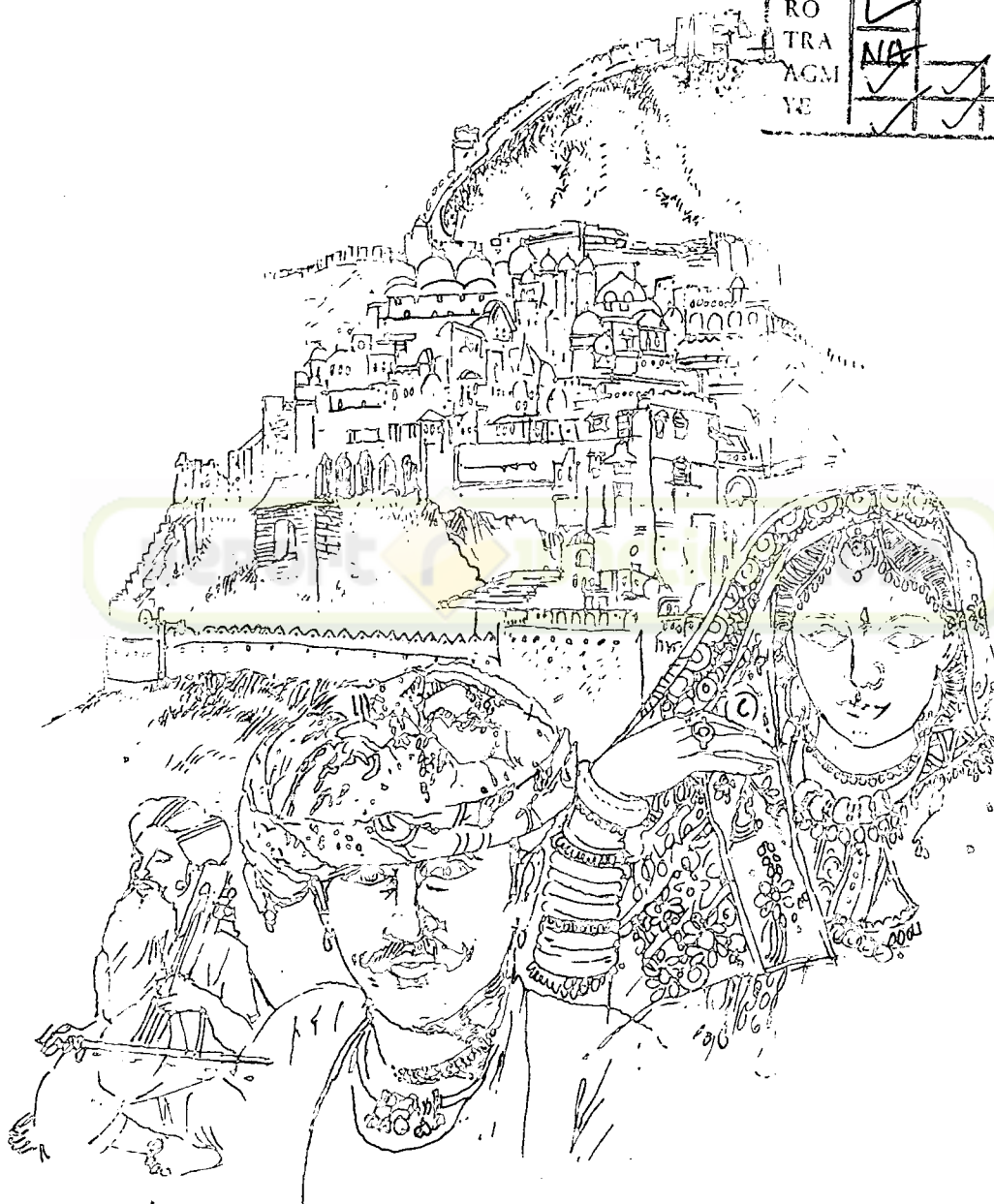


Where legend and technology entangle

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>		DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>		DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



Annual Report 1997-98





Founder Chairman - late Shri. Parasraj G. Shah
(18.8.1933 - 16.3 1982)

BOARD OF DIRECTORS

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

SENIOR EXECUTIVES

Shri T. K. Banerjee	Executive Director (Operations)
Shri R. M. Jain	Executive Director (Finance)
Shri S. B. Singh	General Manager (Sales)

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, 6589803

WORKS & HEAD OFFICE

P. O. Pipalia Kalan - 306 307 Distt. Pali, Rajasthan.
Tel. : (02937) 20202, 87221 Fax : 02937 - 87255

SALES OFFICES

MUMBAI	: Neelam Building, 1st Floor, 80 Marine Lines, Mumbai - 400 002. Tel. : (022) 2813448, 2815612, 2817497 Fax : 022-2813502
CHENNAI	: 37, Arcot Road, Chennai - 600 026. Tel. : (044) 4801009, 4802022
AHMEDABAD	: 6, Neptune Tower, Ashram Road, Ahmedabad-380 009. Tel. : (079) 6587606, 6587285, 6589803
DELHI	: 3058/3063 , D.B. Gupta Road, 1st Floor, Pahar Ganj, Delhi-110 055. Tel. : (011) 521033-34 Fax : 521035
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 Nineteenth 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, 29th September, 1998 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, 1998 and the Profit & Loss Account for the year ended 31st March, 1998, the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on the equity shares for the financial year ended 31st March, 1998.
3. To appoint a Director in place of Shri A. S. Puri, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Pooran Raj G. Shah, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary resolution:
"RESOLVED THAT Shri Pramod Talera, who was appointed as an additional Director by the board at its meeting held on 25th November, 1997, in terms of Section 260 of the Companies Act, 1956 and who holds office upto this Annual General Meeting and in respect of whom a notice has been received from a shareholder under Section 257 of the Companies Act, be and is hereby appointed as director, subject to retirement by rotation."
7. To consider and if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:
"RESOLVED THAT subject to the guidelines and circulars as amended of Securities and Exchange Board of India (SEBI) and listing agreement of stock exchanges as revised in this regard, the consent of the company be and is hereby granted for delisting of Securities i.e. equity shares of the company from the Delhi and Chennai stock exchanges."
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT, in accordance with the applicable provisions of the Companies Act, 1956 or any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to the Joint Managing Director and Wholetime Director of the Company, effective from 1st April, 1998, as set out in the Explanatory Statement attached to the notice convening this Annual General Meeting, a copy whereof initialled by the Chairman for identification is placed before this meeting."

REGISTERED OFFICE

6, Neptune Tower,
Ashram Road,
Ahmedabad-380009

By Order of the Board

Place : Pipalia Kalan
Date : 31st July, 1998

Pankaj P. Shah
Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE AT 6, NEPTUNE TOWER, ASHRAM ROAD, AHMEDABAD NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS ANNUAL GENERAL MEETING.
2. Members are requested to kindly bring the admission slips along with their copies of Annual Report & Accounts to the meeting.
3. Members are requested to notify any change in their address, mandates, bank details immediately to the Registered Office of the company.
4. The Register of Members and the share transfer books of the company shall remain closed from 28.09.98 to 29.09.98 (Both days inclusive).

**P G Foils Ltd.**

5. Dividend on equity shares when sanctioned will be made payable on or after 9th November, 1998 to those shareholders whose name stand on the company register of members as on 29th September, 1998.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM No. 6

Shri Pramod Talera who was appointed as Additional Director of the company by the board at its meeting held on 25th November, 1997 in terms of Section 260 of the Companies Act, 1956, vacates his office at this annual general meeting. Notice under Section 257 of the Act alongwith a deposit of Rs. 500/- only have been received from a member of the company proposing the name of Shree Pramod Talera as director of the company, whose office shall be liable to determination by retirement of directors by rotation. Shree Pramod Talera has filed his consent to Act as such director, if appointed.

None of the directors, other than Shri Pramod Talera is interested in this resolution, the board recommends this resolution for the approval of shareholders at the meeting.

ITEM No. 7

The company proposes to delist its securities i.e. equity shares of the company from the Delhi Stock Exchange and Madras Stock Exchange as per the guidelines of SEBI and subject to fulfilment of conditions of circular No. SMDRP/CIR-14/98 DATED 29th April, 1998 of securities and Exchange Board of India (SEBI). The delisting of securities from these two stock exchanges is proposed because of the reason that shares of the company have not been traded on these stock exchanges from more than 3 years and so holders of securities in the regions where these two stock exchange are located are not enjoying any benefit of listing of these exchange. So the yearly fees paid to these exchanges are proving as financial burden on the company. However company shall continue to list its securities at Ahmedabad, Mumbai and Jaipur stock exchanges.

The Board recommend this special resolution for approval of the shareholders.

None of the Directors of the company is any way concerned or interested in the resolution.

ITEM No. 8

At the Annual General Meeting of the company held on 25th September, 1995, the members approved, inter-alia the appointment and remuneration of Shri Ashok P. Shah, Jt. Managing Director Shri Abhay P. Shah, wholetime director of the company. However Shri Ashok P. Shah and Shri Abhay P. Shah have desired not to enjoy the perquisite in the form of provident fund and have agreed to refund the entire amount so enjoyed by them after 1st September, 1996. The Board of directors of your company at its meeting held on 30th May, 1998 approved this, subject to the approval of the members. Such modification in the terms of remuneration paid/payable to the Joint Managing Director and Wholetime Director of your company viz. Shri Ashok P. Shah and Shri Abhay P. Shah, respectively w.e.f. 1st April, 1998, for the residual period of their respective terms of appointment by deleting the perquisite in form of Provident Fund as set out in the resolution & explanatory statement to item nos. 6 & 7 of the notices of the annual general meeting of the company held on 25th September, 1995.

Shri Ashok P. Shah, Shri Abhay P. Shah, Shri Pankaj P. Shah and Shri Pooran Raj G. Shah are interested in the resolution. No other Director of your company is interested in the resolution.

The Board of Directors of your company recommends this resolution for your approval.

This should be considered also as an abstract of variation in the terms of remuneration of the aforesaid Joint Managing director and Wholetime Director of your company and a memorandum as to the nature of the concern or interest of the directors in the said variation as required under Section 302 of the Companies Act, 1956.

REGISTERED OFFICE

6, Neptune Tower,
Ashram Road,
Ahmedabad-380009

Place : Pipalia Kalan
Date : 31st July, 1998

By Order of the Board

Pankaj P. Shah
Managing Director

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 19th Annual Report, together with the audited annual accounts for the year ended 31st March, 1998.

FINANCIAL HIGHLIGHTS

	1997-98	1996-97
	(Rs.in lacs)	
Sales and other Income	5875.65	4718.54
Profit before depreciation & tax	428.60	425.82
Less : Depreciation	167.42	60.72
Profit before taxation	261.18	365.10
Less : Provision for taxation	40.00	35.00
Profit after tax	221.18	330.10
Less : Prior period adjustments	22.07	14.71
Add : Profit Brought Forward	496.90	381.51
Add : Transfer from investment allowance utilisation reserve	3.40	—
Profit available for appropriations	699.41	696.90
Less : Transfer to General Reserve	500.00	200.00
Less : Proposed Dividend including dividend tax	77.94	—
Balance Carried to Balance Sheet	121.47	496.90

OPERATIONS

The overall financial performance of your company during the year under review is not so encouraging due to sluggish market condition prevailing in our country. Further the economic conditions of the Asian Market in particular and world market in General have also made a very strong negative impact on every industry and foil industry was no exceptions. However we expect the situation to improve during the present accounting year. The turnover of your company for the current year is Rs. 5641.18 lacs representing a growth of approx. 28.47% over that of previous year. The profit after tax for the current year amounting to Rs. 221.18 lacs however reflects a decrease of approximately 30% over that of previous year. The main reason for the decrease of profit was increase in depreciation amount and decrease in other income.

DIVIDEND

Your Directors are pleased to recommend a dividend of 10% (Rupee One per Share) for the year ended 31st March, 1998 on the paid up equity shares of the company. The proposed dividend amounting to approx. Rs. 77.94 lacs, if approved at the ensuing Annual General Meeting will be paid in accordance with the regulations applicable at that time.

FIXED DEPOSITS

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

DIRECTORS

During the year under review Shri Pramod Talera has been appointed as an Additional Director of your company w.e.f. 25th November, 1997 by virtue of Section 260 of the Companies act, 1956 and article of Association of the company. Shri Pramod Talera shall vacate his office at this Annual General Meeting. Shri Talera have been proposed by a member under Section 257 of the Companies Act as a Director of your company and a deposit of Rs. 500 have been received by such members in this regards. Shri Talera has given his consent to act as a director, if appointed. Shri A. S. Puri and Shri Pooran Raj G. Shah, Directors will retire from the Board by rotation at this Annual General Meeting and being eligible have offered themselves for reappointment.

INDUSTRIAL RELATIONS

The company continuous to maintain cordial relations with its wokrs, supervisors and officers in all its divisions to enable it to achieve better performance.

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 given in the Annexure forming part of this report.

**P G Foils Ltd.****AUDITORS**

Messrs. H.M.Singhvi & Co. Chartered Accountants, Jaipur the Auditors of the company will retire at the Annual General Meeting. The company has received their confirmation that their appointment, if made and approved would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Accordingly the said Auditors will be reappointed as Auditors of the company at this Annual General Meeting.

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

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

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the assistance & co-operation received from the State Government and Banks during the year under review. The director also expressed their gratitude to the companies customers and suppliers who have supported the company to achieve more efficiency.

The Board of Directors placed on record their appreciation for the continued co-operations and support extended to the company by its shareholders, staff members and workers for maintaining cordial relations.

REGISTERED OFFICE

6, Neptune Tower,
Ashram Road,
Ahmedabad-380009

By Order of the Board

Place : Pipalia Kalan
Date : 31st July, 1998

Pankaj P. Shah
Managing Director

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ANNEXURE "A" TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken :

Company has changed heating system of lamination & printing machines.

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

Modification of existing Diesel Generating sets to improve their efficiency.

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

Cost of energy has reduced to approximately 10%.

(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.20.45 lacs during the year.

Total Foreign Exchange used Rs.271.65 lacs.

FORM "A"

(A) POWER AND FUEL CONSUMPTION

	Current year	Previous year
1. ELECTRICITY		
(a) Purchased		
Unit	4177970	3142973
Total amt. (Rs)	14076409	10419253
Rate/Unit (Rs)	3.37	3.32
(b) Own Generation		
(i) Through Diesel Generator Unit	355458	413100
Unit per litre of diesel	2.22	2.70
Oil/Cost Unit (Rs)	9.54	7.49
(ii) Through Steam Turbine/Generator Units		
Units per litre of fuel	N.A.	N.A.
Oil/Gas Cost/Unit	N.A.	N.A.
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		
Quantity (K.Ltrs.)	20000	N.A.
Total amount (Rs lacs)	1.27	N.A.
Average Rate (Rs./K. Litrs)	6.32	N.A.
4. OTHERS/INTERNAL GENERATIONS		
Quantity	N.A.	N.A.
Total amount	N.A.	N.A.
Average rate/unit	N.A.	N.A.