

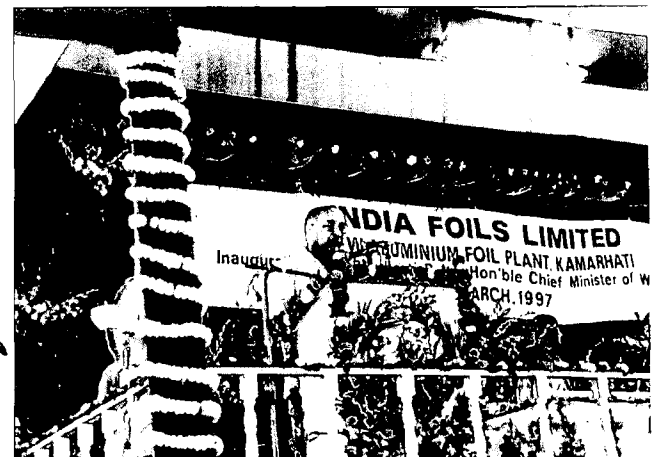
MP				SEC	✓
CS				DPY	✓
DO				DIV	✓
TPA				AC	✓
ACM	✓	✓		SWI	✓
YE	✓	✓	✓		



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Inauguration by

The World-class NEW ALUMINIUM FOIL PLANT at Kamarhati was inaugurated by the Hon'ble Chief Minister of West Bengal, Mr. Jyoti Basu on 5th of March, 1997. It includes the widest foil mill commissioned in India and is amongst the best of such 15 mills the world over.





NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 36th Annual General Meeting of India Foils Limited will be held at the G. D. Birla Sabhagar, 29 Ashutosh Choudhury Avenue, Calcutta - 700 019 on Friday, 26th September, 1997 at 11.00 a.m. to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account of the Company for the financial year ended 31st March 1997 and the Balance Sheet as at that date together with the Report of the Directors and the Auditors thereon.
2. To declare dividends on Preference and Equity Shares.
3. To appoint Directors in place of Mr. B M Khaitan, Mr. S Goenka and Mr. A Khaitan who retire by rotation and being eligible, offer themselves for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification, the following Resolutions :

5. As an Ordinary Resolution

RESOLVED that pursuant to the provisions of Sections 269, 309 and 198 and other applicable provisions, if any, of the Companies Act 1956 (including any amendment or re-enactment thereof), approval of the Members of the Company be and is hereby accorded to the re-appointment of and the remuneration payable to Mr. Prahlad Bajaj as Managing Director of the Company for a period of three years with effect from 1st October, 1997, on the terms and conditions as set out in the agreement to be entered into between the Company and Mr. Prahlad Bajaj, a draft of which duly initialled by the Chairman for identification is submitted to this meeting.

6. As an Ordinary Resolution

RESOLVED that further to and in modification of the ordinary resolution passed at the Annual General Meeting held on 27th August, 1996 re-appointing Mr. Bhaskar Gupta as Wholetime Director with effect from 4th February, 1996 on the terms and conditions as set out therein, the approval of the members be and is hereby accorded pursuant to the provisions of Section 198, 309 and other applicable provisions of the Companies Act, 1956 (including any amendment or re-enactment thereof) read with Schedule XIII thereto, to the payment of increased remuneration to Mr. Bhaskar Gupta with effect from 1st October, 1997 for the remaining period of his office and the consequent variation in the terms of appointment as set out in the supplemental agreement to be entered into between the company and Mr. Bhaskar Gupta, a draft of which duly initialled by the Chairman for identification is submitted to this meeting.

7. As an Ordinary Resolution

- a) RESOLVED that the Authorised Share Capital of the Company be increased from Rs.55,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs.10/- each and 15,00,000 Redeemable Preference Shares of Rs.100/- each to Rs.70,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs.10/- each and 30,00,000 Redeemable Preference Shares of Rs.100/- each by creation of 15,00,000 Redeemable Preference Shares of Rs.100/- each.
- b) That the words "The Authorised Share Capital of the Company is Rs.55,00,00,000/- (Rupees fiftyfive crore only) divided into 4,00,00,000 Equity Shares of Rs.10/- each and 15,00,000 Redeemable Preference Shares of Rs.100/- each" be substituted for the words "The Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees seventy crore only) divided into



4,00,00,000 Equity Shares of Rs.10/- each and 30,00,000 Redeemable Preference Shares of Rs.100/- each" in Clause 5 of the Company's Memorandum of Association.

8. As a Special Resolution

RESOLVED that the Articles of Association of the Company be altered by substituting the following new Article 4(1) for the present Article 4(1) thereof.

"4(1) - the Authorised Share Capital of the Company is Rs.70,00,00,000/- (Rupees seventy crore) divided into 4,00,00,000 Equity Shares of Rs.10/- each and 30,00,000 Redeemable Preference Shares of Rs.100/- each".

Registered Office
4, Mangoe Lane,
Calcutta 700 001
27th June, 1997

By Order of the Board

A GHOSH
General Manager and Secretary

- NOTES:**
1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company. Such proxies in order to be effective must be received by the Company at its Corporate Office at 27, Shakespeare Sarani, Calcutta-700 017 at least 48 hours before the Meeting.
 2. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of items of Special Business, is stated hereunder.
 3. Dividend that may be declared at this Meeting will be payable on or after 26th October, 1997 to those Members whose names appear on the Register of Members of the Company on the 26th September, 1997 or to their mandatees subject, however, to the provisions of Section 206A of the Companies Act, 1956.
 4. Members are requested to notify immediately change of address, if any, to the Registrars of the Company, ABC Computers Pvt. Ltd., National Council of Education, Bengal, Jadavpur University Campus, Jadavpur, Calcutta-700 032.
 5. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 1997 to 26h September, 1997 (both days inclusive).
 6. The unclaimed Dividends upto the Dividend paid in respect of the Company's financial year ended 31st March, 1993 have been transferred to the General Revenue Account of the Central Government. Shareholders, who have not received any Dividend upto the said period, may prefer an application to the Registrar of Companies, West Bengal at Calcutta, for the payment of the Dividends due to them.

**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956
in respect of Special Business**

Item 5

The appointment of Mr. Prahlad Bajaj as Managing Director was approved at the 34th Annual General Meeting of the Company held on 22nd August, 1995 for a period of three years. The said period of three years will expire on 22nd November, 1997. In view of the growing activities of the Company, the remuneration payable to Mr. Bajaj was not considered to be commensurate with his duties and responsibilities. Accordingly at a meeting of the Board of Directors of the Company (The Board) held on 27th June, 1997, the appointment of Mr. Prahlad Bajaj, Managing Director (Mr. Bajaj) was determined by mutual consent with effect from the close of business hours on 30th September, 1997, and at the same meeting Mr. Bajaj



was re-appointed as Managing Director of the Company with effect from 1st October, 1997 at a higher remuneration for a period of three years. The terms of the re-appointment as approved by the Board at its meeting held on 27th June, 1997 are embodied in the Agreement to be entered into by the company with Mr. Bajaj, the material terms of which are as under :

1. (a) **Salary** - At the rate of Rs.50,000/- per month
- (b) **Commission** - Not more than 1% of the net profits of the Company subject to a ceiling of 50% of the salary.

2. Perquisites :

In addition to the above remuneration the Managing Director shall also be entitled to perquisites like unfurnished accommodation, gas, electricity, water, servants and furnishing, medical reimbursement, leave travel concession for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund, Superannuation Fund and Gratuity Fund, car and telephone etc. in accordance with the rules of the Company.

In case no accommodation is provided by the Company, the Managing Director will be paid house rent allowance as per the rules of the Company subject to a limit of 60% of his salary. The aforesaid perquisites will be restricted to the annual salary of the Managing Director.

Provided that

- i) for the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income-tax rules wherever applicable. In the absence of any such rules, perquisites shall be evaluated at the actual cost. Provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of ceiling on perquisites;
- ii) the Company's contribution to Provident Fund and Superannuation Fund not exceeding 25% of the salary shall not be included in the computation of ceiling of perquisites;
- iii) the Company's contribution to the Gratuity Fund in accordance with the rules of the Company shall not be included in the computation of ceiling on perquisites.

In the event of loss or inadequacy of profit in any year during the tenure of office of the Managing Director, the remuneration payable to him for that year shall be determined and allocated by the Board within the ceiling limit laid down in paragraphs 1 & 2 of Section II of Part II of Schedule XIII to the Act.

Mr. Bajaj will be entitled to leave with full pay and allowance in accordance with the rules of the Company but not exceeding one month's leave for every eleven completed calendar months' services.

The re-appointment and remuneration of Mr. Bajaj as the Managing Director require the approval of the Members of the Company in General Meeting in terms of Part III of Schedule XIII to the Companies Act, 1956 (The Act) and the remuneration so payable also require the approval of the Company in General Meeting under Section 309 of The Act. The re-appointment of Mr. Bajaj on the terms proposed satisfies the conditions laid down in Part I & II of Schedule XIII.

The resolutions set out in item 5 of the Notice has to be considered accordingly and the Board recommends the same for approval of the Members.

Draft Agreements referred to in the resolution set out in item 5 of the convening notice will be available for inspection by the members of the Company at its Corporate Office at 27, Shakespeare Sarani, Calcutta - 700 017 on any working day prior to the date of the Meeting during usual business hours and will be available in the Meeting.

No Director of the Company excepting Mr. Prahlad Bajaj is interested in or concerned with this resolution.

**Item 6**

The re-appointment of Mr. Bhaskar Gupta (Mr. Gupta) as Wholetime Director was approved at the 35th Annual General Meeting of the Company held on 27th August, 1996, for a period of forty three months with effect from 4th February, 1996. In view of the growing activities of the company, the Board of Directors at its meeting held on 27th June, 1997, decided to increase the remuneration of Mr. Gupta with effect from 1st October, 1997 for the remaining period of his office. The terms of the revision of remuneration of Mr. Gupta, as approved by the Board at its meeting held on 27th June, 1997 are embodied in the Agreement to be entered into by the Company with Mr. Gupta, which are mentioned below :

1. **Salary** - At the rate of Rs.45,000/- per month

2. **Perquisites :**

In addition to the above remuneration the Wholetime Director shall also be entitled to perquisites like unfurnished accommodation, gas, electricity, water, servants and furnishing, medical reimbursement, leave travel concession for self and family, club fees, medical insurance, personal accident insurance, leave encashment, benefits of Provident Fund, Superannuation Fund and Gratuity Fund, car and telephone etc. in accordance with the rules of the Company.

In case no accommodation is provided by the Company, the Wholetime Director will be paid house rent allowance as per the rules of the Company subject to a limit of 60% of his salary. The aforesaid perquisites will be restricted to the annual salary of the Wholetime Director.

Except as above, all other terms and conditions of the appointment of Mr. Gupta, as Wholetime Director as approved by the members in the 35th Annual General Meeting held on 27th August, 1996 remain unchanged.

The resolutions set out in item 6 of the Notice has to be considered accordingly and the Board recommends the same for approval of the Members.

Draft of the agreement referred to in the resolution set out in item 6 of the convening notice will be available for inspection by the members of the company at the corporate office at 27, Shakespeare Sarani, Calcutta 700 017, on any working day prior to the date of meeting during usual business hours and will be available in the meeting.

No Director of the company excepting Mr. Bhaskar Gupta is interested in or concerned with this resolution.

Item 7

The Authorised Share Capital of the Company presently stands at Rs.55,00,00,000/- divided into 4,00,00,000 Equity Shares of Rs.10/- each and 15,00,000 Redeemable Preference Shares of Rs.100/- each. With the increase in the Company's business, it is desirable to increase the Authorised Share Capital of the Company from Rs.55,00,00,000/- to Rs.70,00,00,000/- by creation of 15,00,000 Redeemable Preference Shares of Rs.100/- each. The proposed increase of the Authorised Share Capital of the Company requires the approval of the members in General Meeting. Consequent upon the increase in Authorised Share Capital of the Company, its Memorandum of Association will require alteration so as to reflect the increase in Share Capital.

The Board recommends the resolution for approval of the Members.

No Director of the Company is interested in or concerned with the resolution.

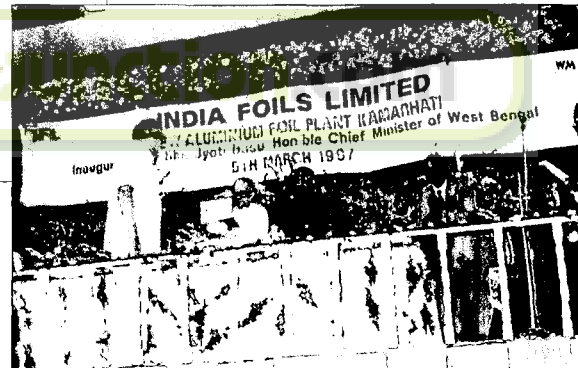
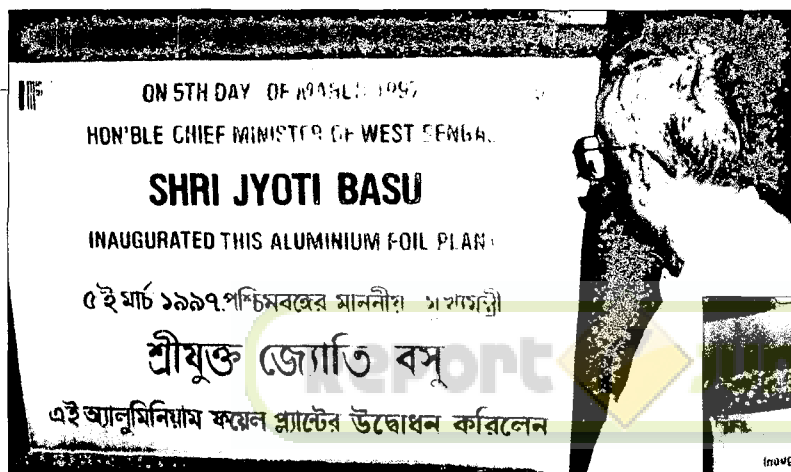
Item 8

Corresponding to the Resolution under item 7 seeking to increase the Authorised Share Capital of the Company and alter Clause 5 of the Memorandum of Association, it is also necessary to change Article 4(1) of the Articles of Association to increase the existing Authorised Share Capital as proposed.

The Board recommends the Special Resolution for approval of the Members.

No Director of the Company is interested in or concerned with the resolution.

Chief Minister Mr. Jyoti Basu



**Directors**

B. M. Khaitan, *Chairman*
D. Khaitan, *Vice-Chairman*
P. K. Kaul, I.A.S. (Retd.)
P. Magor
R. B. Magor
P. K. Khaitan
(Alternate to R. B. Magor)
Sanjiv Goenka
Lt. Gen K. S. Brar
Maharaja Gaj Singh
A. Khaitan
Bhaskar Gupta - *Wholtime Director*
Pralhad Bajaj - *Managing Director*

Company Secretary

Ashoke Ghosh

Executive Committee

P. Bajaj
B. Gupta
S. B. Srivastava
R. C. Mohan
P. K. Ghosh

Auditors

Price Waterhouse

Solicitors & Advocates

Khaitan & Co.

Registrars & Share**Transfer Agents**

ABC Computers Pvt. Ltd.
National Council of Education,
Bengal
Javadpur University Campus
Calcutta 700 032

Bankers

ANZ Grindlays Bank plc
State Bank of India
American Express Bank Limited
United Bank of India
Bank of Baroda
Indian Overseas Bank
Deutsche Bank
Citibank N.A.
ABN Amro Bank N. V.

Registered Office

Four Mangoe Lane
Calcutta 700 001

Corporate Office

27 Shakespeare Sarani
Calcutta 700 017

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Cover: A view of the newly installed ultra modern Foil Mill



Balance Sheet at a glance

1996-97 1995-96 1994-95 1993-94 1992-93 1991-92 1990-91 1989-90 1988-89 1986-87
(15months) (18months)

Sources of Funds

1. Shareholders' Funds

Capital

1621	1671	1621	667	667	438	438	438	438	438
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Reserves and Surplus

9248	8740	8123	5413	3199	2349	2170	1989	1884	1754
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10869	10411	9744	6080	3866	2787	2608	2427	2322	2192
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2. Total Loan Funds

24519	17799	9331	6863	5577	3514	3184	1760	1979	1168
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35388	28210	19075	12943	9443	6301	5792	4187	4301	3360
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Application of Funds

3. Fixed Assets

Net Block

21172	9359	7896	7810	2276	2201	1905	1656	1278	1204
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Capita Work-in-Progress

1021	7545	1669	404	2996	860	280	34	84	52
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22193	16904	9565	8214	5272	3061	2185	1690	1362	1256
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4. Investments

3615	3095	3632	618	633	272	261	261	192	192
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5. Total Current Assets

16458	15814	10783	7279	6557	6205	6031	5169	4130	3064
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6. Total Current Liabilities and Provisions

7011	7612	4929	3213	3080	3309	2771	3002	1440	1169
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Net Current Assets

9447	8202	5854	4066	3477	2896	3260	2167	2690	1895
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7. Miscellaneous Expenses (To the extent not written off or adjusted)

133	9	24	45	61	72	86	69	57	17
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35388	28210	19075	12943	9443	6301	5792	4187	4301	3360
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Directors' Report

The Directors have pleasure in submitting the Annual Report and Accounts for the financial year ended 31st March, 1997.

THE YEAR IN RETROSPECT

1996-97 was a historic year for your Company with the completion of the Rs.130 crore modernisation-cum-expansion programme. The new Foil plant at Kamarhati was inaugurated on the 5th of March, 1997 by the Honourable Chief Minister of the State of West Bengal, Shri Jyoti Basu. The commercial production commenced from the 26th of March, 1997. This new Foil plant is one amongst the fifteen such advanced Aluminium foil manufacturing plants the world over. It is capable of rolling foil down to 6 micron with a maximum width of 1500 mm. Your Directors compliment the IFL team for the successful implementation of the Project.

During the year under review there has been a general slow-down of economy and that has seen slackness in the domestic demand growth. Further, the LME prices had crashed. Most of the major aluminium producers witnessed lower offtake due to sluggish demand and inventory corrections by the end-users. Apart from the LME linked fall, the average sales realisations fell further as the companies were forced to offer discounts on prices due to the pressure of capacity utilisation. Like other major aluminium producers, especially in the downstream product segment, your Company's operating profits have also suffered during the fiscal 1996-97 even though the overall profit before tax (PBT) has not declined much owing to the gain on the sale of long-term investments.

The gross income during the year has been Rs.318.52 crore as against the previous year's gross income of Rs.324.78 crore, showing a drop of 2 %, and profit before tax (PBT) Rs.12.65 crore as against the previous year's profit of Rs.13.00 crore - a fall of 2.6 %.

FINANCIAL HIGHLIGHTS

(Rs. in Lakh)

	1996-97	1995-96
Gross Turnover	30964	32299
Profit before Depreciation & Tax	1843	1759
Depreciation	578	460
Tax	61	—
Profit after Depreciation & Tax	1204	1299
Profit brought forward from previous year	1297	576
Investment Allowance Reserve written back	34	—
Export Profit Reserve written back	37	—
Debenture Redemption Reserve written back	361	—
Surplus available for appropriation	2535	1875
Proposed Dividend (incl. tax on distributed profits)	454	397
Transfer to Capital Redemption Reserve	500	—
Transfer to General Reserve	121	182
Profit carried forward	1858	1297

DIVIDEND

The Directors recommend a payment of dividend to shareholders of Rs.3.00 per equity share and also recommend a payment of Rs.84.40 lakh as dividend on Preference Shares, subject to deduction of tax-at-source, for the approval of shareholders at the forthcoming Annual General Meeting.

FINANCE

During the year under review, the Company has issued 4,50,000 Redeemable Non-convertible Preference