

*Where legend and technology mingle*



*Annual Report 2001-2002*



**PG Foils Ltd.**



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

**BOARD OF DIRECTORS**

SHRI PANKAJ P SHAH  
 SHRI ASHOK P SHAH  
 SHRI ABHAY P SHAH  
 SHRI POORAN RAJ G SHAH  
 SHRI S B. KABRA  
 SHRI A S PURI  
 SHRI VIMAL DHADDA  
 SHRI HEMANT K NEMA  
 SHRI PRAMOD TALERA

MANAGING DIRECTOR  
 JOINT MANAGING DIRECTOR  
 WHOLE TIME DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR

**SENIOR EXECUTIVES**

SHRI R M JAIN  
 SHRI G CHATTERJEE  
 SHRI S B SINGH

EXECUTIVE DIRECTOR (FINANCE)  
 GENERAL MANAGER(WORKS)  
 GENERAL MANAGER ( MKTG).

**COMPANY SECRETARY**

SHRI VISHU KAUSHAL

**AUDITORS**

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

**BANKERS**

IDBI Bank Ltd.  
 ICICI Bank Ltd.  
 Global Trust Bank Ltd.  
 State Bank of Bikaner & Jaipur

**REGISTERED OFFICE**

6, Neptune Tower, Ashram Road, Ahmedabad-380 009 (Guj).  
 Phone : (079) 6587606,6587285,6589803 fax : 079-6584187

**WORKS & HEAD OFFICE**

PO:Pipalia kalan – 306 307 Dist.Pali Rajasthan  
 Tel.(02937) 20202, 87151-52-53-54-55 Fax:02937-87150  
 e-mail pgfoils@sancharnet.in

**SALES OFFICES**

MUMBAI	:	Neelam Building,1st Floor, 80 Marine Lines. Mumbai-400 002 Tel. : (022)2813448,2813046, 2817497 • Fax:022-2813502 e-mail : pgfmum@bom7.vsnl.net.in
CHENNAI	:	37, Arcot Road,Chennai-600 026 Tel. : (044), 4802022, 4729161 • Fax No.4801009
AHMEDABAD	:	6, Neptune Tower, Ashram Road,Ahmedabad-380009 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
BANGALORE	:	No.676, 14th Cross 8th Main Road, J.P. Nagar, 2nd Phase, Banglore 560 078 Tel. : (080) 6591885 • Fax No.6591884
HYDERABAD	:	House No.10-5-3/2/3, Masab Tank, Opp.Gardan Tower, Hyderabad- 500 028 Tel. : (040) 6704413,3323576 • Fax : 3323570
JAIPUR	:	A/1-302, Kamal Appt. Near Ram Mandir, Bani Park, Jaipur – 302 016 Tel. : (0141) 203023,203048
KOLKATA	:	Mr. Debasis Seal, D-L 42, Sector-2, Salt Lake City, KOLKATA – 700 091 Tel. : (033) 3581864



## NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of the members of PG FOILS LIMITED will be held at the "ATITHI", Gokul Club & Hotels Pvt. Ltd., Gota Sarkhej, Gandhi Nagar Highway, AHMEDABAD (Guj.) on Monday, 30th September, 2002 at 10 A.M. to transact the following business:-

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance sheet of the Company as at 31st March, 2002 and the Profit & Loss account for the year ended on 31st March 2002, the report of the Directors and the Auditor's 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 A.S.Puri, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AN ANNUAL GENERAL MEETING IS ALSO 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 OF THE COMPANY AT 6, NEPTUNE TOWER ASHRAM ROAD, AHMEDABAD-380009 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 remain closed from 27.09.2002 to 30.09.2002 (Both days inclusive).
3. Members are requested to notify any changes in their address and mandates, if any immediately at the Registered Office of the Company in writing.
4. Members are requested to bring their copy of the annual report along with admission slip with them at the Annual General Meeting as no extra copies of annual report or attendance slip will be distributed at the meeting venue.

5. In view of the amendment to the companies Act, 1956 the unclaimed dividend that are to be transferred to Investor Education and Protection Fund to be set up by the Central Government are as follows :

S.No.	DATE OF DECLARATION	FINANCIAL YEAR	AMOUNT (Rs)
(1)	30th Sept. 1996	1995-96	548801.00
(2)	29th Sept. 1998	1997-98	140834.00

6. Demat Registrar's Address : M/s Pinnacle Shares Registry Pvt. Ltd.  
Near Ashoka Mills, Naroda Road  
Ahmedabad - 380 025

### REGISTERED OFFICE

6, Neptune Tower,  
Ashram Road,  
AHMEDABAD-380 009

By order of the Board

Place : Pipalia Kalan (Raj.)  
Date : 16.08.2002

( PANKAJ P SHAH )  
Managing Director

**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 23rd Annual report of your Company together with the audited annual account of the Company for the year ended 31st March, 2002.

**FINANCIAL HIGHLIGHTS**

	Rs. in lacs. 2001-2002
Sales & Other Incomes	7857.36
Profit before Depreciation & Tax	644.06
Less : Depreciation	88.53
Profit before Taxation	555.53
Less : Provision for Taxation	131.92
Profit After Tax	423.61
Add/Less : Prior Period Adjustments	29.68
Add : Profit Brought Forward	990.83
Surplus carried over to Balance Sheet	1444.12

**OPERATIONS**

Your company's performance during the year has been satisfactory particularly in the light of the extremely tough competitive business and economic environment as well as falling prices of Aluminium foil in local & Global Market. Your company has made remarkable improvement in fund management's enable to earn more interest & income on investments. The turnover of your company for the year is 7349. lacs representing a growth of 3.90% approximately over that of previous year. The profit after tax for the year amounting to 456.57 lacs reflects a record improvement of 461.50% approximately over that of previous year. We expect multifold increase in export turnover in current year due to acceptance of product in Bangladesh & other countries and orders in hand of trading merchandise.

**DIVIDEND**

Your Directors do not recommend any payment of dividend for year ended 31st March, 2003.

**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 A.S. Puri Directors will retire from the board by rotation at this Annual General Meeting and being eligible have offered themselves for reappointment.

Information as required under Clause 49 (VI) (A) of the Listing Agreement in respect of Directors Being re-appointed.

Shri S.B. Kabra is a former Member Finance, ONGC (Oil and Natural Gas Corporation Limited). He is a Director of International Securities Limited, M/s. Core Securities Pvt. Ltd. and M/s. Core Petroleum Limited.

Shri A.S. Puri is a well known person and is an Former Managing Director of State Bank of India, Shri A.S. Puri does not hold Directorship of any other Company at present.

**INDUSTRIAL RELATIONS**

The company continue to maintain cordial relation with its Workers, Supervisors & Officers in all divisions to enable it to achieve better performance.

**DEMAT TRADING**

As per the directives of The Securities and Exchange Board of India (SEBI), the Company's shares are being compulsorily trade in the dematerialization mode with effect from 2nd of April, 2001. Necessary agreement have entered by the Company with NSDL, CDSL and with M/s Pinnacle Share Registry Pvt. Ltd., Ahmedabad as registrar for transfer of shares of the company in electronic mode only.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956 your Director state that :-

- In preparation of annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting policies have been selected and applied consistently and judgements and estimates made, that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year ended 31st March, 2002 and the profit and loss account for the year ended 31st March, 2002.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the companies act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE**

Your Directors reaffirm their commitment to the Corporate Governance Standards prescribed by the Securities Exchange Board of India (SEBI). This Annual Report carries a Section on Corporate Governance and benchmarks your Company with the SEBI Code on Corporate Governance.

**PARTICULARS OF EMPLOYEES**

For the year under review there are no employees covered as per the requirement of section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of employee) rules 1975 as amended.

**AUDITORS**

Messrs H.M. Singhvi & Co. Chartered Accountants, Jaipur the Auditors of the Company will retire at this ensuing 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 may be re-appointed 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 "A" forming part of this report.

**ACKNOWLEDGEMENTS**

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

The Board of Directors place 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-380 009

Place : Pipalia Kalan  
Date : 16.08.2002

By Order of the Board,

(PANKAJ P SHAH)  
Managing Director.

## ANNEXURE "A" TO DIRECTOR'S REPORT



## STATEMENT OF PARTICULARS UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

## (A) CONSERVATION OF ENERGY

## a) Energy conservation measures taken :

Company has a reputed consultant for Audit of Power consumption & Suggestion on cost saving.

Control power system changed over another 5 machines for saving in power.

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

Nearly Rs. 50 lacs is proposed for investment on energy conservation and conversion of DG sets for use on furnace oil.

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

Cost of energy shall be saved approximately 30% after full implementation.

## 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"

## (C) FOREIGN EXCHANGE EARNING AND OUTGO

The company has made Export worth Rs. 266.11 lacs during the year. Total foreign exchange utilised Rs. 350.49 lacs.

## FORM "A"

## (A) POWER &amp; FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
<b>(1) ELECTRICITY</b>		
(a) Purchased ( Unit KWH)	6093990	5251830
Total Amount (Rs.)	26944861	21874198
Rate per unit (Rs.)	4.43	4.16
(b) Own generation		
(i) Through Diesel/ LDO Generator (Units)	857605	950680
Unit per liter of Diesel/LDO	3.04	3.11
Diesel/LDO Cost per liter	12.72	13.41
(ii) Through steam Turbine Generator Unit	N.A.	N.A.
<b>(2) COAL</b>	N.A.	N.A.
<b>(3) FURNACE OIL</b>		
Quantity(Liters)	470000	196000
Total amount (Rs. In lacs)	42.85	21.27
Average rate (per liter)	10.12	10.85

## (4) OTHER/INTERNAL GENERATION

## (B) CONSUMPTION PER UNIT OF PRODUCTION

Aluminium Foil including Polycoated

Cable wrap & laminated flexible packaging

Electricity 2131 KWH Per MT. 1908 KWH per MT

Furnace Oil 144 ltr Per M.T. 60 Liter per MT

## FORM 'B'

## FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION RESEARCH &amp; DEVELOPMENT

## (1) Specific areas in which R&amp;D carried out by the company.

(a) Continuous development of new specification in the existing tripple Laminates wrap and specially in the area of the flexible packaging specifications like pouches etc.

(b) Modification of existing equipment/facilities and developing new facilities to improve quality and productivity.

## (2) Benefits derived as result of the above R&amp;D

(a) Several new specifications like 3 – 4 ply laminated foils for export are being produced commercially.

(b) Productivity and quality of the products have been substantially improved to satisfactory level.

(c) By modification of Rolling machine, quality of foil has been improved.

## (3) Future Plan of action

Aiming to produce zero defect quality & ISO-9002

## (4) Expenditure of R &amp; D.

Company is planning to invest Approx. Rs.25 lacs on instalment of New testing equipments..

## TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

## (1) Efforts in brief made towards technology absorption, adaptation &amp; innovation.

R&D Department alongwith technical staff are keeping constant watch on the development made elsewhere thereby keeping ourselves updated with the development.

## (2) Benefits derived as a result of the above efforts :- Increase in export by 150%.

## (3) Imported Technology: Not Applicable.

For and on behalf of the Board

Place : Pipalia kalan

Date : 16.08.2002

(PANKAJ P SHAH)

Managing Director



**REPORT ON CORPORATE GOVERNANCE****1. Corporate Governance :-**

According to the SEBI guidelines and the amended listing agreement with stock Exchanges, the company is required to implement the corporate governance from this financial year 2001-2002. However, the company has already commenced the process of implementation of good Corporate Governance. The Board believes in transparency, accountability and integrity. As per the code of good corporate governance, the number of board meetings held during the year, attendance of directors, committee(s) of board, share price during the year etc. are given below:-

**2. Board of Directors :-**

The Board of the Company consists of nine Directors. As per the requirements of clause 49 of the Listing Agreement entered into by the Company with Stock Exchange, the Company has five independent and non-executive directors.

The details of Composition and categories of Directors are given in below table :-

Name of Director	Category	No. of Attendance of Board Meeting	Whether Attended last AGM	Membership on other Ltd. Company's Board	Committee Chairmanship/ Membership of other Companies
Shri Pankaj P Shah	Promoter & Managing Director	6	Yes	1	Nil
Shri Ashok P Shah	Promoter & Jt.Mg. Director	3	No	1	Nil
Shri Abhay P Shah	Promoter & Whole Time Director	6	Yes	1	Nil
Shri P G Shah	Promoter & Non-Independent Director	1	Yes	-	-
Shri S B Kabra	Non-Executive & Independent Director	4	No	-	Nil
Shri A S Puri	Non-Executive & Independent Director	2	No	Nil	Nil
Shri Vimal Dhadda	Non-Executive & Independent Director	1	No	Nil	Nil
Shri Hemant K Nema	Non-Executive & Independent Director	Nil	No	-	Nil
Shri Pramod Talera	Non-Executive & Independent Director	1	No	1	Nil

**3. Board Meetings**

During the year under review, 6 board meetings were held and the gap between any two consecutive meetings did not exceed four months. The dates on which board meetings were held are 30th April, 2001, 17th July, 2001, 17th July, 2001, 31st July, 2001 31st Oct, 2001 and 31st Jan, 2002. The Directors seeking re-appointment are Shri S B Kabra and Shri A S Puri.

**4. Audit Committee**

The Company had constituted audit committee on 31st March, 2001. The broad term of reference of the Audit is to review financial reporting process, reports of internal auditor and discussion with them periodically, internal control system and quarterly financial statements.

The audit committee consists of 4 non-executive independent directors Shri Vimal Dhadda, A.S. Puri, Hemant Nema and Praful Talera. All the members have the Financial and accounting knowledge.

During the year under review, 3 audit committee meetings were held on 16th July, 2001, 31st Jan, 2002 and 25th March 2002.

Shri A.S. Puri Chairman of committee attended only one meeting Shri Vimal Dhadda attended all 3 Meetings. Shri Hemant Nema and Praful Talera attended 1 meeting. Moreover audit committee meetings are attended by Statutory Auditors. Internal Auditors. Executive Director (Finance) and company secretary of the company.

**5. Remuneration of Committee (Non-Mandatory)**

The Company has not constituted the remuneration committee. Remuneration was fixed by the Board and approved by the A.G.M. The remuneration and perquisite paid to the directors are as detailed below:

Name of Director	Salary	Perquisite annual
Shri Pankaj P Shah	25000/- P.M.	Two Club membership fee, but availed for one club.
Shri Ashok P Shah	15000/- P.M.	Two Club membership fee, but availed for one club.
Shri Abhay P Shah	15000/- P.M.	Two Club membership fee, but availed for one club.

**6. Shareholders Grievance Committee**

Your company has constituted a shareholder's Grievance Committee of Board on 31st October, 2001 to look into complaints received from company's shareholders. The members of committee are Shri P.G. Shah (Non-Executive Director) who is Chairman, Shri Pankaj P Shah (Managing Director) Shri Ashok P Shah (Jt.Mg. Director) and Shri Vimal Dhadda (Non-Executive Director). The committee has met once during the year on 25th March 2002 to review the investor grievances. All the members except Shri Vimal Dhadda have attended the meeting. The total number of complaints received and replied to the shareholders during the year 2001-2002 were 3 and no complaint was outstanding as on 31st March, 2002.

**7. General Body Meetings**

YEAR	LOCATION	DATE	TIME
2000-2001	Orient Club, Near Gujarat College, Railway Crossing, Ellisbridge, Ahmedabad	08th September 2001	11.00 A.M.
1999-2000	Orient Club, Near Gujarat College, Railway Crossing, Ellisbridge, Ahmedabad	29th September 2000	11.00 A.M.
1998-1999	Orient Club, Near Gujarat College, Railway Crossing, Ellisbridge, Ahmedabad	30th September 1999	11.00 A.M.

No Special resolutions were put through postal ballot last year and there is no proposal for this general meeting also.

**8. Disclosures****Disclosure regarding materially significant related party transactions**

No transaction of material nature has been entered into by the Company with its promoters, Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.

Related party disclosures as per 18 are reported in the notes of accounts attached to Balance-Sheet to audit report.

**Disclosure of non-compliance by the Company**

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

**9. Means of Communication**

The quarterly/six monthly results of the Company were published during the financial year under review in national news papers namely Asian Age (All edition), Jansatta (Gujrati edition).

**10. Equity Shares of The Company Are Listed At Following Stock Exchanges**

- (a) Ahmedabad 2. Mumbai 3. Jaipur

The Company has paid listing fees to the above mentioned Stock Exchanges for the FY 2001-2002.

**10. (b) Stock Market Data****The Stock Exchange Mumbai (BSE) B2 Group**

PERIOD (Month)	HIGH Rs.	LOW (Rs.)
April 2001	8.00	6.50
May 2001	10.15	8.15
June 2001	9.75	8.00
July 2001	8.60	7.00
August 2001	8.00	6.05
September 2001	7.80	7.00
October 2001	8.50	6.00
November 2001	7.00	5.60
December 2001	—	—
January 2002	7.50	5.75
February 2002	6.90	5.00
March 2002	6.25	4.50

**10. (c) Demat Registrar's Address : M/s Pinnacle Shares Registry Pvt. Ltd.**

Near Ashoka Mills, Naroda Road, Ahmedabad – 380 025

**10. (d) Financial Calendar for the year 2002-03 (Provisional)**

- |   |                                    |
|---|------------------------------------|
| a. Results for the first quarter ending 30th June, 2002       | By end of July, 2002               |
| b. Results for the second quarter ending 30th September, 2002 | By end of October, 2002            |
| c. Results for the third quarter ending 31st December, 2002   | By end of January, 2003            |
| d. Results for the fourth quarter ending 31st March, 2003     | By end of April, 2003              |
| e. Audited results for the year ended 31.03.2003              | By end of 3rd week of August, 2003 |
| f. Annual General Meeting for the year ending March, 2003     | By end of Sept., 2003.             |

**10. (e) Share Transfer & Demat System**

Share Transfer in Physical form are presently registered and returned within a period of 30 days from the date of receipt; if documents are complete in all respect and for demat form within a period of 15 days.