

16th Annual Report 2000

CERTIFIED TRUE COPY
FOR PVD PLAST MOULD INDUSTRIES LTD.

[Signature]
COMPANY SECRETARY

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PVD Plast Mould Industries Ltd.



PVD PLAST MOULD INDUSTRIES LTD.

BOARD OF DIRECTORS

Mr. PRAVIN V. SHETH
Mr. ESMAIL E. DHARIWALA
Ms. VILINA P. SHETH
Mr. BHADRESH H. SHAH
Mr. GOPALJI M. RANA
Mr. J. B. PATEL
Mr. P. S. KRISHNAN
Mr. G. RAVINDRAN

COMPANY SECRETARY

Mr. S. K. PATRA

AUDITORS

P. M. TURAKHIA & ASSOCIATES,
Chartered Accountants, Mumbai

SOLICITORS

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

REGISTERED OFFICE

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

WORKS

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

REGISTRAR & TRANSFER AGENTS

SHAREX (INDIA) PVT. LTD.
Luthra Industrial Premises,
Unit No. 1, Andhri-Kurla Road,
Safed Pool, Andheri (E),
Mumbai - 400 072.

ANNUAL REPORT 2000**NOTICE**

NOTICE is hereby given that the SIXTEENTH ANNUAL GENERAL MEETING of the Shareholders of the Company will be held at 10.00 a.m. on Friday, 29th June 2001 at Hotel Pritam, National Highway No. 8, Vapi - 396 195, District, Valsad, Gujarat to transact the following business :

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 2000 and the Report of the Auditors thereon.
- (2) To appoint a Director in place of Shri Pravin V. Sheth, who retires from office by rotation, but eligible, offers himself for re-election.
- (3) To appoint a Director in place of Shri J. B. Patel, who retires from office by rotation, but being eligible, offers himself for re-election.
- (4) To appoint a Director in place of Shri B. H. Shah who retires from office by rotation, but being eligible, offers himself for re-election.
- (5) To appoint a Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

- (6) To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by inserting the following new Article 48A after the existing Article 48 :

48A Nomination for Shares and Debentures

Notwithstanding anything contained in Articles 46, 47 and 48, every holder(s) of shares in or holder(s) of debenture(s) of the Company, holding either singly or jointly, may, at any time, nominate a person in the prescribed manner to whom the shares and/or the interest of the member in the shares of the Company or debentures of the Company shall vest in the event of his/her death. Such holder(s) may revoke or vary his/her nomination, at any time, by notifying the same to the Company that effect. Such nomination shall be governed by the provisions of Section 109A and 109B of the Companies Act, 1956 or such other regulations governing the matter from time to time."

- (7) To consider and, if though fit, to pass with our without the modification the following Resolution as a Special Resolution :

"RESOLVED THAT pursuant to provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by the addition of a new Article 55A after the existing Article 55 as follows :

55A Buy Back of Shares

Notwithstanding anything contained in the preceding Article 53, 54 and 55, but subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the Company may acquire, purchase, hold, resell, re-allot any of its own fully/partly paid shares and may make payment out of funds at its disposal for and in respect of such acquisition/ purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."



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NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A proxy form, duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Members/Proxies should bring the Attendance Slip sent herewith, duly filled in, for attending the Meeting.

2. The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Items No. 6 & 7 are annexed.
3. The Register of Members and Transfer Books in respect of the Equity Shares of the Company will remain closed from Wednesday, the 20th June, 2001 to Friday, the 29th June, 2001 (both days inclusive).
4. Members are hereby informed that dividends which remain unclaimed/unencashed over a period of 7 years have to be transferred by the Company to the Investor Education and Protection Fund constituted by the Central Government under Sec. 205 (A) and 205 (C) of the Companies Act, 1956.
5. Trading in Equity Shares of the company through Stock Exchanges has made compulsory in dematerialised/electronic form w.e.f. 30th October, 2000. To

facilitate trading in demat form, the company has entered into agreement with both the Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shareholders can open account with any of the Depository Participants registered with any of these depositories. The Company also provided the facility of simultaneous transfer and dematerialisation of Equity Shares. The Equity Shares of the Company are available for dematerialisation with NSDL and CDSL. Under ISIN No. : INE 296C01012.

6. Members who hold 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 share in the dematerialised form may contact their Depository Participant for recording nomination in respect of their shares.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificate to the Company for doing the needful.
8. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio numbers.

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9. The equity shares of the Company are listed at the following Stock Exchanges :

- (1) The Stock Exchange, Ahmedabad.
Kamdhenu Complex,
Opp. Sahajanand College, Panjara Pole,
Ambawadi, Ahmedabad - 380 015.
- (2) The Stock Exchange, Mumbai,
Phiroze Zeebhoy Towers, Dalal Street,
Mumbai - 400 001.

The listing fee to the above Exchange has been paid.

10. As a measure of economy, copies of the Annual Report shall not be distributed at the Meeting and therefore, Members are requested to bring their copy of the Annual Report to the Annual General Meeting.

By Order of the Board

S. K. PATRA

Company Secretary

Place : Daman,

Date : 28th April, 2001.

Registered Office :

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

ANNEXURE TO THE NOTICE

1. Explanatory Statement under Section 173 (2) of the Companies Act, 1956.

Item No. 6

The Companies Act, 1956 has been amended and a new Sections 109A and 109B have been inserted making available the nomination

facility to the shares and debentures holders in respect of the share and debentures of the Company held by them. Accordingly a new Article 48A is proposed to be inserted in the Articles of Association of the Company as mentioned in this item No. 6 of the Notice so as to bring the same in line with the provisions of Sections 109A and 109B of the Companies Act, 1956.

None of the Directors is interested in this resolution except as members of the Company. The Directors accordingly commends the resolution mentioned in this item of the notice for your acceptance and approval.

The Articles of Association of the Company together with the proposed alterations will be open for inspection by any member of the Company at the Registered office of any working day between 2.00 p.m. and 4.00 p.m. till the date of the ensuing Annual General Meeting.

Item No. 7

The Companies (Amendment) Act, 1999 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 allow a Company to buy-back its own shares subject to the conditions laid down therein. In view of this, consequential changes are required to be incorporated in a new Article No. 55A in the Articles of Association of the Company empowering the powers of the Company to purchase its own securities in future as set out in the Notice. This is sought to be done by introduction of a new Article 55A in terms of the resolution at item No. 7 so that the Articles of Association of the Company are in line with the amended provisions of Section 77A, 77AA



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and 77B of the Companies Act, 1956 read with the provisions of the (Buy Back of Securities) Rules, 1998.

The Articles of Association of the Company together with the proposed alterations will be open for inspection by any member of the Company at the Registered Office of any working day between 2.00 p.m. and 4.00 p.m. till the date of the ensuing Annual General Meeting.

The Directors accordingly commends the resolution mentioned in this item of the notice for your acceptance and approval. None of

the Directors is interested in this resolution except as members of the Company.

By Order of the Board

S. K. PATRA
Company Secretary

Place : Daman,

Date : 28th April, 2001.

Registered Office :

Amee Co-op. Hsg. Society Ltd.

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

Vapi - 396 195.

Dist. Valsad, Gujarat.

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ANNUAL REPORT 2000**DIRECTORS' REPORT****To
THE MEMBERS,**

Your Directors have pleasure in submitting their report together with the Audited Accounts of the Company for the year ended 31st December 2000 :

FINANCIAL RESULTS

	(Rs. in lakhs)	
	2000	1999
Sales & other receipts	1296.57	2467.42
Gross Profit/(Loss) before depreciation	(511.95)	480.49
Less : Depreciation	282.05	318.82
Profit before and after taxation	(794.00)	161.67
Add : Balance carried from earlier year	(377.06)	(538.73)
Profit available for approp.	-	-
Balance carried forward to next year	(1171.06)	(377.06)

OPERATIONS

There were various adverse contributory factors, mainly, excess of supply against demand, downward trend of prices and expectations of high credit from international market, the sales turnover took a plunge during the year. The sudden reduction in subsidy in the Gulf states also contributed to the reduced demand of our products in the Gulf, where your Company has excellent goodwill and market share.

Your Directors have taken up lots of measures to improve the working of the Company this year, which include extensive marketing in different markets of the world, cost cutting and other various economic measures. The credit policy of the Company is also changed to suit the market conditions. All these efforts have started yielding good results and your Company's turnover has increased substantially during first four months of current year. Your Directors are hopeful of better utilization of capacity of all the units and good working during the current year.

DIVIDEND

In view of the loss, your Directors are unable to recommend payment of any dividend for the year under review.

**DEPOSITORY FACILITIES IN RESPECT OF
EQUITY SHARES :**

As you are aware, National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL) have been providing depository facilities in respect of your Company's Equity Shares under the Depositories Act, 1996 and Regulations made thereunder. The delivery of Equity Shares of your Company is now mandatory in the dematerialised form in all exchanges where shares of the Company are listed. Hence, those shareholders who have yet not opted for this facility may dematerialise shares as per their requirement.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Pravin V. Sheth, Mr. J.B. Patel (N.R.I.) and Mr. B. H. Shah retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend that re-election of these Directors will be interest of the Company.

**THE COMPANIES (PARTICULARS OF
EMPLOYEES) RULES, 1975**

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.

AUDITORS

M/s. P.M. Turakhia & Associates, Chartered Accountants, Mumbai retire at the conclusion of this ensuing Annual General Meeting. They have given their consent to act as Auditors of the Company and being eligible under section 224(1B) of the Companies Act, 1956 offer themselves for re-appointment. You are requested to consider their re-appointment as Auditors of the Company for the Current Year and fix their remuneration.



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CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The additional requirement proposed by the Companies (Amendment) Act, 1988 in respect of conservation of energy and absorption of technology, do not apply to the products of your Company. However, your company is constantly adopting latest technological innovations to improve conservation of energy and absorption of technology.

Although export sales have fallen as compared to the previous year, this area continues to be of thrust and during the year under review of the company earned foreign exchange by way of exports to the extent of Rs. 639.16 lakhs and incurred expenditure in foreign currency to the extent of Rs. 638.73 lakhs.

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 things.

CORPORATE GOVERNANCE

The importance of Corporate Governance lies in its contribution both to business prosperity and to accountability. Directors fully support basic tenets of Corporate Governance as the prudent exercise of management rights in the best interest of all stakeholders in a Company-in particular, its Shareholders, Creditors, the State and its employees.

Directors are fully committed to implement all requirement of clause 49 of the Listing Agreement by next financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors' confirm that :

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at December 31, 2000 and of the profit or loss of the company for the period January 1, 2000 to December 31, 2000;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

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.

REGULATORY STATEMENT

In conformity with the provisions of clause 32 of the Listing Agreement/(s) the Cash Flow Statement for the year ended 31.12.2000 is annexed to the Accounts.

ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD.

PRAVIN V. SHETH
Chairman

Place : DAMAN

Date : 28th April, 2001.

ANNUAL REPORT 2000**AUDITORS' REPORT**

To the Members of

PVD PLAST MOULD INDUSTRIES LIMITED.

We have audited the attached Balance sheet of PVD PLAST MOULD INDUSTRIES LTD. as on 31st December, 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed there to, and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of books and records of the Company as we considered appropriate and as per the information and explanation given to us, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments, in the Annexure referred to in paragraph 1 above :
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (b) 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 the books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by the Report are in agreement with the books of account and comply with standards provided in Section 211 (3C) of the Companies Act, 1956.

(d) In our opinion and to the best of our information and according to the explanations given to us, the accounts read together with the notes thereon the general and note numbered 1, 3, 6, 7, 10, 11 & 12 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.

- (i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st December, 2000; and
- (ii) In the case of the Profit and Loss Account of the loss of the Company for the year ended on that date.

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

Chartered Accountants,

Place : Daman.

M. D. TURAKHIA

Date : 28th April, 2001.

Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF PVD PLAST MOUND INDUSTRIES LTD. ON THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 2000.

1. The Company has maintained proper records to show full particulars of fixed assets. The fixed assets of the Company have been physically verified by the management during the year. No serious discrepancies were noticed on such verification.