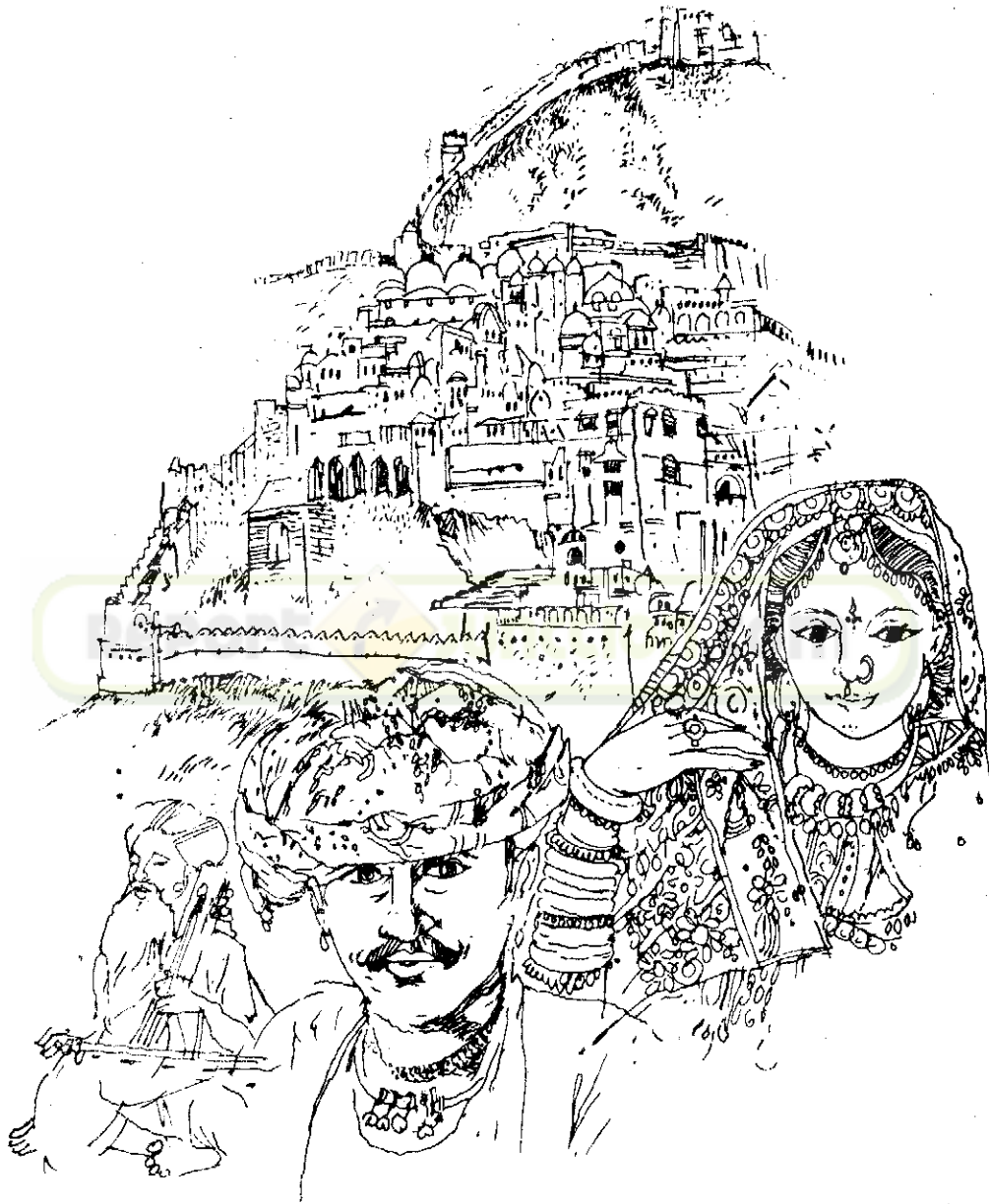


*Where legend and technology mingle*



*Annual Report 2003-2004*

 **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 VIMAL DHADDA  
 SHRI HEMANT K NEMA  
 SHRI ASSEM KHULLAR

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

**SENIOR EXECUTIVES**

SHRI R M JAIN  
 SHRI S B SRIVASTAVA  
 MS. S SHRISATH

EXECUTIVE DIRECTOR (FINANCE)  
 EXECUTIVE DIRECTOR (OPERATION)  
 GENERAL MANAGER (MARKETING)

**COMPANY SECRETARY**

SHRI VISHU KAUSHAL

**AUDITORS**

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

**BANKERS**

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

**REGISTERED OFFICE**

6, Neptune Tower, Ashram Road, Ahmedabad - 380 009 (Guj.).  
 Tel. : (079) 26587606, 26587285 • Fax : (079) 26584187  
 Mobile : 9825181805

**WORKS & HEAD OFFICE**

P O : Pipalia Kalan - 306 307, Distt.- Pali (Rajasthan)  
 Tel. : (02937) 220202, 287151-56 • Fax : (02937) 287150  
 Mobile : 09414122332 • e-mail : pgfoils@sancharnet.in

**SALES OFFICES**

**MUMBAI** : Neelam Building, 1st Floor, 80 Marine Lines. Mumbai - 400 002  
 Tel. : (022) 22813448, 22817497, 22815612 • Fax : (022) 22813502  
 Mobile : 09820076749, 30952552 • E-mail : pgfmum@bom7.vsnl.net.in

**CHENNAI** : 37, Arcot Road, Chennai - 600 026  
 Tel. : (044) 24802022 • Telefax : 52128131 • Mobile : 098407-22550

**AHMEDABAD** : 6, Neptune Tower, Ashram Road, Ahmedabad - 380009  
 Tel. : (079) 26587606, 26587285 • Fax : (079) 26584187 • Mobile : 09825181805

**DELHI** : 3058/3063, D.B. Gupta Road, 1st Floor, Pahar Ganj, Delhi - 110 055  
 Tel. : (011) 23581033, 23581034 • Fax : 23581035 • Mobile : 09810025063, 09868120685

**BANGLORE** : No. 676, 14th Cross 8th Main Road, J.P. Nagar, 2nd Phase, Bangalore - 560 078  
 Tele Fax : (080) 26591885 • Mobile : 094480-61679

**HYDERABAD** : House No.10-5-3/2/3, Masab Tank, Opp. Gardan Tower, Hyderabad - 500 028  
 Tele Fax : (040) 23323576 • Mobile : 09849514572

**JAIPUR** : A/1-302, Kamal Appt. Near Ram Mandir, Bani Park, Jaipur - 302 016  
 Tel. : (0141) 2203023, 2203048 • City Mobile : (0141) 5066868

**KOLKATA** : 2, Clive Ghat Street, "Sagar Estate", 5th Floor, Unit No.8, Kolkata - 700 001  
 Tele Fax : (033) 22428286 • Mobile : 09830118220 • E-mail : pgfoils@vsnl.net

**NOTICE**

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of PG FOILS LIMITED will be held at the Orient Club, Near Gujarat Collage Railway Crossing, Kavi Nanalal Marg Ellisbridge, Ahmedabad on Thursday 30th Sept.2004 at 11 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,2004 and the Profit & Loss account for the year ended on 31st March 2004, 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 Pooran Raj G shah, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration

**SPECIAL BUSINESS**

5. To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution :-

"RESOLVED THAT Shri Assem Khullar who was appointed as an Additional Director by the board at its meeting held on 30th April, 2004 in terms of Section

260 of the Companies Act,1956, and who holds office upto this Annual general Meeting & in respect of whom a notice have been received from a shareholder, be and is hereby appointed as an Director of the company on board liable to retire by rotation."

6. To consider and if thought fit to pass with or without modifications the following resolution as on ordinary resolution :-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309,311 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 reappointment of Shri Pankaj P Shah as Managing Director of the Company made in conformity with the provisions of Schedule XIII of the act for a further period of five years with effect from 17th Jan 2004 on the basis of the terms and conditions set out in draft agreement entered into by the company with him which is hereby specifically sanctioned and approved."

**REGISTERED OFFICE**

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

Place : Pipalia Kalan  
Date : 7th August, 2004

By order of the Board

( PANKAJ P SHAH )  
Managing Director

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 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 27.09.2004 to 30.09.2004 (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. An explanatory statement pursuant to Section 173 of the Companies Act,1956, relating to the Special Business to be transacted at the Annual General Meeting is attached.
6. Members who wish to obtain any information on the company or its accounts for the financial year ended 31st March 2004, may send their queries at least 10 days before the Annual General Meeting at the Registered Office of the Company.
7. In view of the amendment to the companies Act, 1956 the unpaid dividend that are due to transfer to Investor Education and Protection Fund set up by the Central Government are as follows:

S.No.	DATE OF DECLARATION	FINANCIAL YEAR	AMOUNT (Rs)
(1)	29th Sept. 1998	1997-98	165301.00

8. **Demat Registrar's Cum Share Transfer Agent :** M/s Pinnacle Shares Registry Pvt. Ltd  
**(For Demat & Physical mode both)** Near Ashoka Mills, Naroda Road  
Ahmedabad – 380 025  
Tel. : (079) 22204226, 22200591  
Fax : (079) 22202963

**REGISTERED OFFICE**

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

Place : Pipalia Kalan

Date : 7th August, 2004

By order of the Board

( PANKAJ P SHAH )  
Managing Director

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT 1956 :

Attached to the notice covering the Twenty Fifth Annual General Meeting to be held on thursday, 30th September 2004.

### ITEM No. 5

Shri Assem Khullar was appointed as an Additional Director of the company on 30th April, 2004 under the provisions of Section 260 of the Companies Act, 1956. Shri Assem Khullar shall hold office upto the date of this Annual General Meeting. The Company has received a notice under section 257 alongwith the requisite fees from a member proposing the candidature of Shri Assem Khullar for the office of Director of the company liable to retire by rotation. In order to broad base the board and also to get the benefits of Shri Khullar's vast experience in Foil Business. The Board recommends his appointment to share holders for their approval. None of the directors except Shri Assem Khullar is in any way concered or intersted in this resolution.

### ITEM No. 6

The Board of Directors of the company was of the view that it was in the interest of the company that Shri Pankaj P Shah should be re-appointed as Managing Director of the company for a further period of five years from 17th January, 2004. Accordingly the Borad at its meeting re-appointed Shri Pankaj P shah for a further period of five years from 17th January, 2004 on the basis of remuneration set out below which is in conformity with the provision of schedule XIII of the

Companies Act, 1956. The Board has also approved the draft agreement which may be entered into with Shri Pankaj P Shah. The particulars of remuneration payable to Shri Pankaj P shah 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 of members at the Registered office of the company on all its working days prior to the meeting between 11.00 AM to 1.00 PM.

Shri Pankaj P Shah being the appointee is interested in the proposed resolution with Shri Pooranraj G Shah, Shri Ashok P Shah & Shri Abhay P Shah directors of the company who are relative to Shri Pankaj P Shah. No other directors are concerned or interested in this resolution. The directors recommended this resolution for approval of the share holders. The explanatory statement together with the accompanying notice is and should be treated as an abstract of the terms of re-appointment of Shri Pankaj P Shah as Managing Director under Section 302 of the Companies Act, 1956.

### REGISTERED OFFICE

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

Place : Pipalia Kalan

Date : 7th August, 2004

By order, of the Board

( PANKAJ P SHAH )

Managing Director





## DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 25th Annual report of your Company together with the audited annual account of the Company for the year ended 31st March 2004.

### FINANCIAL HIGHLIGHTS

	Rs.In Lacs	
	2003-04	2002-03
Net Sales & Other Incomes	8073.64	6891.28
Profit before Depreciation & Tax	459.72	243.38
Less: Depreciation	97.34	87.50
Profit before Taxation	362.38	155.88
Less: Provision for Taxation		
excluding Deferred Tax	32.50	49.88
Profit After Tax	329.88	106.00
Add/Less: Prior Period		
adjustments & Deferred Tax	(66.94)	16.15
Add: Profit Brought Forward	1566.27	1444.12
Surplus Carried over to Balance Sheet	1829.21	1566.27

### OPERATIONS

During the year your company achieved a record level of Gross turnover of Rs.8788.31 as against Rs.7424.75 Lacs in the previous year which shows a growth of 18.37% for the year.

Profit before tax increased to Rs.362.38 Lacs by 132.45% from Rs.155.88 Lacs of previous year. During the year company taken keyman policies on life of employees and paid premiums of Rs.426.19 Lacs., which has been debited to Profit & Loss account.

Profit before Tax & Keyman premium increased by 115.79% to Rs. 788.57 Lacs from previous year.

The unprecedented rise in profits is mainly due to the reduction in scrap generation & Power cost, improved productivity, better procurement planning, better product mix and optimum utilization of financial resources.

It is expected that steps taken by company for all round improvement will further contribute in the overall performance for the year 2004-2005.

Exports have significantly increased from Rs.957.20 Lacs to Rs.694.42 Lacs registering 37.84% healthy growth from previous year

Wind mill installed at Jaisalmer for captive consumption generated only 168175 units upto 31.03.2004. Company expect improvement in generation from wind mill in April to Sept.2004 period due to high wind season in Jaisalmer.

### NEW PROJECT

Company is planning to install project for Sheet Rolling Mill with capacity of its 10000 MT per year as backward integration facility for existing main Raw Material at a cost of Approximately Rs. 1200 Lacs. Company will consume about 50% of the said production as captive and shall sell balance 50% in open market on cash basis.

### DIVIDEND

Your Directors do not recommend any payment of dividend for year ended 31st March. 2004.

### FIXED DEPOSITS

Your Company have neither accepted nor invited any Fixed Deposits from the Public during the year under review.

### DIRECTORS

Shri S B Kabra and Shri Pooran Raj G Shah, the directors of the company will retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

### INFORMATION AS REQUIRED UNDER CLAUSE 49(VI) (A) OF LISTING AGREEMENT

Shri S B Kabra is a former Member Finance, ONGC (Oil and Natural Gas Commission) Shri Pooran Raj G Shah is an Industrialist having very vast experience in the field of aluminium conductors & cable etc.

Shri Assem Khullar who has been appointed by the board as an additional director at the meeting of Board of Directors held on 30th April 2004, holds the office of director upto the date of forthcoming Annual General Meeting. The company has received notice in writing alongwith requisite fee under Section 257 of the companies Act,1956 from a member proposing his candidature as Director of the company.

### INDUSTRIAL RELATIONS

The company continues 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 been entered by the Company with NSDL, CDSL and with M/s Pinnacle Share Registry Pvt. Ltd., Ahmedabad who shall act as registrar for transfer of shares (demat and physical) of the company.

## 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 2004 and the profit and loss account for the year ended 31st March, 2004.
- 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 and 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

Messers 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 wish to gratefully acknowledge the valuable guidance and co-operation extended by the Central and State Government during the year under review. The Directors also express their gratitude to the company's bankers, shareholders, customers and also suppliers who had always supported the company and thus help in its growth.

Last but not the least, your directors take pleasure in placing on record their deep appreciation for the excellent contribution made by employees at all levels without which the company would not have achieved such good performance.

## REGISTERED OFFICE

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

Place : Pipalia Kalan

Date : 7th August, 2004

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 :

Furnace & Rolling Mill charge time reduced by nearly 35%.

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

Nearly Rs.10 Lacs incurred on modernisation of furnace & other machines.

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

Cost of energy saved by Rs.38.8 Lacs from previous year.

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. 957.20 lacs during the year. Total foreign exchange utilised Rs. 480.81 lacs.

#### FORM "A"

#### (A) POWER & FUEL CONSUMPTION

	CURRENT YEAR	PREVIOUS YEAR
<b>(1) ELECTRICITY</b>		
(a) Purchased ( Unit KWH)	6995220	6748384
Total Amount (Rs.)	30494909	29388945
Rate per unit (Rs.)	4.35	4.36
(b) Own generation		
(i) Through Diesel/ LDO Generator (Units)	482400	444720
Unit per liter of Diesel/LDO	3.60	3.27
Diesel/LDO Cost per liter	17.30	14.72
(ii) Through steam Turbine		
Generator Unit	N.A.	N.A.
(2) COAL	N.A	N.A.
<b>(3) FURNACE OIL</b>		
Quantity(Liters)	130600	504000
Total amount (Rs. In lacs)	14.56	53.54
Average rate (per liter)	11.15	10.63

### (4) OTHER/INTERNAL GENERATION

### (B) CONSUMPTION PER UNIT OF PRODUCTION

Aluminium Foil including Poly coated

Cable wrap & laminated flexible packaging

Electricity 2178 KWH Per MT 2437 KWH Per MT.

Furnace Oil 38 liter per M.T. 171 liter Per M.T.

#### FORM 'B'

### FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION REASEARCH & DEVELOPMENT

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

(a) Continuous development of new specification in the existing multi Laminates.

(b) Modification of Rolling & Slitting facilities to improve quality and productivity.

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

(a) Several new specifications like contraceptive Foil is being produced commercially.

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

(c) By modification of Rolling Mill machine, quality of foil has been improved and scrap generation reduced

(3) Future Plan of action

Aiming to produce zero defect quality and ISO-9001

(4) Expenditure of R & D.

Company is planning to invest Approx. Rs. 15 lacs on installation of Latest Quality equipments.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

R&D Department alongwith technical staffs 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.

(3) Imported Technology: Not Applicable.

For and on behalf of the Board

Place : Pipalia Kalan  
Date : 7th August, 2004

(PANKAJ P SHAH)  
Managing Director