditors	1,80,000	1,80,000
(iii) No transactions were entered into with any related parties as mentioned under AS-18 during the year.		
(iv) Segment Reporting : The 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 segment within the company and hence, the segmentwise reporting as defined in AS-17 is not applicable to the company.		

(b) Quantitative and other Information :	31.03.2009 (in M.Ts.)	31.12.2007 (in M.Ts.)
(i) Licensed Capacity		
Blow Moulded & Roto Moulded articles	: VAPI COB Licence : SIA Reg. : DAMAN SIA Reg.	226 1336 3000
100% (E.O.U.) Garbage & carrier bags	: DAMAN	2000
100% (E.O.U.) Spunbond non-woven fabric	: DAMAN	3000
Multi-layer Blown Films	: DAMAN	4000
Heat Shrinkable Sleeves	: DAMAN	300
(ii) Installed Capacity		
Blow Moulded & Roto Moulded articles	: VAPI : DAMAN	2000 2000
100% (E.O.U.) Garbage & carrier bags	: DAMAN	1500
100% (E.O.U.) Spunbond non-woven fabric	: DAMAN	4000
Multi-layer Blown Films	: DAMAN	4000
Heat Shrinkable Sleeves	: DAMAN	300

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(iii) Production	31.03.2009 (in M.Ts.) (15 months)	31.12.2007 (in M.Ts.)
Blow Moulded & Roto Moulded articles :	NIL	NIL
Spunbond non-woven fabric :	3701.312	3311.676
Multi-layer Blown film garbage bags & others :	50.631	58.79

(iv) Information in regard to Opening Stock,
Closing Stock & Sales

	31.03.2009		31.12.2007	
	Qty. (in M.Ts.)	Rs. (in lacs)	Qty. (in M.Ts.)	Rs. (in lacs)
Opening Stock				
Blow Moulded & Roto Moulded articles	4,249 (Pcs)	15.06	4,249 (Pcs)	15.06
Spunbond non-woven Fabrics	459.536	332.80	388.207	342.86
Multilayer Blown films & others	43.33	16.27	34.45	20.28
TOTAL		<u>364.13</u>		<u>378.20</u>
Closing Stock				
Blow Moulded & Roto Moulded articles	4,249 (Pcs)	15.06	4,249 (Pcs)	15.06
Spunbond non-woven Fabrics	425.684	2501.84	459.536	332.80
Multilayer Blown films & others	41.009	15.40	43.33	16.27
TOTAL		<u>281.30</u>		<u>364.13</u>
Sales				
	Qty. (in M.Ts.)	Rs. (in lacs)	Qty. (in M.Ts.)	Rs. (in lacs)
Blow Moulded & Roto Moulded articles	0	0	0	0
Spunbond non-woven Fabrics	3735.312	3656.57	3240.347	2963.23
Multilayer Blown films & others	52.804	420.28	49.907	391.86
TOTAL		<u>4076.85</u>		<u>3355.09</u>

Fiberweb (India) Limited

(v) Consumption of Raw Materials	31.03.2009		31.12.2007	
	<u>KGS</u>	<u>Rs.</u>	<u>KGS</u>	<u>Rs.</u>
Raw Materials	3762.242	3017.28	3464.98	2345.10
Semi-processed materials				
(vi) CIF value of Imports	31.03.2009		31.12.2007	
	<u>(Rs. in Lacs)</u>		<u>(Rs. in Lacs)</u>	
Raw Materials	2596.39		2184.72	
Stores & Spares	16.34		30.19	
TOTAL	<u>2612.73</u>		<u>2214.91</u>	
(vii) Value of Imported & indigenous Raw materials & chemicals Consumed & percentages of the Total consumption	31.03.2009		31.12.2007	
	<u>%</u>	<u>Rs. in Lacs</u>	<u>%</u>	<u>Rs. in Lacs</u>
Imported	95.36	2877.18	94.83	2186.41
Indigenous	4.64	140.00	5.17	119.08
TOTAL	<u>100.00</u>	<u>3017.18</u>	<u>100.00</u>	<u>2305.49</u>
(viii) Earning in foreign exchange				
Export of goods				
FOB Basis	2362.28		1986.83	
(ix) Expenditure in foreign currency				
(a) Traveling	12.49		6.58	
(b) Employees Training Expenses	0		0	
TOTAL	<u>12.49</u>		<u>6.58</u>	
(x) BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE				
I. Registration Details				
Registration No.	:	8208 of 1985-86		
State Code	:	04		
Balance Sheet Date	:	31st March, 2009		
II. Capital Raised during the year	(Amount in Rs. Thousands)			
Public Issue	:	NIL		
Right Issue	:	NIL		
Bonus Issue	:	NIL		
Private Placement	:	NIL		
III. Position of Mobilisation and Deployment of funds				
Total Liabilities	:	1208467		
Total Assets	:	1208467		

Sources of funds	
Paid up Capital	: 109931
Reserves & Surplus	: 157551
Secured Loans	: 91365
Unsecured Loans	: 849620
TOTAL	1208467

Application of funds	
Net Fixed Assets	: 453025
Investments	: 11
Net Current Assets	: 113079
Miscellaneous Expenditure	: 3592
Profit & Loss Account	: 638760
TOTAL	1208467

IV. Performance of the company

Total Income	: 399820
Total Expenditure	: 440655
Net Profit / (Loss) (on regular activities)	: (40835)
Earning per Share	:
Dividend Rate (%)	: NIL

V. Generic Name of Principal Products/Services of the Company

(As per monetary terms)

<i>Item Code No. (I.T.C. Code)</i>	<i>Product Description</i>
39 (23)	: Blow Moulded & Roto Moulded
39 (20)	: Multi - layer Blow Film & Garbage bags & Carrier Bags
56 (07)	: Spun Bond Non-woven Fabrics

C. OTHER NOTES ON ACCOUNTS

- 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".
- The company has availed non funding facilities from its bankers. In this connection Rs.16,14,912/- (previous year Rs.51,27,136/-) are kept with banks as lien / margin money against letter of credit opened by the bankers and guarantees issued by them. Contingent liability for bills discounted with Dena Bank is NIL.
- Regarding leased assets taken from Canara Bank, Bangalore, the matter is pending before the Bangalore City Court against the Arbitrator's Award. In view of this no provision is made for lease rent in the accounts.
- Debtors and Creditors balances are subject to confirmations from the parties.

Fiberweb (India) Limited

5. The Company has not ascertained liability towards payment of gratuity and hence no provision has been made in accounts.
6. 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.
7. The Company operates in a single segment namely "Polymer Processing". Hence segment wise reporting as defined in AS 17 of ICAI is not applicable.
8. The Company has approached UTI for reschedulement of NCD and unsecured loan which is under active consideration. The effect of the same will be given on finalization of terms with UTI. However interest up to 31.12.99 is provided as per their claim before DRT. The Management informed that UTI has agreed Orally in principle to waive further interest.
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. The AS – 11 have not been followed, as in the opinion of the management the said standard is not applicable to the company in as much as fluctuation in foreign currency does not result in to any increase or reduction in liability.
11. During the year, the company has made one time settlement with BOI in respect of 16% 2,00,000 Non – Convertible Debenture of Rs.100/- each aggregating to Rs.200 Lac & accrued interest of Rs.102.91 Lac by making payment of Rs.101.65 Lac Vide Agreement / Letter Dated_15.03.2008.
12. Similarly the company has settled its secured Loan Liability of Rs.1655.58 Lac with IDBI by making payment of Rs.450 Lac Vide Agreement / Letter Dated February 1,2008 and February 23, 2008.
13. Figures of the previous year have been re-grouped / rearranged /reclassified wherever necessary.

Signatories to the Schedule 1 to 20

AS PER OUR REPORT OF EVEN DATE

For **P. M. TURAKHIA & COMPANY**
CHARTERED ACCOUNTANTS

M. D. TURAKHIA
(PROPRIETOR)

PLACE : DAMAN
DATED : 31ST JULY, 2009

For **FIBERWEB (INDIA) LIMITED**

On behalf of Board of Directors

PRAVIN V. SHETH *Chairman & Managing Director*

P. S. KRISHNAN
G. RAVINDRAN } *Exec. Directors*

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	31.03.2009 Rs.	31.12.2007 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) Before Tax and Extrordinary Items	344491221	(511718089)
Adjustments for :		
(i) Depreciation	30371173	14045569
(ii) Misc Expenses written off	1005980	312074
(iii) Revaluation of Assets	222550613	(503656660)
(iv) Interest Income	0	0
Operating Profit/(Loss) Before Working Capital Changes	153317761	6296214
Adjustment for :		
(i) Trade and Other receivables	(8287904)	5836137
(ii) Inventories	37009341	6632338
(iii) Trade and Other Payables	5645365	(8255782)
Cash Generated from Operations	187684563	10508907
Interest Paid	3501838	3431898
Cash flow Before Extraordinary Items	191186401	13940805
Extraordinary Items Trade Fair 2005	0	(505861)
Extraordinary Items Trade Fair 2008	(2231090)	
Net Cash From Operating Activities	188955311	13434944
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(i) Purchase of Fixed Assets	(12235397)	(4449632)
(ii) Purchase of Investments	(10700)	0
(iii) Sale of Fixed Assets	0	0
(iv) Decrease/(Increase) in Advances	1246290	2837420
(v) Interest Received		
Net Cash used in Investing Activities	(10999807)	(1612212)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
(i) Proceeds from Issue of Share Capital	0	0
(ii) Proceeds from Long Term Borrowings (Net)	(229474933)	(9365618)
(iii) Repayment of Short Term Borrowings (Net)	77634832	(71918)
(iv) Right Issue expenses	0	
(v) Interest paid	(3501838)	(3431898)
(vi) Dividend paid	0	0
(vii) Reserve for doubtful debts.	(2148)	(3602114)
Net Cash used in Financing Activities	(155344087)	(16471548)

Fiberweb (India) Limited

	<u>2009</u> <u>Rs.</u>	<u>2007</u> <u>Rs.</u>
D. NET DECREASE / (INCREASE) IN CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents (Opening Balance)	11,443,562	16,092,378
Cash and Cash Equivalents (Closing Balance)	34,054,979	11,443,562
Decrease / (Increase) in Cash and Cash Equivalents	<u>(22,611,417)</u>	<u>4,648,816</u>
	0	0

AS PER OUR REPORT OF EVEN DATE

For **FIBERWEB (INDIA) LIMITED**

For **P. M. TURAKHIA & COMPANY**
CHARTERED ACCOUNTANTS

On behalf of Board of Directors

M. D. TURAKHIA
(PROPRIETOR)

PRAVIN V. SHETH *Chairman & Managing Director*

P. S. KRISHNAN
G. RAVINDRAN } *Exec. Directors*

PLACE : DAMAN

DATED : 31ST JULY, 2009

AUDITORS' REPORT

We have examined the above Cash Flow Statement of FIBERWEB (INDIA) LIMITED for the period ended 31st March, 2009. 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 30st July, 2009 to the members of the Company and reallocation required for the purpose are as made by the Company.

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

M. D. TURAKHIA
(PROPRIETOR)

Place : Daman

Date : 31st July, 2009

FIBERWEB (INDIA) LIMITED
(Formerly known as PVD Plast Mould Industries Ltd.)

Registered Office :
Amee Co-op. Hsg. Society Ltd., Ground Floor, G.I.D.C.
Vapi, (Dist.) Valsad - 396 195, GUJARAT

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

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company at Fortune Hotel Galaxy, National Highway No.8, G.I.D.C., Vapi - 396 195, Dist. Valsad, Gujarat at 10.00 a.m. on Wednesday, 30th September, 2009.

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 :
Amee Co-op. Hsg. Society Ltd., Ground Floor, G.I.D.C.
Vapi, (Dist.) Valsad - 396 195, GUJARAT

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
24th Annual General Meeting of the Company to be held on Wednesday, 30th September, 2009 and at
any adjournment thereof.

Please
affix
Rs.1.00
Revenue
Stamp

Signed this _____ day of _____ 2009 _____ 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.

BOOK - POST

If undelivered, please return to :

SHAREX DYNAMIC (INDIA) PVT. LTD.

Unit: Fiberweb (India) Limited,
Unit No. 1, Luthra Industrial Premises,
Safed Pool, Andheri-Kurla Road,
Andheri (E), MUMBAI - 400 072.