

19th Annual Report 2003

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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 & 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.

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 19th Annual General Meeting of the Shareholders of the Company will be held on Saturday, the 26th day of June, 2004, 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, 2003, the Profit and Loss Account also the Cash Flow Statement for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Vilina P. Sheth, who retires from office by rotation, but eligible, offers herself for re-election.
3. To appoint a Director in place of Mr. Gopalji M. Rana, 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 modifications the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 21 and other applicable provisions

if any of the Companies Act, 1956 and further subject to the approval of the Central Government, the name of the Company be and is hereby changed from PVD Plast Mould Industries Limited to Fiberweb (India) Limited, being the new name made available by the Registrar of Companies, Ahmedabad."

"RESOLVED FURTHER THAT the name 'PVD Plast Mould Industries Limited' wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name 'Fiberweb (India) Limited' "

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 81, 81(1A) and other applicable provisions, if any, of the Companies act, 1956 and in accordance with the provisions of Memorandum and Articles of Association of the Company and subject to the necessary approval, consent, permission and / or sanction from the Government of India, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India and any other appropriate authorities, institutions or bodies, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board") to issue, offer and allot as many Equity Share/Preference Share/Share Warrants and/ or any Securities convertible into Equity Shares at the options of the Company and/or holder(s) of the Securities (hereinafter referred to as "Securities") as may be decided by the Board

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as it deems fit on behalf of the Company, through prospectus, Offer Letter or Circular and/or on Private Placement Basis or on Preferential Basis or on Right Basis, for an aggregate value not exceeding Rs. 400 Lacs (inclusive of the premium to be fixed by Board in conformity with the Guidelines framed by Securities and Exchange Board of India under (disclosure and Investors Protection) Guidelines, 2000 and subject to such terms and conditions as the Board may deem fit to any institutions, banks, bodies corporate (including companies), trust, mutual fund, local bodies, Promoters Group, FIs, NRIs, OCBs, existing shareholders and/or any person or persons, as may be decided by the Board whether such person or persons is/are existing member or members of the Company or not, on a preferential basis or private placement and such issue/allotment shall be made at such time, price, manner and on such terms and conditions as the Board may, in its discretion deem fit, in consultation with the Lead Manager and others and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue/allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Executive Directors or Director(s) or Company Secretary or any other Officer(s) of the Company to give effect to the aforesaid Resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board

of Directors of the Company be and is hereby authorized on behalf of the Company to do all acts, deeds and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation of entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubt that may arise in regard to any such issue or allotment as it may, in its absolute discretion, deem fit."

7. To consider and, if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 16, 94 and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Capital of the Company be and is hereby increased from Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000 (One Crores and Fifty Lakhs) Equity Shares of Rs. 10/- each to Rs. 20,00,00,000/- (Rupees Twenty Crores) by creating 1,50,00,000 (One Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 (Fifty lacs) Preference Shares of Rs. 10/- (Rupees Ten) each and clause V of Memorandum of Association of the Company be and hereby deleted and the following be substituted in place and instead thereof.

"V. The Authorised share capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crores) divided into 1,50,00,000 (One Crores



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Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) and 50,00,000 (Fifty lacs) Preference Shares of Rs. 10/- each with right, privileges and conditions attaching thereto as provided by the Articles of Association of the Company for the time being with power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special right, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the Articles of Association of the Company for the time being."

8. 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 Article 3 of the Articles of Association of the Company be and hereby deleted and the following new Article 3 be substituted in place and instead thereof.

- "3. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crores) divided into 1,50,00,000 (One Crores Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten) each and 50,00,000 (Fifty Lacs) Preference Shares of Rs. 10/- (Rupees Ten) each with power to sub-divide, consolidate and increase or decrease and with power from time to time issue

any shares of the original capital with and subject to any preferential deferred, qualified or special rights, privileged or conditions as may be, through fit, and upon the sub-division, of shares to apportion the right to participate in profits, in any manner as between the shares resulting from the sub-division."

9. 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 81, 81(1A) and other applicable provisions, if any, of the Companies act, 1956 and in accordance with the provisions of Memorandum and Articles of Association of the Company and subject to the necessary approval, consent, permission and / or sanction from the Government of India, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India and any other appropriate authorities, institutions or bodies, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "The Board") to issue, offer and allot as many Equity Share/Preference Share/Share Warrants and/ or any Securities convertible into Equity Shares at the options of the Company and/or holder(s) of the Securities (hereinafter referred to as "Securities") as may be decided by the Board as it deems fit on behalf of the Company, through prospectus, Offer Letter or Circular and/or on Private Placement Basis or on Preferential Basis or on Right Basis, for an aggregate value not exceeding Rs. 500 Lacs

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(inclusive of the premium if any to be fixed by Board in conformity with the Guidelines framed by Securities and Exchange Board of India under (disclosure and Investors Protection) Guidelines, 2000 and subject to such terms and conditions as the Board may deem fit to any institutions, banks, bodies corporate (including companies), trust, mutual fund, local bodies, Promoters Group, FIs, NRIs, OCBs, existing shareholders and/or any person or persons, as may be decided by the Board whether such person or persons is/are existing member or members of the Company or not, on a preferential basis or private placement and such issue/allotment shall be made at such time, price, manner and on such terms and conditions as the Board may, in its discretion deem fit, in consultation with the Lead Manager and others and otherwise on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue/allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or Managing Director or Executive Directors or Director(s) or Company Secretary or any other Officer(s) of the Company to give effect to the aforesaid Resolution."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is here authorized on behalf of the Company to do all acts, deeds and things as it may at its discretion deem necessary or desirable for

such purpose, including without limitation of entering into of underwriting, marketing, depository and custodian arrangements and with power on behalf of the Company to settle any questions, difficulties or doubt that may arise in regard to any such issue or allotment as it may, in its absolute discretion, deem fit."

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

Place: Daman

Date : 30th April, 2004

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, 7, 8 & 9 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 18/06/2004 to 26/06/2004 (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 : Ms. 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 Export Advisory about marketing of the Company's product. Name of the companies in which she also holds directorship : 1. Bharat Capital & Holdings Limited. 2. Sun Capital Consultancy Private Limited. 3. Sun Properties Private Limited. 4. Star Developers Private Limited. 5. Fusion Bharat Limited. Name of the companies's committees in which he holds Memberships/chairmanship : None.
 - (II) Name : Mr. Gopalji M. Rana (N.R.I.) Age : 60 years, Qualification: Bachelor of Engineering, M.B.A. Nature of expertise : Management &

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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.

EXPLANATORY STATEMENT

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

Item No. 5

Since, your Company stopped the activities of blow and injection moulding operations and at presently the main activities of the Company mainly consists of manufacturing P.P Non Woven Fabrics and products thereof, it has been decided to change the name of the Company to reflect the activities of the Company.

With a view to correctly highlight the present activities of the Company, a change of name of the Company is being proposed from PVD Plast Mould Industries Limited to Fiberweb (India) Limited. The said proposal is being also advised by the Bankers and Financial Institutions of your Company.

Pursuant to Section 21 of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956, the above said resolution should be approved by the General body by way of Special Resolution.

None of the Directors of the Company is interested in the proposed resolution. Your Directors recommend the Special Resolution for approval of members.

Item No. 6

The overall increase in the volume of activities of your Company has resulted a significant increase in the working capital requirements of the Company. In order to sustain the growth, the Company will have to support the activities with adequate amount of working capital from time to time.

The Company, therefore, as a prudent policy, proposes to strengthen its equity based to take care of the incremental working capital requirements, proposes to issue further shares not exceeding Rs. 400 Lacs by way of preferential

allotment on private placement basis to any selected Investors, Banks, Bodies Corporate (including companies), Trust, Mutual Fund, Local Bodies, Promoters Group, FIIs, NRIs, OCBs, existing shareholders and/or any person or persons, as may be decided by the Board.

Under Section 81(1) of the Companies Act, 1956, in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholding in the Company. As per the provisions of Section 81(1) the further issue of shares to existing members does not require the approval of shareholders at the general body meeting. However, pursuant to Section 81(1A) of the Act a Public Company may offer its shares in a any manner whatsoever to persons other than those mentioned in Section 81(1) if a special resolution to that effect is passed by it in the General Meeting.

In view of market share price of the Company being lower than the face value of shares, it is not possible for your Company to come out with the rights issue. The Board therefore seeks the consent of the members authorizing the Board to issue further shares to the existing shareholders or persons other than the existing shareholders at such time, price, and manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue/allotment. Detailed terms and conditions including the issue price, premium etc., will be determined by the Board of Directors of the Company in consultation with the Lead Manager/ Advisors/Consultants and/or depending upon the then prevailing market conditions.

The Resolution is an enabling one which provides adequate flexibility and discretionary powers to the Board of Directors to finalize the terms of issue/offer/private placement in consultation with Lead Manager (s), Advisors and Underwriter on various matters including pricing of the issue



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which will be at a premium or discount as the Board in its absolute discretion may deem fit.

The Board recommends the Resolution for approval of the Members.

The Directors of the Company may be deemed concerned or interested in the resolution to the extent of the equity shares that may be subscribed by and allotted to them.

Item No. 7, 8 & 9

In view of restructuring of debts due to Industrial Development Bank of India, your Company is required to issue 10% Cumulative Convertible Preference Shares on private placement basis. Consequently, the Authorised Share Capital needs to be increased from Rs. 15 crores to Rs. 20 crores divided into 150 lacs Equity Shares of Rs. 10/- each and 50 lacs Preference Shares of Rs. 10/- each by amending Clause V of the Memorandum of Association and Article 3 of the Articles of Association of the Company.

The aforesaid proposed change will necessitate amendments to the Capital Clause of the Memorandum of Association & Articles of Associations of the Company. The resolutions set out at item No. 7, 8 & 9 of this Notice are consequential.

Pursuant to Section 16 & 31 of the Companies Act, 1956 read with Section 94 of the said Act, the above said amendments should be approved by the General body by way of an Ordinary Resolution & Special Resolution respectively.

Under Section 81(1) of the Companies Act, 1956, in the event of a Public Company proposing to increase its subscribed capital by way of allotment of further shares in the circumstances specified therein, it is required to offer such further shares to its existing equity shareholders in the proportion of their respective equity shareholding in the Company. As per the provisions of Section 81(1) the further issue of shares to existing members does not require the approval of shareholders at the general body meeting. However, pursuant to Section 81(1A) of the Act a Public Company may offer its shares in a any

manner whatsoever to persons other than those mentioned in Section 81(1) if a special resolution to that effect is passed by it in the General Meeting.

The Board therefore seeks the consent of the members authorizing the Board to issue further shares not exceeding Rs. 500 Lacs by way of preferential allotment on private placement basis to any selected Investors, Banks, Bodies Corporate (including companies), Trust, Mutual Fund, Local Bodies, Promoters Group, FIs, NRIs, OCBs, existing shareholders and/or any person or persons; as may be decided by the Board, at such time, price, and manner and on such terms and conditions as the Board may, in its discretion deem fit and appropriate at the time of issue/allotment. Detailed terms and conditions including the issue price, premium etc., will be determined by the Board of Directors of the Company in consultation with the Lead Manager/Advisors/Consultants and/or depending upon the then prevailing market conditions.

The Resolution is an enabling one which provides adequate flexibility and discretionary powers to the Board of Directors to finalize the terms of issue/offer/private placement in consultation with Lead Manager (s), Advisors and Underwriter on various matters including pricing of the issue which will be at a premium or discount as the Board in its absolute discretion may deem fit.

Your Directors recommend the proposed resolutions at Item No. 7, 8 & 9 for your approval.

None of the Directors of the Company is interested in the proposed resolution.

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

Place: Daman

Date : 30th April, 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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Dear Shareholders,

We have pleasure in presenting the 19th Annual Report of the Company alongwith the audited statement of Accounts for the year ended 31st December, 2003. The summarised financial results are given below :

1. SUMMARISED FINANCIAL RESULTS :

	(Rs. In Lakhs)	
	2003	2002
Sales & other receipts	3120.12	2466.21
Gross Profit/(Loss) before depreciations	375.84	131.92
Less : Depreciation	269.96	269.85
Profit/(Loss) before and after taxation	105.88	(137.93)
Add : Balance carried from earlier year (1252.61)	(1114.68)	
Profit available for approp.	—	—
Balance carried forward to next Year	(1146.73)	(1252.61)

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 27% over the previous year to Rs. 3120.12 lakhs and resulted a profit of Rs. 106 lakhs against the loss of Rs. 138 lacs as compared to previous year. The result could have been better but there was an increase in price of raw material and stagnant selling price of the Company's products in the international market. This was mainly due to sever competition in the international market caused by excess production capacity in various countries, particularly in China. The market was flooded with cheap Chinese goods which had adversely affected Indian manufactures of quality goods like your Company.

There was a paucity of working capital in your Company during the previous year, as the banker had not considered the request for increase in working capital limits. Your Company has made re-payment of loans to various financial institutions by way of re-scheduled installments, which has resulted a financial constraints on the Company.

The performances of the Company for the first four months of the year is satisfactory and in- line with the expectations. Efforts are being made to penetrate the segment of the market for value added products for improving profitability. Barring unforeseen of above circumstances, the Company is expected to declare better results for the current financial year, compared to the year under review.

3. DIVIDEND :

In order to conserve the resources of the Company and owing to inadequate profits, your Directors do not recommend payment of 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 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.