

17th Annual Report 2001



PVD Plast Mould Industries Ltd.



PVD PLAST MOULD INDUSTRIES LTD.

BOARD OF DIRECTORS

Mr. PRAVIN V. SHETH – Chairman
 Mr. ESMAIL E. DHARIWALA
 Mr. GOPALJI M. RANA (N.R.I.)
 Mr. J. B. PATEL (N.R.I.)
 Mr. BHADRESH H. SHAH
 Ms. VILINA P. SHETH
 Mr. P. S. KRISHNAN – Executive Director
 Mr. G. RAVINDRAN – Executive Director

COMPANY SECRETARY

Mr. SANTOSH KUMAR

AUDITORS

P. M. TURAKHIA & ASSOCIATES,
 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.

WORKS

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

REGISTRAR & TRANSFER AGENTS

SHAREX (INDIA) PVT. LTD.
 17/B, Dena Bank Building, 2nd Floor,
 Horniman Circle, Fort,
 Mumbai - 400 001.

ANNUAL REPORT 2001**NOTICE**

NOTICE is hereby given that the 17th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 29th June, 2002, at 10.00 a.m. 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 Audited Balance Sheet as at 31st December, 2001 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. Gopalji M. Rana, who retires from office by rotation, but being eligible, offers himself for re-election.
3. To appoint a Director in place of Mrs. Vilina P. Sheth, who retires from office by rotation, but being eligible, offers herself for re-election.
4. To appoint a Director in place of Mr. Esmail E. Dhariwala, who retires from office by rotation, but does not offer himself for re-election and he will cease to be Director of Company under Section 260 of the Companies Act, 1956 at the conclusion of this meeting.
5. 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

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to applicable provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permission and sanctions and subject to such conditions as may be prescribed by the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as "the Board") the consent of the Company be and is hereby accorded for investments by Foreign Institutional Investors including their sub-agents (hereinafter referred to as the "FIIs"), in the shares or debentures convertible into shares of the Company, by purchase or acquisition from the market under the Portfolio Investment Scheme under FEMA, subject to the condition that the total holding of all FIIs put together shall not exceed 49% of the paid up equity share capital/paid up value of the respective series of the convertible debentures of the Company as may be applicable or such other



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maximum limit as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all documents or writing as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."

By Order of the Board of Directors
For PVD Plast Mould Industries Limited

Santosh Kumar
Company Secretary

Place : Daman

Date : 30th April, 2002

Registered Office :

Amee Co-op. Hsg. Society Ltd

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

Vapi - 396195

Dist. Valsad, Gujarat

NOTES :

1. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Special Business under item No. 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 Depositor Participant for recording nomination in respect of their shares.
6. Members are requested to claim from the Company their unclaimed dividends, if any, which was declared on June, 1995

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in respect of financial year 1994 at the earliest, as the dividends remaining unclaimed/unencashed over a period of seven years will have to be transferred to the credit of Investors Education and Protection Fund of the Central Government under the provisions of Sections 205A and 205 C of the Companies Act, 1956. Members are requested to note that once it is transferred to the credit of the said fund of the Central Government, they will not be entitled to claim the same.

7. The Share Transfer Books and the Register of Members of the Company will remain closed from 21/06/2002 to 29/06/2002 (both days inclusive).
8. 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.
9. 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.
10. 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.
11. The Equity Shares of the Company are listed at the following, stock exchange:
 - (1) The Stock Exchange, Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad - 380 015
 - (2) The Stock Exchange, Mumbai, Rotunda Building, Phiroze Jeebhoy towers, Dalal Street, Mumbai - 400 001

The Listing fee to the above exchanges have been paid.
12. 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 : Shri Gopalji M. Rana (N.R.I)
Age: 60 years. Qualification : Bachelor of Engineering, M.B.A Nature of expertise: Management & Marketing. Name of the companies in which also holds directorship: None. Name of the companies's committees in which he holds Memberships/chairmanship : None.
 - (II) Name : Smt. Vilina P. Sheth, Age: 42 years, Qualification : B.A, Master of Business Administration, Nature of expertise : Vast experience in rendering various professional services to the Company. Basically she is an Expert Advisor about marketing of the



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Company's product. Name of the companies in which also holds directorship: 1. Bharat Capital & Holdings Limited 2. Kaissan Plasto Limited 3. Sun Capital & Consultancy (P) Limited 4. Sun Properties Private Limited 5. Star Developers (P) Limited 6. Stallion Breweries Limited 7. Fussion Bharat Limited. Name of the companies's committees in which she holds Memberships/chair person ship: None.

13. 6788 equity shares of the company has been forfeited by the Board of Directors of the Company at their meeting held on 31/1/2002 due to non-payment of allotment money for which numerous notices had been sent to the defaulting shareholders. The intimation about this has been forwarded to the concerned stock exchanges and the necessary approval for the same is awaited."

investment by Foreign Institutional Investors (FIIs), up to 49% of the paid up equity capital of Indian companies, subject to the approval of the Board of Directors and approval of members of the Company by way of special resolution. The resolution set out at item 6 of this Notice will enable the FIIs, who are considered to be prudent investors, to acquire shares/convertible debentures of the Company through authorised dealers within the revised ceiling under the portfolio investment scheme of Reserve Bank of India. The increase in the FIIs limit to 49% will result in increased weightage of the Company's share in benchmarking domestic stock market indices and accordingly, the increase in FIIs limit will be beneficial to the Company. Your Directors, therefore, commend the resolution for approval of the members. None of the Directors of the Company is, in any way, concerned or interested in the resolution.

By Order of the Board of Directors
For PVD Plast Mould Industries Limited

Santosh Kumar
Company Secretary

EXPLANATORY STATEMENT

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

Item No. 6

Pursuant to proposal mooted by the Union Budget for the fiscal 2001-2002, the Reserve Bank of India, by amending the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulation, 2000, has raised the limit of

Place : Daman

Date : 30th April, 2002

Registered Office :

Ameo Co-op.

Hsg. Society Ltd.,

Ground Floor, G.L.D.C.,

Vapi - 396 195

Dist. Valsad, Gujarat

ANNUAL REPORT 2001**DIRECTORS' REPORT**

Dear Shareholders,

We have pleasure in presenting the 17th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st December, 2001. The summarised financial results are given below:

1. SUMMARISED FINANCIAL RESULTS :

	(Rs. In Lakhs)	
	2001	2000
Sales & other receipts	1928.52	1296.57
Gross Profit/(Loss) before depreciations	326.27	(511.95)
Less : Depreciation	269.89	282.05
Profit before and after taxation	56.39	(794.00)
Add : Balance carried from earlier year	(1171.07)	(377.06)
Profit available for approp.	-	-
Balance carried forward to next year	(1114.68)	(1171.07)

2. OPERATIONS :

During the year under review, the operations of the Company was better than the previous year. The performance improved as sales increased by about 49% over the previous year to Rs. 1928.52 lakhs and resulted in a profit of Rs. 56.39 lakhs as against loss in the previous year.

There has been severe competition in the international market for non-wovens due to excess production capacity in various countries, particularly in China. The Indian market was flooded with cheap Chinese goods which had adversely affected Indian manufactures of quality goods like your Company.

During the year, the Company has started exporting various products manufactured out of non-woven fabrics such as bags, covers, made-ups, etc. With the inclusion of non-woven products in addition to non-woven fabrics, the Company hopes to achieve higher export turnover in the current year and the overall outlook for the Company appears to be good. The Company was able to reschedule its entire debts with IDBI and ICICI during the year which resulted in write-back of interest provided in the previous year on the dues. The Company has also approached the Unit Trust Of India to reschedule its dues and the proposal is under active consideration by the UTI. The Company is hopeful that during the year UTI will reschedule its dues.

3. DIVIDEND :

In order to conserve the resources of the Company, the Directors do not recommend any dividend.

4. MANAGEMENT DISCUSSION AND ANALYSIS :

In accordance with the Listing Agreement entered into with stock exchanges, the Management Discussion and Analysis Report is annexed hereto and part of this report.

5. FIXED DEPOSITS :

The Company has not accepted any deposits from the Public within the



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meaning of Section 58 A of the Companies Act, 1956 during the period under review.

6. 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.

During the year under review the Company earned foreign exchange by way of exports to the extent of Rs. 1765.55 Lakhs and incurred expenditure in foreign currency to the extent of Rs. 764.82 Lakhs.

7. 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 your Company.

8. CORPORATE GOVERNANCE :

Your Company has adopted the philosophy of conducting its business with due compliance of laws, rules, regulations and sound internal control systems and procedures. Pursuant to clause 49 of the Listing Agreement entered into with the Stock Exchanges, the Company has complied with all the provisions of Corporate Governance and a report on corporate governance is annexed hereto and forms part of this report. A certificate from the auditors of the company regarding compliance of conditions of corporate governance has been included in this Annual Report. In future, the Company intends to implement the non-mandatory recommendations, as prescribed in Code of Corporate Governance.

9. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. G.M. Rana (NRI) and Mrs. Viliانا P. Sheth retire by rotation and being eligible offer themselves for reappointment. Your Directors recommend their reappointment as Directors. Mr. Esmail E. Dhariwala also retires by rotation but has not offered himself for reappointment, as such he will cease to be a Director of the Company under Section 260 of the Companies Act, 1956 at the conclusion of this meeting.

ANNUAL REPORT 2001**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 December, 2001, the applicable accounting standards have been followed along with proper explanations 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 December, 2001 on a 'going concern' basis.

11. DEPOSITORY SYSTEM:

Electronic trading of the Company's Equity Shares has been made compulsory by the Securities & Exchange Board of India (SEBI) from 30th October, 2000. As on 31st December, 2001, about 51.79 % share holding representing 56,96,748 Equity Shares of the Company have been dematerialised. Your Company has executed agreements with both NSDL and CDSL for demat of its shares.

12. ENVIRONMENTAL PROTECTION & INSURANCE:

Top priority' continues to be given to environmental protection for all the units of the Company by keeping emission levels to the minimum possible. Adequate Insurance cover has been taken for properties of the Company including Buildings, Plant & Machinery, Stocks and other assets.

13. AUDITORS:

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



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14. AUDITORS' REPORT :

The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

15. CONSTITUTION OF AUDIT COMMITTEE :

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

16. PARTICULARS OF EMPLOYEES :

None of the Company's employees were covered by the disclosure requirement pursuant to provisions of Section 217(2A) of the Companies Act, 1956 and rules framed thereunder.

17. REGULATORY STATEMENT :

In conformity with the provisions of clause 32 of the Listing Agreement's the Cash Flow Statement for the year ended 31.12.2001 is annexed to the Accounts.

18. ACKNOWLEDGEMENT :

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

On behalf of the Board
PRAVIN V. SHETH
 Chairman

Place : Daman
 Date : 30th April, 2002
 Registered Office :
 Amee Co-op. Hsg. Society Ltd.
 Ground Floor, G.I.D.C.,
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