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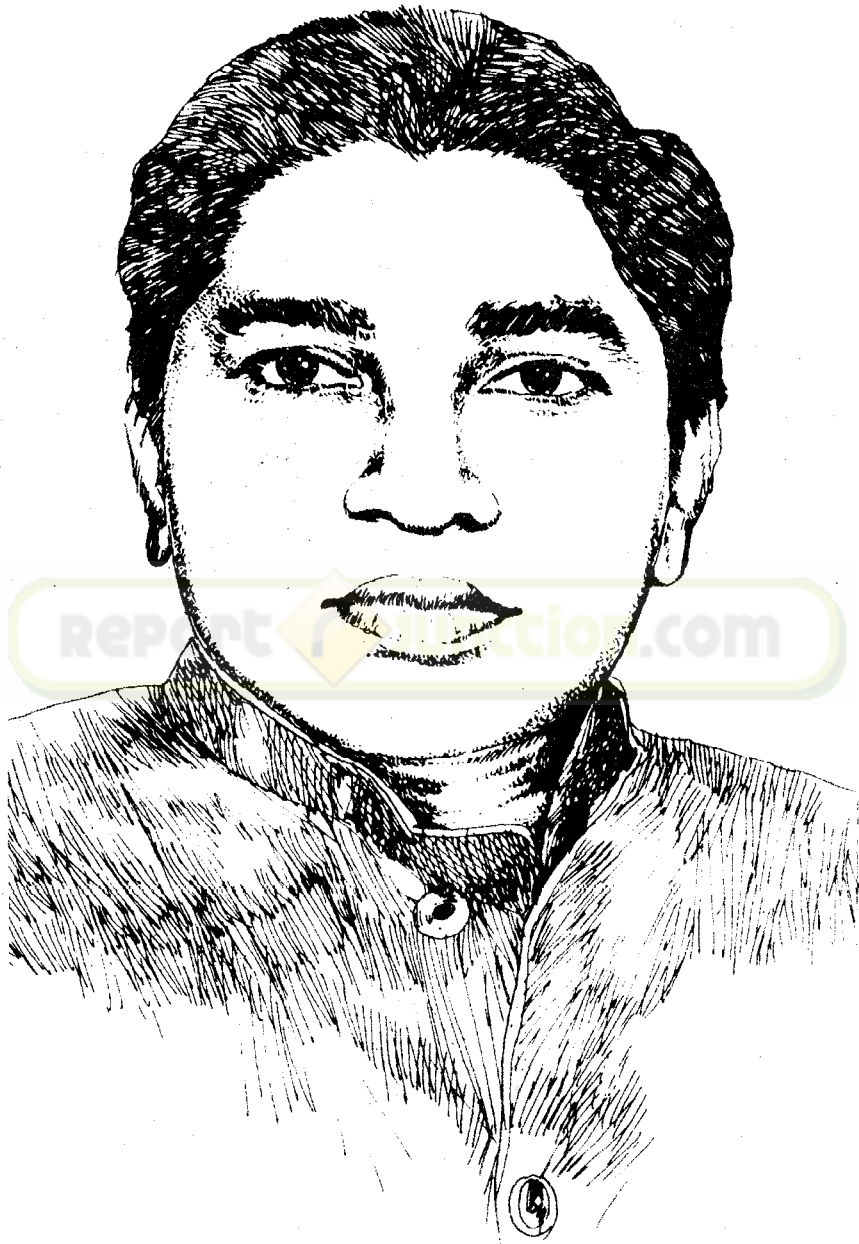
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Annual Report 1998-99



PG Foils Ltd



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 Dhadha | 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,
IDBI Bank

REGISTERED OFFICE

6, Neptune Tower, Ashram Road, Ahmedabad - 380 009, Gujarat.
Phones : (079) 6587606, 6587285, 6589803 Fax : 079-6584187

WORKS & HEAD OFFICE

P.O. Pipalia Kalan - 306 307 Distt. Pali, Rajasthan
Tel. : (02937) 20202, 87151-52-53 Fax : 02937-87150

SALES OFFICES

| | | |
|------------|---|--|
| MUMBAI | : | Neelam Building, 1st Floor, 80 Marine Lines, Mumbai - 400 002 Tel.: (022) 2813448, 2813046, 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 Fax : 079-6584187 |
| DELHI | : | 3058/3063, D. B. Gupta Road, 1st Floor, Pahar Ganj, Delhi - 110 055 Tel.: (011) 3521033-34, 3517472-73 Fax : 3521035 |
| VIJAYAWADA | : | No. FF8, NVKR Towers, Opp. Siddhartha Academy, Muglajapuram, Vijayawada - 520 010 Tel. : 0866-471234, 473248 Fax : 0866-478782 |
| 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 |

NOTICE

NOTICE is hereby given that the twentieth Annual General Meeting of the members of the PG FOILS LIMITED will be held at the Orient Club, Kavi Nanalal Marg, Near Gujarat Collage Railway Crossing, Ellis Bridge, Ahmedabad on Thursday, 30th September, 1999 at 11.00 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the balance sheet as at 31st March, 1999 and the profit & loss account for the year ended, 31st March, 1999, the report of the Directors and the Auditors thereon.
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 and to fix their remunerations.

SPECIAL BUSINESS

5. 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 section 198, 269 & 309 and all other applicable provisions, if any, of the Companies Act 1956. approval of the company in general meeting be and is hereby accorded to the re-appointment of shri Pankaj P. Shah as Managing Director of the company made in conformity with the provisions of Schedule XIII to the Act for a further period of five years with effect from 17th Jan., 1999 on the basis of the remuneration, terms and conditions set out in draft agreement to be entered into by the company with him, submitted to the meeting which agreement is hereby specifically sanctioned and approved"

REGISTERED OFFICE

6, Neptune Tower
Ashram Road
Ahmedabad 380 009

By Order of the Board

Place : Pipalia Kalan
Date : 16th August, 1999

(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 BE HALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT 6, NEPTUNE TOWER, ASHRAM ROAD, AHMEDEBAD NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THIS ANNUAL GENERAL MEETING.
2. The Register of members and share transfer books of the company will be closed from 29th September, 1999 to 30th September, 1999 (Both days inclusive).
3. Members are requested to notify any change in their address and mandates, if any, immediately to the Registered Office of the company.
4. Members are requested to bring their copy of the Annual Report along-with admission slips with them to the Annual General Meeting.



5. In view of the amendment to the Companies Act 1956, the unpaid dividend that are due for transfer to inv Education & Protection Fund to be set up by the Central Government are as follows:

| S.No. | Date of Declaration | Financial Year |
|-------|---------------------|----------------|
| (1) | 30th sep., 1996 | 1995-96 |
| (2) | 29th sep., 1998 | 1997-98 |

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

ITEM NO. 5

The Board of directors of the company was of the view that it was in the interest of the company that shri P. P. Shah should be re-appointed as Managing Director of the company for a further period of five years from 17th Jan 1999 and accordingly the board at its meeting re-appointed shri Pankaj P. Shah for a further period of five years from January, 1999 on the basis of remuneration set out below which is in conformity with the provision of shedule XIII c Companies Act 1956. The board has also approved the draft agreement which may be entered into with shri Pankaj Shah. The particulars of remuneration payable to shri Pankaj P. Shah are as under-

Salary: Rs. 25,000/- per Month.

Two club fees excluding whole time membership fees & entrance fees.

The agreement proposed to be entered into by the company with shri Pankaj P. Shah is available for inspection members at the Registered Office of the company on all its working days prior to the date of the meeting between 10 AM to 1.00 PM.

shri Pankaj P. Shah being the appointee is interested in the proposed resolution together with shri Pooran R. Shah, shri Ashok P. Shah & shri Abhay P. Shah directors of the company who are relative of shri Pankaj P. Shah. No other directors is concerned or interested in this resolution. The directors recommend this resolution for approval of the shareholders. The explanation together with the accompanying notice is and should be treated as an abstract of the term appointment of Managing Director Under Section 302 of the Companies Act, 1956.

REGISTERED OFFICE

6, Neptune Tower
Ashram Road
Ahmedabad 380 009

By Order of the Board

Place : Pipalia Kalan
Date : 16th August, 1999

(PANKAJ P. SHAH)
Managing Director



DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 20th Annual Report together with the audited annual account of the Company for the year ended 31st March, 1999.

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

| | 1998-99 | 1997-98 |
|---|---------|---------|
| Sales and Other Income | 6460.99 | 5875.65 |
| Profit before Depreciation & Tax | 412.70 | 428.60 |
| Less: Depreciation | 147.32 | 167.42 |
| Profit before Taxation | 265.38 | 261.18 |
| Less: Provision for Taxation | 33.00 | 40.00 |
| Profit after Tax | 232.38 | 221.18 |
| Less: Prior Period Adjustments | 12.76 | 22.07 |
| Less: Profit Brought Forward | 121.47 | 496.90 |
| Add: Transfer from Investment Allowance utilisation reserve | — | 3.40 |
| Profit Available for Appropriations | 341.09 | 699.41 |
| Less: Transfer to General Reserve | — | 500.00 |
| Less: Proposed Dividend including Dividend Tax | — | 77.94 |
| Balance Carried to Balance Sheet | 341.09 | 121.47 |

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 and severe competition with new entrants. However we expect the situation to improve during the current Accounting Year. The turnover of your company for the year is Rs. 6186.61 Lacs representing a growth of approx 9.66% over that of previous year. The profit after Tax for the year amounting to Rs. 232.38 Lacs reflects an increase of approximately 5% over that of Previous Year.

DIVIDEND

Your Directors do not recommend any payment of dividend for the year ended 31st March, 1999.

FIXED DEPOSITS

Your company has neither accepted nor invited any fixed deposits from the public during the year under review.

DIRECTORS

Shri S.B. Kabra and Shri Vimal Dhadda Directors will retire from the board by rotation at this Annual General Meeting and being eligible have offered themselves for reappointment.

Y2K COMPLIANCE

Although the company does not foresee any Major impact due to the Y2K problem on account of its readiness, contingency plans are being developed to meet any emergency situation.

INDUSTRIAL RELATIONS

The company continues to maintain cordial relations with its Workers, Supervisors & Officers in all 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.

AUDITORS

Messrs H.M. Singhvi & Co. Chartered Accountants, Jaipur the Auditors of the company will retire at the forthcoming 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 AND OUTGO

Information in accordance with the provision of the section 217 (1)(e) of Companies Act 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, regarding Conservation of energy, Technology absorption & Foreign Exchange earning and 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 efficient productivity.

The board of directors placed on record their appreciation for the continued Co-operation and support extended to the company by its Share Holders, Staff Members and Workers for maintaining cordial relations.

REGISTERED OFFICE

6, Neptune Tower,
Ashram Road,
Ahmedabad-380009

PLACE Pipalia Kalan

DATED: 16th Aug. 1999

By order of the Board

Pankaj P.
Managing Director