

# **18th Annual Report 2002**

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**PVD Plast Mould Industries Ltd.**



## PVD PLAST MOULD INDUSTRIES LTD.

### BOARD OF DIRECTORS

Mr. PRAVIN V. SHETH – Chairman & Managing Director  
 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.



## PVD PLAST MOULD INDUSTRIES LTD.

### NOTICE

Notice is hereby given that the 18th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 28th day of June, 2003, 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 December, 2002 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 (N.R.I), who retires from office by rotation, but eligible, offers himself for re-election.
3. To appoint a Director in place of Mr. Bhadresh H. Shah, who retires from office by rotation, but eligible, offers herself 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 modifications, the following resolution as a Special Resolution :

"RESOLVED that consent of the Company be and is hereby accorded for the appointment of Mr. Pravin V. Sheth, Chairman of the

Company, as a Managing Director of the Company for a period of 5 years with effect from 1st August, 2002 to 31st July, 2007, by the Board of Directors in their meeting held on 29th July, 2002 pursuant to the provisions of Section 269, 309, 310, 311 and Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956, as amended from time to time, to discharge the duties as may be entrusted to him by the Board of Directors as a Managing Director of the Company from time to time on the following terms and conditions :

- I. Salary of Rs. 50,000/- per month including dearness allowance, with an annual increase of Rs. 5,000/-.
- II. House Rent Allowance @ 60% of salary including dearness allowance.
- III. A commission @ 1% of the net profits of the Company subject to the ceiling prescribed under part II of Clause I Schedule XIII (as amended) of the Companies Act, 1956.
- IV. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
- V. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
- VI. The Chairman & Managing Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.

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VIII. Gratuity not exceeding half month's salary for each completed year of service.

**PERQUISITES :**

Mr. Pravin V. Sheth shall be entitled to the following perquisites as Chairman & Managing Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act, 1956.

- a. Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.
- b. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- c. Fees of clubs and credit/debit card for official use only.
- d. Personal accident insurance, premium whereof shall not exceed Rs. 10,000/- per annum.
- e. For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone & telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling."

"RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. Pravin V.

Sheth, Managing Director of the Company may be altered and/or varied so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter to be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Mr. Pravin V. Sheth or as may be varied by the General Body Meeting."

"RESOLVED FURTHER THAT Mr. P.S. Krishnan - Executive Director and/or Mr. Santosh Kumar - Company Secretary be and are hereby severally authorised to take necessary action to give effect to the resolution."

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

"RESOLVED that consent of the Company be and is hereby accorded for the appointment of Mr. P.S. Krishnan as an Executive Director of the Company for a period of 5 years from 1st August, 2002, and that he will work under the guidance of the Board of Directors of the Company.

FURTHER RESOLVED pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the members at the General



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Meeting, the Board be and hereby accorded to the re-appointment of Mr. P.S. Krishnan, as Executive Director (Whole-time) of the Company for a period of 5 years w.e.f. 1st August, 2002 to discharge the duties as may be entrusted to him as Executive Director of the Company from time to time on the following terms and conditions :

- I. Salary of Rs. 42,000/- per month, with an annual increase of Rs. 3,500/- upto Rs. 50,000/-.
- II. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962
- III. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.
- IV. The Executive Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.
- V. Gratuity not exceeding half month's salary for each completed year of service.

### PERQUISITES :

Mr. P.S. Krishnan shall be entitled to the following perquisites as Executive Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act, 1956.

Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.

- a. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- b. Fees of clubs and credit/debit card for official use only.
- c. Personal accident insurance, premium whereof shall not exceed Rs. 10,000/- per annum.
- d. For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone & telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of computing the aforesaid ceiling.

RESOLVED FURTHER THAT the terms and conditions of the appointment of Mr. P. S. Krishnan, Executive Director of the Company may be altered and/or varied so as not to exceed the limits specified in Schedule XII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter to be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Mr. P. S. Krishnan or as may be varied by the General Body Meeting.

RESOLVED FURTHER THAT Mr. Pravin V. Sheth - Chairman & Managing Director and/or Mr.

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Santosh Kumar Patra - Company Secretary be and are hereby severally authorized to take necessary action to give effect to the resolution.

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

"RESOLVED that pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, (including any statutory modifications or re-enactment thereof for the time being in force) and subject to the approval of the members at the General Meeting, the Board be and hereby appoints Mr. G. Ravindran, as Executive Director (Whole-time) of the Company for a period of 5 years w.e.f. 1st January, 2003 to discharge the duties as may be entrusted to him as Executive Director of the Company from time to time on the following terms and conditions :

- I. Salary of Rs. 35,000/- per month, with an annual increase of Rs. 3,500/- upto Rs. 50,000/-.
- II. The Company's contribution towards Provident Fund as per the Company's Rules but not exceeding 12% of the salary as laid down in the Income Tax Rules, 1962.
- III. Privilege Leave on full pay and allowance as per the Rules of the Company but not exceeding 1 month's leave for every 11 months of service completed.

- IV. The Executive Director shall not be entitled to any sitting fees for attending the meeting of the Board of Director or any Committee thereof.

- V. Gratuity not exceeding half month's salary for each completed year of service.

**PERQUISITES :**

Mr. G. Ravindran shall be entitled to the following perquisites as Executive Director of the Company. However, the perquisites shall be counted for fulfilling the conditions mentioned in clause I of Part II of Schedule XIII of the Companies Act, 1956.

Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in any year or three month's salary in a block of three years.

- a. Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- b. Fees of clubs and credit/debit card for official use only.
- c. Personal accident insurance, premium whereof shall not exceed Rs. 10,000/- per annum.
- d. For the purpose of computing the aforesaid ceiling, perquisites would be valued as per the Income Tax Rules, 1962, wherever applicable. Provision for use of Company's car for official duties and cellular phone and telephone at residence (including payment for local calls and long distance official calls) shall not be included

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in the computation of perquisites for the purpose of computing the aforesaid ceiling.

RESOLVED further that the terms and conditions of the appointment of Mr. G. Ravindran, Executive Director of the Company may be altered and/or varied so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactments thereof, for the time being in force or any amendments and/or modifications that may hereafter to be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Mr. G. Ravindran or as may be varied by the General Body Meeting.

RESOLVED further that Mr. Pravin V. Sheth - Chairman and Managing Director and/or Mr. Santosh Kumar Patra - Company Secretary be and are hereby severally authorized to take necessary action to give effect to the resolution.

By Order of the Board of Directors  
For PVD Plast Mould Industries Limited  
**Santosh Kumar**  
Company Secretary

Place: Daman

Date : 30.04.2003

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 2002****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 & 7 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 20/06/2003 to 28/06/2003 (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 exchange :
  - (1) The Stock Exchange, Ahmedabad, Karndhenu Complex, Opp. Sahajanand College, Panjara Pole, Ambawadi, 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.
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 : Shri J.B. Patel (N.R.I) Age: 56 years, Qualification : Bachelor of Arts, Nature of expertise : Expertise in Management &





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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 : Shri Bhadresh H. Shah, Age : 49 years, Qualification: Bachelor of Engineering, Nature of expertise : Civil and Plastic Engineering. Name of the companies in which also holds directorship : 1. Kunststoffe Industries Limited 2. Chemical & Alkali Distributors Limited 3. Stallion Breweries Limited. 4. Fusion Bharat Limited. Name of the companies's committees in which he holds Memberships/chairmanship : 1. Kunststoffe Industries Limited - Audit & Share Transfer Committee - Chairman.

### EXPLANATORY STATEMENT

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

#### Item No. 5

The Board unanimously decided to appoint Mr. Pravin V. Sheth, Chairman of the Company, as Managing Director of the Company for a period of 5 years with effect from 1st August, 2002 to 31st July, 2007 for smooth and efficient conduct of the Company but subject to the approval of the members in the general meeting.

Except Mr. Pravin V. Sheth and Mrs. Vilina P. Sheth, none of the Directors of the Company are concerned or interested in the resolution. The Board recommends passing of this resolution by the members.

This explanation, together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

#### Item No. 6

The Board unanimously re-appointed Mr. P.S. Krishnan as an Executive Director of the Company for a period of 5 years from 1st

August, 2002 to 31st July, 2007 for smooth and efficient conduct of the Company but subject to the approval of the members in the general meeting.

Except Mr. P.S. Krishnan none of the Directors of the Company are interested or concerned with the resolution.

The Board recommends passing of this resolution by the members.

This explanation, together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

#### Item No. 7

The Board unanimously re-appointed Mr. G. Ravindran as an Executive Director of the Company for a period of 5 years from 1st January, 2003 to 31st December, 2007 for smooth and efficient conduct of the Company but subject to the approval of the members in the general meeting.

Except Mr. G. Ravindran none of the Directors of the Company are interested or concerned with the resolution.

The Board recommends passing of this resolution by the members.

This explanation, together with the accompanying Notice is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

By Order of the Board of Directors  
For PVD Plast Mould Industries Limited  
**Santosh Kumar**  
Company Secretary

Place: Daman  
Date : 30.04.2003  
Registered Office:  
Ameo Co-op. Hsg. Society Ltd,  
Ground Floor, G.I.D.C.,  
Vapi - 396 195, Dist. Valsad, Gujarat

**ANNUAL REPORT 2002****DIRECTORS' REPORT**

Dear Shareholders,

We have pleasure in presenting the 18th Annual Report of the Company alongwith the audited statements of Accounts for the year ended 31st December, 2002. The summarised financial results are given below:

**1. SUMMARISED FINANCIAL RESULTS :**

	(Rs. In Lakhs)	
	2002	2001
Sales & other receipts	2466.21	1928.52
Gross Profit/(Loss) before depreciations	131.92	326.27
Less : Depreciation	269.85	269.89
Profit/(Loss) before and after taxation	(137.93)	56.39
Add : Balance carried from earlier year (1114.68)	(1171.07)	
Profit available for approp.	—	—
Balance carried forward to next Year	(1252.61)	(1114.68)

**2. OPERATIONS :**

The turnover of the Company for the year under review was Rs. 2466.21 lacs as compared to Rs. 1928.52 lacs in the year 2001, though registering an increase in the price of raw materials in the international market resulted in serious erosion of margins. The price of finished goods in the international market also showed a downward trend due to competition from other countries, especially China from where substantial quantities of products were imported by major countries like USA, UK, Europe and also India . These factors led to reduction in gross profit and aggravated the liquidity problems of the Company.

The performances of the Company for the first 3 months of the year is satisfactory and in- line with the expectations. Barring unforeseen circumstances, the improvement

in performance witnessed in the first quarter of the current financial year is likely to be maintained during the years.

**3. DIVIDEND :**

In view of inadequate profit, the Directors do not recommend payment of 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 forms part of this report.

**5. 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.

**6. SETTLEMENT OF DUES WITH ICIC & IDBI :**

Your Company has successfully rescheduled its entire debts with I.D.B.I. and I.C.C.I. and the effect of reschedulement is given in the audited statement of Accounts. The Company has made the necessary re-payment as agreed with the Financial Institutions.

**7. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.**

The additional requirement of the Companies (Amendment) Act, 1988 in respect of conservation of energy and absorption of technology, does not apply