

Where Legend and technology mingle

MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	ND		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



Annual Report 1996-97



P G Foils Ltd.



Founder Chairman - late Shri. Parasraj G. Shah
(18.8.1933 - 16.3.1982)

BOARD OF DIRECTORS

Shri Pooran Raj G. Shah	Chairman
Shri Pankaj P. Shah	Managing Director
Shri Ashok P. Shah	Joint Managing Director
Shri Abhay P. Shah	Whole time Director
Shri S. B. Kabra	Director
Shri A. S. Puri	Director
Shri Vimal Dhadda	Director

SENIOR EXECUTIVES

Shri T. K. Banerjee	Executive Director (Operations)
Shri R. M. Jain	Executive Director (Finance)

COMPANY SECRETARY

Shri Vishu Kaushal

AUDITORS

M/s. H. M. Singhvi & Co.,
Chartered Accountants,
Johari Bazar, Jaipur - 302 003

BANKER

State Bank of Bikaner & Jaipur.

REGISTERED OFFICE

6, Neptune Tower, Ashram Road, Ahmedabad - 380 009, Gujarat.
Phones : (079) 6587606, 6587285

WORKS & HEAD OFFICE

P. O. Pipalia Kalan - 306 307 Distt. Pali, Rajasthan.
Tel. : (02937) 20202, 7221 Fax : 02937 - 7255

SALES OFFICES

MUMBAI	: Neelam Building, 1st Floor, 80 Marine Lines, Mumbai - 400 002. Tel. : (022) 2063046, 2033448, 2055612, 2017497 Fax : 022-2063 502
CHENNAI	: 37, Arcot Road, Chennai - 600 026. Tel. : (044) 4801009, 4802002
AHMEDABAD	: 6, Neptune Tower, Ashram Road, Ahmedabad-380 009. Tel. : (079) 6587606, 6587285
DELHI	: 3058/3063 , D.B. Gupta Road, 1st Floor, Pahar Ganj, Delhi-110 055. Tel. : (011) 521033-34-35 Fax : 3540836
JAIPUR	: A/1-302, Kamal Appt. Near Ram Mandir, Bani Park, Jaipur - 302 016. Tel. : (0141) 203023, 203048

REPRESENTATIVE OFFICES

CALCUTTA	: Shri K. C. Bhandari, Kamal Steel Industries, Centre Point, 28/2, Shakespeare Sarani, Flat No. 801, 8th Floor, Calcutta-700 017. Tel. : (033) 2407009, 2400792
HYDERABAD	: M/s. Akunuri Associates, 1-10-217/B, Ashok Nagar, Hyderabad - 500 020. Tel. : 7640009
BANGALORE	: M/s. Yash Chemicals, No. 362, 1st Floor, 7th Cross, Laxmi Road., Santhi Nagar, Bangalore-27. Tel. : 2290699

NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of PG FOILS LIMITED will be held at The Orient Club, Kavi Nanalal Marg, Near Gujarat College Railway Crossing, Ellisbridge, Ahmedabad on Tuesday, 30th September, 1997 at 10.00 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997 and the Profit & Loss Account for the year ended 31st March, 1997, the Reports of the Directors and the Auditors.
2. To appoint a Director in place of Shri S.B.Kabra who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Vimal Dhadda who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors

Place : Pipalia Kalan
Date : 14th August, 1997

Pankaj P. Shah
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to kindly bring their copies of Annual Report alongwith Attendance slip duly filled in to the meeting.
3. Members are requested to notify changes, if any, in their address, Mandates and Bank particulars immediately to the Company's Registered Office.
4. The Register of Members and the share transfer books of the company will remain closed from 27th September, 1997 to 30th September, 1997 both days inclusive.
5. Members are requested to contact the company's Registered office or Head Office for any share related matters.
6. Members desirous of getting any information about the Accounts and operations of the company are requested to send their query at the Registered Office of the company at least seven days before the date of the Annual General Meeting to enable the management to keep the required information readily available at the meeting.

REGISTERED OFFICE
6, Neptune Tower,
Ashram Road,
Ahmedabad-380009

By Order of the Board of Directors

Place : Pipalia Kalan
Date : 14th August, 1997

Pankaj P. Shah
Managing Director

DIRECTORS' REPORT

Your directors have pleasure in presenting the 18th Annual Report, together with the audited accounts for the year ended 31st March, 1997.

FINANCIAL HIGHLIGHTS

	1996-97	1995-96
	(Rs.in lacs)	
Sales and other Income	4718.54	4919.58
Profit before depreciation & tax	425.82	674.69
Less : Depreciation	60.72	33.29
Profit before taxation	365.10	641.40
Less : Provision for taxation	35.00	110.00
Profit after tax	330.10	531.40
Less : Prior period adjustments	14.71	(9.15)
Add : Profit Brought Forward	381.51	211.80
Profit available for appropriations	696.90	752.34
Transfer to General Reserve	200.00	300.00
Proposed Dividend	NIL	70.83
Balance Carried to Balance Sheet	496.90	381.51

OPERATIONS

The overall performance of your company during the year under review was not so encouraging. The turnover of your company for the year was Rs.4718.54 lacs representing a decline of approx 4% over that of previous year. The profit after tax for the year amounting to Rs.330.10 lacs also reflects an decrease of approx 38% over that of previous year. The reasons for the lower profit was increase in cost of basic raw material which could not be compensated in the stagnant domestic market. Further other income have also shown a significant decline during the year ended 31st March, 1997 thus resulting in lower profits.

PROJECTS

Your directors are pleased to inform you that the new flexible packaging project of the company have already commenced commercial production and your company is optimistic that this shall certainly result in improvement of production & sales. Further the company has also completed expansion project successfully and thus is hopeful that its overall impact shall result in production improvement.

DIVIDEND

Your Directors do not recommend any payment of dividend for the year ended 31st March, 1997.

FIXED DEPOSITS

Your company has not accepted/renewed or invited any fixed deposits from the public during the year under review.

DIRECTORS

During the year Shri A.V. Shah and Shri Mohd.Ali were withdrawn from the Board of directors of your company by The Industrial Credit and Investment Corporation of India Limited (ICICI) and Industrial Development Bank of India (IDBI) respectively with effect from 23rd December, 1996 and 10th June, 1997. Further Shri M.K. Doogar and Shri N.M. Kothari have stepped down from the Directorship of your company on 4th June, 1997 and 29th July, 1997 respectively due to their pre-occupation. Your Board places on record its deep appreciation of the contributions made and the support received from Shri A.V. Shah, Shri Mohd.Ali, Shri M.K. Doogar and Shri N.M. Kothari during their tenure.

Shri S.B. Kabra and Shri Vimal Dhadda, Directors retire from the Board by rotation and being eligible offer themselves for re-appointment.

INDUSTRIAL RELATIONS

The overall industrial relations situation of your company remained cordial with its employees and workers.

PARTICULARS OF EMPLOYEES

Particulars of Employees as required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended is not given as no employee is presently covered by this section.

AUDITORS

Messrs. H.M. Singhvi & Co. Chartered Accountants, the Auditors of the company hold office until the conclusion of the ensuing Annual General Meeting. The company has received their confirmation to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Accordingly the said Auditors will be appointed as Auditors of the company at the forthcoming Annual General Meeting.

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

Information in accordance with the provision of clause 217(1)(e) of Companies Act, 1956, read with company's (Disclosure of particular in the report of directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings & outgo is given in the annexure forming part of this report.

STATEMENT UNDER CLAUSE 43 OF THE LISTING AGREEMENT

The statement containing details as required under clause 43 of the Listing Agreement with the Stock Exchanges is as under:

PROJECTION Vs PERFORMANCE FOR THE YEAR 1996-97

	Projections (Rs.in lacs)	Actuals (Rs.in lacs)
Net Sales	5546.18	3970.53
Profit before depreciation and tax	986.36	425.81
Profit after tax	555.08	330.10

Projected sales and profitability could not be achieved due to delay in implementation of projects.

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the assistance & co-operation received from the State Government, Financial Institution & Banks during the year under review.

The Board expresses its gratitude to the company's customers & suppliers who have stood by the company over a long period of time and promises even better services; and quality of products in the years to come.

The Board is also grateful to the shareholders of the company and acknowledges their contribution.

Your directors also wish to place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the company.

For and on behalf of the Board

Place : Pipalia Kalan
Date : 14th August, 1997

Pankaj P. Shah
Managing Director



ANNEXURE "A" TO DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULE 1988

A. CONSERVATION OF ENERGY**(a) Energy conservation measures taken :**

Company have installed steam boiler as source of heat for all drying system of printing machines.

(b) Additional investment and proposal, if any, being implemented for reduction of consumption of energy.

As above in (a)

(c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Foil annealing cycle time in the furnace reduced by 50%. Substitution of electrical energy by installation of steam boiler as source of heat for all drying system of printing machine. Oil heating system of poly laminator modified successfully to cut down electrical energy.

(d) Total energy consumption and consumption per unit of production in respect of industries specified in the schedule thereon, namely aluminium.

Details furnished in Form 'A'

B. TECHNOLOGY ABSORPTION

Efforts made in technology absorption are mentioned in Form "B" of the Annexure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The company has made shipments worth Rs.72.68 lacs during the year.

Total Foreign Exchange used Rs.265.72 lacs.

Net excess Rs.193.04 lacs.

FORM "A"

(A) Power and Fuel Consumption

	Current year	Previous year
1. Electricity		
(a) Purchased		
Unit	3142973	3273835
Total amt. (Rs)	10419253	7740604
Rate/Unit (Rs)	3.32	2.36
(b) Own Generation		
(i) Through Diesel Generator unit	413100	1621360
Unit per litre of diesel	2.70	1.83
Oil/Cost unit (Rs)	7.49	3.78
(ii) Through steam Turbine/Generator units	N.A.	N.A.
Units per litre of fuel	N.A.	N.A.
Oil/Gas Cost/Unit		
2. Coal (Specify quantity & where used)	N.A.	N.A.
Quantity (tonnes)	N.A.	N.A.
Total Cost/Average Rate	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
Quantity (K.Ltrs.)	N.A.	N.A.
Total amount (Rs lacs)	N.A.	N.A.

	Current year	Previous year
4. Others/internal generation		
Quantity	N.A.	N.A.
Total amount	N.A.	N.A.
Average rate/unit	N.A.	N.A.
(B) Consumption per unit of production		
Products (with details of unit)		
Aluminium foil including poly coated cable wrap & laminated flexible packages		
Electricity	2291	2999
	per MT	Per MT
Furnace oil	N.A.	N.A.
Coal (Specify quality)	N.A.	N.A.
Others (Specify)	N.A.	N.A.

FORM "B"

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION, RESEARCH & DEVELOPMENT

- Specific areas in which R&D carried out by the company.
 - Continuously developing new specifications for the existing end uses specially in the areas of flexible packaging specification.
 - Modification of existing equipment/facilities and developing new facilities to improve quality and productivity.
 - Installation of new equipment to produce new specifications and also improve the productivity.
- Benefits derived as result of the above R&D.
 - Several new specification like cable wrap, blister foils & light gauge laminates are being produced commercially.
 - Productivity and quality of the products have been improved to satisfactory level.
 - By installing the furnace & printing machine power consumption has been reduced and quality of foil has also been improved.
 - Acceptance of product in Export Market.
- Future plan of action.

Keeping constant watch on the areas where improvements are possible, specially on cable wrap production and export quality printed foil.
- Expenditure on R & D.

Company have ordered equipments worth Rs.90 lacs.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- Efforts, in brief, made towards technology absorption, adaptation & innovation. R & D dept. alongwith technical staff and keeping constant watch on the development elsewhere thereby keeping ourselves updated with the development.
- Benefits derived as a result of the above efforts. The benefits have been covered under "Research & Development" of the main report.
- Imported Technology.

N.A. at present.

For and on behalf of the Board

Place : Pipalia Kalan
Date : 14th August, 1997

Pankaj P. Shah
Managing Director