

Where legend and technology mingle

Annual Report 2009-2010





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

MANAGING DIRECTOR
 WHOLE TIME DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR

SENIOR EXECUTIVES

SHRI R YADAV
 SHRI M R JAIN
 SHRI AJAY MALHOTRA

EXECUTIVE DIRECTOR (OPERATION)
 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 (Gujarat)

WORKS & HEAD OFFICE

PO : Pipalia Kalan 306 307 Dist. Pali Rajasthan
 Tel.: (02937) 287151-56 • Fax : 02937-287150 • Mobile : 93516-00444
 e-mail : pgfoils@pgfoils.in, pgfoils.investor@gmail.com

SALES OFFICES

MUMBAI : Neelam Building, 1st Floor, 80, Marine Lines, Mumbai-400 002
 Tel. : (022) 32428026, 32188889 • Fax : (022) 22813502
 Mobile : 093231-10405 • e-Mail : anil@pgfoils.in

CHENNAI : Sri Durga Ashirwad, 25/2 Periyar Nagar, Near Sri Valli Mahal, Moolakadai,
 Chennai – 600 060 • Mobile : 093830-25913 • e-Mail : skmaloo@gmail.com

AHMEDABAD : 6, Neptune Tower, Ashram Road, Ahmedabad – 380 009
 Tel.: 079-26587606, 32986262 • Fax: 079-26584187 • Mobile: 093282-73642

DELHI : 3058/3063, D.B.Gupta Road, 1st Floor, Pahar Ganj, Delhi-110 055
 Tel.: 011-32537032 • Mobile: 093106-91444, 093111-20685
 e-Mail : pgfdelhi@gmail.com

BANGALORE : No.34, 10th Main Near DAV Public School, Prashanthi Nagar, Bangalore – 560 078
 Tele/Fax: 080-26664956 • Mobile:- 093417-61014 • e-Mail : pgfoil_blr@sify.com

HYDERABAD : House No.10-5-3/2/3, Masab Tank, Opp. Gardan Tower, Hyderabad – 500 028
 Tel.: 040-23323576, 32577774 • Mobile:- 093947-59180, 098495-14572
 e-mail : pgflhyd@yahoo.com

JAIPUR : Mayur Apartment, Flat No. T-3&4, 40-41, Mahampura, Raj Bhawan Road, Civil Line,
 Jaipur • Mobile : 093144-34912

KOLKATA : 228, A.C.R. Avenue, Near Girish Park, Kolkata – 700 006
 Tel.: 033-22359293 • Mobile : 093320-06400 • e-Mail : sanjaypg84@yahoo.com

NOTICE FOR 31st ANNUAL GENERAL MEETING



NOTICE is hereby given that the 31st Annual General Meeting of the Members of P G Foils Limited will be held at the Orient Club, Ellis Bridge, Ahmedabad – 380 006 on Tuesday, the 28th day of September 2010, 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 2010 and the Profit & Loss Account for the year ended on 31st March 2010, the report of the Directors and Auditors thereof.
2. To appoint a director in place of Mr. Sahil P Shah, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Mr. Hemant Nema, who retire by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. Keeping of register and index of members and debenture-holders

To consider and, if thought fit, to pass, with or without modification(s) as may be permissible, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the proviso to Section 163(1) of the Companies Act, 1956 ('the Act') approval be and is hereby accorded to keep the Register and Index of Members and Register and Index of Debenture holders and copies of all annual returns prepared under section 159 together with the copies of the certificates and documents required to be annexed thereto under section 162 of the Act, with the Share Transfer Agent of the Company for the time being, who presently are, Sharepro Services (India) Private Limited, having there office presently at 461-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 006 or at such other place where the office of such Share Transfer Agents of the Company may be situated within the local limits of the city of Ahmedabad.”

REGISTERED OFFICE

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

Place :Jaipur
Date : 23rd August 2010

By order of the Board
For P G Foils Limited

(PANKAJ P SHAH)
Managing Director

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. 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.
3. The register of members and share transfer books of the company will remain closed from 23rd September, 2010 to 28th September, 2010 (both days inclusive).
4. 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.
5. Members are requested to notify any changes in their address and mandates, if any, immediately at the Registered Office of the Company in writing.
6. 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.
7. Members are requested to note that in case of transfers, deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of photocopy of PAN Card of the transferee(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgment of request for these transactions, is now mandatory.
8. 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.
9. The Company has appointed **M/s Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai – 400 072** having its branch office at **461-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad-380 006** 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,
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AHMEDABAD-380 009

By order of the Board
For P G Foils Limited

Place : Jaipur
Date : 23rd August 2010

(PANKAJ P SHAH)
Managing Director

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

(as required under clause 49 of the Listing Agreement)

ITEMS NO. 2

Name of the Director Date of Birth Date of Appointment Experience	Mr. Sahil P Shah 18/03/1985 11/08/2007 Young and energetic entrepreneur having 3 year's experience
Directorship in other Public Limited Companies As on 31st March, 2010	None
Chairmanship/Membership of committees of Other Public Limited Companies as on 31st March 2010	I. Shareholders / Investor Grievance Committee :- A. Chairman:- None B. Member:- None II. Audit committee: A. Chairman:- None B. Member:- None

ITEMS NO. 3

Name of the Director Date of Birth Date of Appointment Experience	Mr. Hemant Nema 10/11/1954 31/10/2000 35 Year Vast Business Experience
Directorship in other Public Limited Companies As on 31st March, 2010	None
Chairmanship/Membership of committees of Other Public Limited Companies as on 31st March 2010	I. Shareholders / Investor Grievance Committee :- A. Chairman:- None B. Member:- None II. Audit committee: A. Chairman:- None B. Member:- None

Explanatory Statement under section 173 (c) of the Companies Act 1956
ITEM NO. 5

Sharepro Services (India) Private Limited have been appointed as the Share Transfer Agents of the Company in place of Pinnacle Shares Registry Private Limited.

Hence this special resolution for approval of the members for keeping the aforesaid registers, indexes, returns and copies of all such certificates and documents with the Company's Share Transfer Agents. At present Sharepro Services (India) Private Limited are the Share Transfer Agents and their office is situated at 461-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad – 380 009.

The proposed resolution facilitates keeping of such documents with any company or firm who may be the Share Transfer Agents of the Company for the time being and at such office that may be designated by the Share Transfer Agents within the limits of the city of Ahmedabad.

Your directors recommend the special resolution at item no. 5 of the accompanying notice for your approval.

None of the Directors are, in any way, concerned or interested in the aforesaid resolution.

REGISTERED OFFICE

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By order of the Board
For P G Foils Limited

Place : Jaipur
Date : 23rd August 2010

(PANKAJ P SHAH)
Managing Director

DIRECTOR'S REPORT



Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual report of your Company together with the audited annual account of the Company for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHTS

Rs. In Lacs

	2009-10	2008-09
Net Sales & Other Incomes	14035.54	17149.80
Profit/(Loss) before Depreciation & Tax	741.83	(126.73)
Less: Depreciation	209.24	111.96
Profit/(Loss) Before Taxation	532.59	(238.69)
Less: Provision for Taxation Excluding Deferred Tax	75.80	4.05
Profit After Tax	456.79	(242.74)
Add/less: Prior Period Adjustments (170.61) and Deferred Tax		98.16
Add/Less: Profit Brought Forward	2684.97	2829.55
Profit available for appropriation	2971.15	2684.97
APPROPRIATION:		
Less : Transfer to General Reserve	0.00	0.00
Less : Proposed Dividend	0.00	0.00
Less : Dividend Tax	0.00	0.00
Balance Carried forward	2971.15	2684.97

DIVIDEND

Your directors do not recommend any payment of Dividend for the year ended 31st March 2010.

OPERATIONS

During the year your company achieved a Gross turnover of Rs. 15263.42 Lacs as against Rs. 18456.77 Lacs in the previous year.

Profit before tax was increased to Rs. 532.59 Lacs from loss of Rs. (238.69) Lacs of previous year. During the year company has paid Rs. 250 Lacs towards premium of employer-employee polices and on life of employees and Rs. 450 Lacs towards renewal premium of Key Men Insurance Policy, which has been debited to profit & loss account.

Exports have increased to Rs. 875.73 Lacs from Rs. 554.07 Lacs.

Windmill installed at Jaisalmer for captive consumption generated 8,60,488 units during 01.04.2009 to 31.03.2010. Company has not received shortfall claim against guaranteed generation.

CAPITAL EXPENDITURE

The company has incurred the Rs. 50 Lacs on installing Holland Plant & Machinery and incurred Rs 13.55 Lacs on other plant & machinery items.

ISO 9001-2000 CERTIFICATION

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

CHANGE IN SHARE TRANSFER AGENT

M/s. Sharepro Services (India) Private Limited has been appointed as the Share Transfer Agents of the Company in place of Pinnacle Shares Registry Private Limited. Contact details of Sharepro Services (India) Private Limited have been provided under the Corporate Governance Section of this Annual Report.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sahil P Shah and Mr. Hemant Nema retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for reappointment.

Brief resume of the Directors 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 traded 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 Sharepro Services (India) Private Limited, 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 2010 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, 2010.
- 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) forming 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.

ACKNOWLEDGMENTS

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 :Jaipur
Date : 23rd August 2010

(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
(a) ELECTRICITY		
(a) Purchased (Unit KWH)	7966560	7998762
Total Amount (Rs.)	36644657	36248470
Rate per unit (Rs.)	4.60	4.53
(b) Own generation		
(i) Through Diesel/		
LDO Generator (Units)	46660	48555
Unit per liter of Diesel/LDO	3.45	3.42
Diesel/LDO Cost per liter	30.09	32.36
(ii) Through steam Turbine	N.A.	N.A.
Generator Unit		
(b) COAL	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	1308 Kwh Per MT	1410 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. 875.73 Lacs during the year. Total foreign exchange utilized Rs. 3108.19 Lacs.

FORM 'B'

FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION RESEARCH & DEVELOPMENT

Research and Development (R&D) and benefit derived thereon:

- (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 finer thickness from 50 micron (0.05mm) to 6 micron (0.06 mm) and in widths up to 1100 mm.
 - c) Better control in process for improving quality of output
 - d) Finding out ways and means for saving energy and cost.
 - e) Development of new product/discovering new method of analysis.
 - f) Establish Quality Management System.
- (2) Benefits derived as result of the above R&D :-
 - a) Maintaining competitive position in domestic market.
 - b) Optimization of resource usage and refinement of process technology.
 - c) Several new specifications produced commercially.
 - d) Cost reduction.
 - e) Control Work process in all areas.
 - f) High Product Quality
- (3) Future plan of Action :-
 - a) To achieve zero defect process.
 - b) Development of ultra light gauge and other foils based on specification of niche Market
 - c) To create unique product range using different specifications.
- (4) Expenditure of R & D.

Capital Expenditure as well as recurring expenditure incurred from time to time during the year on laboratory items, tolls, spares, handling equipments and salaries of research personnel remain merged with various heads as per established accounting policy and expenditures incurred during the year under review on Research & Development are as follows :

 - a) Capital Expenditure : Rs. 134012/-
 - b) Recurring expenditure : Rs. 5800000/-
 - c) Total R&D expenditure : Rs. 5934012/-
 - d) Total R&D Expenditure as a percentage of total turnover : 0.39%.

REGISTERED OFFICE

6, Neptune Tower,
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Place :Jaipur
Date : 23rd August 2010

By order of the Board
For P G Foils Limited

(PANKAJ P SHAH)
Managing Director