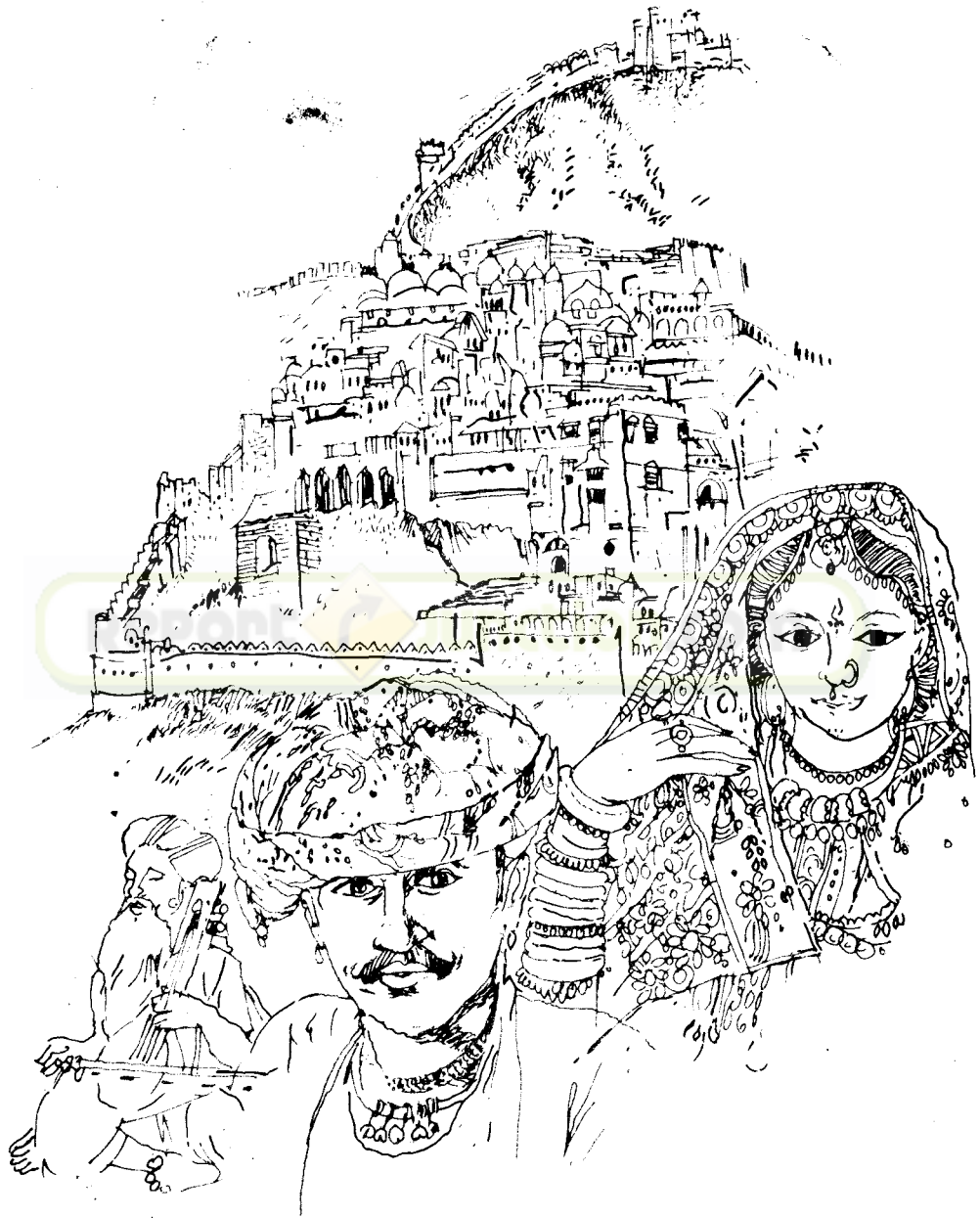


*Where legend and technology mingle*



*Annual Report 2008-2009*



**PG Foils Ltd.**



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

**BOARD OF DIRECTORS**

SHRI PANKAJ P SHAH  
 SHRI ABHAY P SHAH  
 SHRI UDHAN KUMAR CHORDIA  
 SHRI VIMAL DHADDA  
 SHRI HEMANT K NEMA  
 SHRI SAHIL P SHAH

MANAGING DIRECTOR  
 WHOLE TIME DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR  
 DIRECTOR

**SENIOR EXECUTIVES**

SHRI O P SINGHAL  
 SHRI M R JAIN  
 SHRI AJAY MALHOTRA

EXECUTIVE DIRECTOR (FINANCE)  
 ADDITIONAL DIRECTOR (OPERATION)  
 DIRECTOR (MARKETING)

**COMPANY SECRETARY**

SHRI RAMDEV SINGH JETMAL

**AUDITORS**

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

**BANKERS**

IDBI Bank Ltd.  
 State Bank of Bikaner & Jaipur

**REGISTERED OFFICE**

6, Neptune Tower, Ashram Road, Ahmedabad-380 009 (Guj).  
 Phone : (079) 26587606, 32986262 • Mobile 09328273642

**WORKS & HEAD OFFICE**

PO : Pipalia Kalan 306 307 Dist. Pali Rajasthan  
 Tel.: (02937) 287151-56 • Fax : 02937-287150 • Mobile : 93142-55333  
 e-mail : pgfoils@pgfoils.in

**SALES OFFICES**

MUMBAI	:	Neelam Building, 1st Floor, 80, Marine Lines, Mumbai-400 002 Tel. : (022) 22813448, 22815612, 32428026 • Fax : (022) 22813502 Mobile : 09324810536 • e-mail : pgfmum@ricmail.com
CHENNAI	:	Maloo Estate, 7 Micetich Colony, Madhavaram, Chennai - 600 060 Tel. : (044) 55145456, Mobile : 09383025913
AHMEDABAD	:	6, Neptune Tower, Ashram Road, Ahmedabad-380009 Tel. : (079) 26587606, 32986262 • Mobile : 09328273642
DELHI	:	3058/3063, D.B. Gupta Road, 1st Floor, Pahar Ganj, Delhi-110 055 Tel./fax : (011) 23581033, 32537032, 23581035, 23981502 Mobile : 09350252736, 09868120685 • e-mail : pgfoils@rediffmail.com
BANGALORE	:	No. 34, 10th Main Near DAV Public School, Prashanthi Nagar, Bangalore 560 078 Tel./Fax : 080-26665649
HYDERABAD	:	House No.10-5-3/2/3, Masab Tank, Opp. Gardan Tower, Hyderabad- 500 028 Tel./Fax : (040) 23323576 • Mobile: 09394759180, 09849514572 e-mail : pgflhyd@yahoo.com
JAIPUR	:	Mayur Apartment, Flat No. T-3&4, 40-41, Mahampura, Raj Bhawan Road, Civil Line, Jaipur • Mobile : 09314434912
KOLKATA	:	55, Canning Street, Block - D, 1st Floor Kolkata - 700 001 Tel. : (033) 22359293 • Mobile : 09830118220 • email : pgfoils@vsnl.net

**NOTICE FOR 30th ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 30th Annual General Meeting of the Members of P G Foils Limited will be held at the Orient Club, Ellis Bridge, Ahmedabad – 380006 on Tuesday, the 29th day of September 2009, at 11:00 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 2009 and the Profit & Loss Account for the year ended on 31st March 2009, the report of the Directors and Auditors thereof.
2. To appoint a director in place of Mr. Vimal Dhadda, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and 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 pursuant to the provision of Section 198, 269, 309, 310, 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 w.e.f. 17.01.2009 on the basis of remuneration, terms and conditions set out in draft agreement to be entered into by the company with him, which is hereby specifically sanctioned and approved.”

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

“RESOLVED THAT Shri Udhan Kumar Chordia who was appointed as an additional director by the Board at its meeting held on Thursday the 21st March 2009 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 Director of the Company on Board liable to retire by rotation.”

**REGISTERED OFFICE**

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

By order of the Board

Place : Pipalia-Kalan  
Date : 24th August 2009

( PANKAJ P SHAH )  
Managing Director

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The register of members and share transfer books of the company will remain closed from 25th September, 2009 to 29th September, 2009 (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. Non-Resident Indian Shareholders are requested to inform the company immediately about:
  - a. The Change in the residential status on return to India for permanent settlement.
  - b. The particulars of NRO Bank Account in India, if not furnished earlier.
7. The information and the details of the directors to be reappointed, to be provided in terms of clause 49 of the Listing Agreement with Stock Exchanges is annexed.
8. The Company has appointed **M/s Pinnacle Shares Registry Pvt. Ltd. Near Ashoka Mills, Naroda Road, Ahmedabad - 380 025** as the common agency to handle electronic connectivity and the shares in physical mode. Therefore, the members are requested to send all their communications to them or at the Share Division Office of the Company at 6, Neptune Tower, Ashram Road, Ahmedabad – 380 009.

**REGISTERED OFFICE**

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

By order of the Board  
For P G Foils Limited

Place : Pipalia-Kalan  
Date : 24th August 2009

( PANKAJ P SHAH )  
Managing Director

**Details of Directors seeking reappointment at the forthcoming Annual General Meeting**

(as required under clause 49 of the Listing Agreement)

**ITEMS NO. 4**

Name of the Director	Mr. Vimal Dhadda
Date of Birth	04.04.1954
Date of Appointment	16.05.1995
Experience	30 Years Vast Business Experience
Directorship of other Public Limited Companies As on 31st March, 2009	None
Chairmanship/Membership of committees of Public Limited Companies as on 31st March 2009	I. Shareholders / Investor Grievance Committee A. Chairman:- None B. Member:- None II. Audit committee: A. Chairman:- None B. Member:- None

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 :-**

Attached to the notice covering the 30th Annual General Meeting to be held on Tuesday the 29th September 2009.

**ITEMS NO. 4**

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 reappointed as Managing Director of the company for a further period of five years from 17th January 2009. Accordingly the Board at its meeting reappointed Shri Pankaj P Shah for a further period of five years from 17th January 2009 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 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

1. Salary :- Rs. 75,000/- per month.  
Two clubs fee excluding whole time membership 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 01.00 PM.

Shri Pankaj P Shah being the appointee is interested in the proposed resolution with Shri Abhay P Shah and Shri Sahil 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 reappointment of Shri Pankaj P Shah as Managing Director under Section 302 of the Companies Act, 1956.

**ITEM NO. 5**

Shri Udhon Kumar Chordia was appointed as an Additional Director of the company on Thursday the 21<sup>st</sup> March 2009 under the provision of section 260 of the Companies Act, 1956. Shri Udhon Kumar Chordia 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 Udhon Kumar Chordia for the office of Director of the company liable to retire by rotation.

The Board recommends his appointment to share holders for their approval.

None of the directors except Shri Udhon Kumar Chordia is in any way concerned or interest in this resolution.

**REGISTERED OFFICE**

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

Place : Pipalia-Kalan  
Date : 24th August 2009

By order of the Board  
For P G Foils Limited

( PANKAJ P SHAH )  
Managing Director



**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual report of your Company together with the audited annual account of the Company for the year ended 31st March 2009.

**FINANCIAL HIGHLIGHTS**

Rs. In Lacs

	2008-09	2007-08
Net Sales & Other Incomes	17149.80	18092.39
Profit/(Loss) before Depreciation & Tax	(126.73)	1253.28
Less: Depreciation	111.96	115.23
Profit/(Loss) Before Taxation	(238.69)	1138.05
Less: Provision for Taxation Excluding Deferred Tax	4.05	404.10
Profit After Tax	(242.74)	733.95
Add: Prior Period Adjustments and Deferred Tax	98.16	65.35
Add/Less: Profit Brought Forward	2829.55	2175.13
Profit available for appropriation	2684.97	2974.43
<b>APPROPRIATION:</b>		
Less : Transfer to General Reserve	0.00	50.00
Less : Proposed Dividend	0.00	81.10
Less : Dividend Tax	0.00	13.78
Balance Carried forward	2684.97	2829.55

**DIVIDEND**

Your directors do not recommend any payment of Dividend for the year ended 31st March 2009.

**OPERATIONS**

During the year your company achieved a Gross turnover of Rs18456.77 Lacs as against Rs 19384.12 Lacs in the previous year.

Profit before tax converted into loss of Rs 238.69 Lacs from profit of Rs.1138.05 Lacs of previous year. During the year company has paid Rs.450 Lacs towards renewal premium of key man policies on life of key man employees, which has been debited to profit & loss account.

The decrease in profits is mainly due to Foreign Exchange loss as US dollar has suddenly increased during the year from 40 to 51 and still company has outstanding liability in US dollar 7012945.51 as at 31.03.2009 which is not covered.

It is expected that prices of Aluminium Foil Stock and Grannuals will increase in current year.

Exports have increased to Rs. 554.07 Lacs from Rs.475.45 Lacs.

Windmill installed at Jaisalmer for captive consumption generated 888395 units during 01.04.2008 to 31.03.2009. Company has not received shortfall claim against guaranteed generation.

**CAPITAL EXPENDITURE**

The company has incurred the Rs. 13.61 Crores on installing Holland Plant & Machinery and incurred Rs 1.60 Crores for New building..

**ISO 9001-2000 CERTIFICATION**

The company have been awarded ISO 9001:2000 certificate fee 3 years on 12th April 2005 by BVQI. And it has been renewed for 3years valid till 11April 2011.

**PUBLIC DEPOSITS**

The Company has not invited/accepted any deposit from the public within the meaning of the section 58A of the companies Act, 1956 and the rules made there under.

**DIRECTORS**

Shri S. B. Kabra, Director has resigned from the Board from 21st March 2009 as Director. The Board wise to place on record the high appreciation of the significant and valuable services rendered by Shri S. B. Kabra during their tenure as Director of the Company.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Vimal Dhadda retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for reappointment.

Brief resume of the Director proposed to be re-appointed, nature of his expertise in specific functional areas and names of companies in which he hold directorship and membership/chairmanship of Board Committees, as stipulated under clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the annexure of Notice of Annual General Meeting.

**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 2<sup>nd</sup> 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 is registrar for transfer of shares (demat and physical) of the company.

#### **DIRECTORS RESPONSIBILITY STATEMENT**

According to provision of Section 217(2AA) of the Companies Act, 1956 your Directors would like to inform the members that the audited accounts for the financial year 31st March 2009 are in full conformity with the requirements of the Companies Act, 1956. The financial results are audited by the statutory auditors M/s H. M. Singhvi & Co. The Directors further confirm that:

- The applicable accounting standards have been followed in the preparation of the Annual Accounts and proper explanations have been furnished, relating to material departures.
- Accounting Policies have been selected and applied consistently and reasonably, and prudent judgments have been made so as to give a true and fair view of the state of affairs of the company and the Profit & Loss account for the financial year ended 31st March, 2009.
- 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 detecting fraud and other irregularities.
- The annual account has been prepared on a going concern basis.

#### **CORPORATE GOVERNANCE**

Your Company has been practicing the principals of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) form part of the Annual Report.

#### **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.

#### **ACCOUNTS**

Observations in the Auditor's Report read with relevant notes forming part of the accounts are self-explanatory and give the required information.

#### **AUDITORS**

M/S 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 held in its growth.

Last but not the least, your directors take pleasure in placing on record their deep appreciation of 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

By order of the Board  
For P G Foils Limited

Place : Pipalia-Kalan  
Date : 24th August 2009

\* ( 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****(1) POWER & FUEL CONSUMPTION**

	CURRENT YEAR	PREVIOUS YEAR
<b>(a) ELECTRICITY</b>		
(a) Purchased ( Unit KWH)	7998762	8133616
Total Amount (Rs.)	36248470	36656831
Rate per unit (Rs.)	4.53	4.51
(b) Own generation		
(i) Through Diesel/		
LDO Generator (Units)	48555	44267
Unit per liter of Diesel/LDO	3.42	3.41
Diesel/LDO Cost per liter	32.36	36.86
(ii) Through steam Turbine		
Generator Unit	N.A.	N.A.
<b>(b) COAL</b>	N.A.	N.A.

**(c) FURNACE OIL**

Quantity(Liters)	N.A.	N.A.
Total amount (Rs. In lacs)	N.A.	N.A.
Average rate (per liter)	N.A.	N.A.

**(d) OTHER/INTERNAL GENERATION****(2) CONSUMPTION PER UNIT OF PRODUCTION**

Aluminium Foil including Poly coated Cable wrap & laminated flexible packaging		
Electricity 1410 Kwh Per MT	1487 Kwh Per MT	
Furnace Oil	N.A.	N.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 554.07 Lacs during the year. Total foreign exchange utilized Rs. 7003.56 Lacs.

**FORM 'B'****FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION RESEARCH & 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) Manufacturing of thin & ultra thin gauge (light gauge) aluminium foil of final thickness from 50 micron (0.05mm) to 6 micron (0.06mm) and in widths up to 1100mm
  - (c) Development and established new vendors for raw materials like Foils Stock and Paper
- (2) Benefits derived as result of the above R&D
  - (a) Several new specification produced commercially.
  - (b) By use of imported foil stocks productivity and quality of the products have been substantially improved to accepted level of multi national companies.
  - (c) Cost reduction
- (3) Future Plan of action
  - (a) Aiming to produce zero defect quality.
  - (b) Development of ultra light gauge foil for cigarette foil, capacitor foil and other foil based specifications for niche market.
- (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 developments.
- (2) Benefits derived as a result of the above efforts:- Increase in manufactured product.
- (3) Imported Technology: Not Applicable.

**REGISTERED OFFICE**

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

By order of the Board  
For P G Foils Limited

Place : Pipalia-Kalan  
Date : 24th August 2009

( PANKAJ P SHAH )  
Managing Director