

*Where legend and technology mingle*

*Annual Report 2011-2012*



**P G Foils Limited**



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

**BOARD OF DIRECTORS**

SHRI PANKAJ P SHAH	MANAGING DIRECTOR
SHRI ABHAY P SHAH	WHOLE TIME DIRECTOR
SHRI SAHIL P SHAH	DIRECTOR
SHRI VIMAL DHADDA	DIRECTOR
SHRI HEMANT NEMA	DIRECTOR
SHRI UDHAN KUMAR CHORDIA	DIRECTOR

**SENIOR EXECUTIVES**

SHRI R M JAIN	EXECUTIVE DIRECTOR (FINANCE)
SHRI M R JAIN	ADDITIONAL DIRECTOR (OPERATION)
SHRI SANJAY TIWARI	GENERAL MANAGER (MARKETING)

**COMPANY SECRETARY**

SHRI RAMDEV SINGH JETMAL

**STATUTORY AUDITORS**

M/s H M SINGHVI & CO., Chartered Accountants, Johari Bazar, Jaipur.

**COST AUDITORS**

M/s RAJESH & COMPANY, Cost Accountants, Jaipur.

**BANKERS**

IDBI Bank Ltd.  
State Bank of Bikaner & Jaipur

**REGISTERED OFFICE**

6, Neptune Tower, Ashram Road, Ahmedabad-380 009 (Gujarat)

**WORKS & HEAD OFFICE**

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

**SALES OFFICES**

MUMBAI	: 80, Neelam Building, 1st Floor, E-Road, Marine Lines, Mumbai-400 002 Tel. : (022) 32428026, 32188889 • Fax : (022) 22813502 Mobile : 093231-10405 • e-mail : anil@pgfoils.in, mumbaisales@pgfoils.in
CHENNAI	: Sri Durga Ashirwad, 25/2 Periyar Nagar, Near Sri Valli Mahal, Moolakadai, Chennai – 600 060 • Mobile : 093830-25913 • e-mail : pgf_chennai@pgfoils.in
AHMEDABAD	: 6, Neptune Tower, Ashram Road, Ahmedabad – 380 009 Tel. : 079-26587606, 26584187 • Fax : 079-26584187 Mobile : 093282-73642, e-mail : pgf_ahm@pgfoils.in
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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 :- pgf_hyd@pgfoils.in
JAIPUR	: Mayur Apartment, Flat No. T-3&4, 40-41, Mahampura, Raj Bhawan Road, Civil Line, Jaipur • Mobile : 093144-34912 • e-mail : gagan@pgfoils.in
KOLKATA	: 228, A.C.R. Avenue, Near Girish Park, Kolkata – 700 006 Tel.: 033-22359293 • Mobile 093320-06400 • e-mail : sanjay@pgfoils.in

## NOTICE



NOTICE is hereby given that the 33rd Annual General Meeting of the Members of P G Foils Limited will be held at Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad – 380 009 on Friday, the 28th day of September 2012, 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 2012 and the Statement of Profit & Loss for the year ended on that date and the report of the Directors and Auditors thereon.
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. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:-

“RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors (“the Board”) of the Company to borrow from time to time, any sum or sums of money for the purpose of the Company, upon such terms and conditions as the Board of Directors may in its discretion think fit, notwithstanding that the money or moneys to be borrowed by the Company (apart from the ordinary loans obtained or to be obtain from the Company's bankers in the ordinary course of business) together with the moneys already borrowed by the Company may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that maximum amount of the moneys so borrowed by the Board and remaining outstanding shall not at any time, exceed ₹ 150 Crores (₹ One Hundred Fifty Crores only).”

“RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

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

“RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors (“the Board”) of the Company to create such charges, mortgages and hypothecation in addition to the existing charges, mortgages and hypothecation created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks/Financial Institutions to secure rupee/foreign currency loans, working capital loans, Term Loans/ FITL and/or the issue of debentures whether partly/ fully/non convertible provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payments or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of said loans, shall not, at any time exceed the limit of ₹ 150 Crores (₹ One Hundred Fifty Crores only).

“RESOLVED FURTHER that the Board (including any Director/ Executive so authorised in this behalf) be and is hereby authorised to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

### REGISTERED OFFICE

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

By order of the Board  
For P G Foils Limited

Place : Jaipur  
Date : September 1, 2012

( PANKAJ P SHAH )  
Managing Director

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The proxies in order to be valid, must be received by the Company at its Registered Office / Head Office of the Company not less than 48 hours before the commencement of the meeting.
3. Members / Proxies should bring the admission slip sent herewith, duly filled in and signed and hand over the same at the entrance of the hall for attending the meeting. Members are requested to indicate, without fail, their Folio No. or as the case may be DP ID and Client ID numbers in the admission slip.
4. Members are requested to bring their copies of the Annual Report with them.
5. The register of members and share transfer books of the company will remain closed from 24th September, 2012 to 28th September, 2012 (both days inclusive).
6. An explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, relating to the special business to be transacted at the Annual General Meeting is attached hereto.
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 hereto.
8. Members are requested to notify any changes in their address and mandates, if any, immediately at the Registered Office of the Company in writing.
9. Members holding shares, in physical form, in identical order of names in more than one Folio, are requested to write to the **Share Department of the Company / Share Transfer Agents** enclosing the relevant Share Certificates requesting consolidation of such Foliros into one Folio.
10. 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.
11. Non-Resident Indian Shareholders are requested to inform the company immediately about:
- The Change in the residential status on return to India for permanent settlement.
  - The particulars of NRO Bank Account in India, if not furnished earlier.
12. Pursuant to the provisions of Section 205A read together with 205C of the Act, dividends for the financial year ended 31st March, 2005 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the **'Investor Education and Protection Fund'** ("IEPF") constituted by the Central Government.
- Members, who have not encashed their **dividend warrant(s)** for the financial year ended 31st March, 2005 or any subsequent financial year(s) are urged to claim such amount from the **Share Department of the Company/Share Transfer Agents**.
- Once an unclaimed dividend amount is transferred to the IEPF as above, no claim shall lie either against the Company or the IEPF in respect of such amount.**
13. The last dates of claim for the following dividends are as follows:
- | Dividend for the financial year ended | Date of declaration of Dividend | Last date of claiming unpaid Dividend |
|---------------------------------------|---------------------------------|---------------------------------------|
| 31st March, 2005                      | 30th September, 2005            | 29th October, 2012                    |
| 31st March, 2008                      | 29th September, 2008            | 28th October, 2015                    |
| 31st March, 2011                      | 30th September, 2011            | 29th October, 2018                    |
14. 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 416-420, 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.
15. **In terms of the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, communication vide General Circular No. 14/2011 dated 21-04-2011 read with General Circular No. 18/2011 dated 29-04-2011, the Annual Reports, notice of meetings and other statutory documents required to be furnished by the Company to the Members can be sent in electronic mode. For this purpose, the Members are requested to register their e-mail addresses with the RTA, for receiving the aforesaid information in electronic mode.**

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By order of the Board  
For P G Foils Limited

Place : Jaipur  
Date : September 1, 2012

( 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. 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 5 year's experience
Directorship in other Public Limited Companies As on 31st March, 2012	None
Chairmanship/Membership of committees of Other Public Limited Companies as on 31st March 2012	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 37 Year Vast Business Experience
Directorship in other Public Limited Companies As on 31st March, 2012	None
Chairmanship/Membership of committees of Other Public Limited Companies as on 31st March 2012	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 (2) of the Companies Act 1956**
**ITEM NO. 5**

At the earlier Annual General Meeting / Extraordinary General Meeting of the Company, the Shareholders of the Company had authorised the Board of Directors to borrow to the extent of ₹ Seventy Five Crores in excess of the paid up Share Capital and Free Reserves of the Company (excluding temporary loans obtained from the Company's Bankers in the ordinary course of the business). Taking into account the additional financial requirements for the continuous modernization and expansion/ diversification activities, the Company proposes to increase the borrowing limits to ₹ One Hundred Fifty Crores.

None of the Directors of the Company is interested in the Resolution No. 5.

The Board of Directors recommends the passing of the Ordinary Resolution at item No. 5.

**ITEM NO. 6**

The shareholders at the earlier Annual General Meeting / Extraordinary General Meeting had given their consent under Section 293 (1) (a) of the Companies Act, 1956 to the Board of Directors of the Company to create mortgage/charge over the Company's properties to secure borrowings. The Board of Directors may need to resort to further borrowings by way of loans from time to time to meet its requirements of funds for various working capital requirements, capital expenditure programmes, repayment or pre-payment of the existing debts, as well as for various other corporate purposes up to a sum of ₹ 150 Crores. These borrowings may have to be secured by mortgage/charge of Company's properties.

Mortgaging/Charging of the Company's immovable/movable properties in favour of the lenders in certain events may be considered as disposal of the whole or substantially the whole of Company's undertakings in terms of Section 293 (1) (a) of the Companies Act, 1956 and the same requires the consent of the Shareholders.

**REGISTERED OFFICE**

6, Neptune Tower,  
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Place : Jaipur

Date : September 1, 2012

**By order of the Board  
For P G Foils Limited**

**( PANKAJ P SHAH )  
Managing Director**

## DIRECTOR'S REPORT

Dear Shareholders,

The Board presents its 33rd Annual Report and the Audited Statements of Accounts of the Company for the year ended 31st March, 2012.

### FINANCIAL HIGHLIGHTS

(₹ in Lacs)

Particulars	2011-12	2010-11
Total Revenue	20184.79	14512.15
Total Expenses	19255.65	13200.42
Profit/(Loss) before Depreciation,		
Tax and Extraordinary Items	929.14	1311.73
Less: Depreciation	359.52	332.27
Profit/(Loss) before Tax and		
Extraordinary Items	569.62	979.45
Add: Extraordinary Items	263.00	279.33
Profit before Tax	832.62	1258.79
Less: Current Tax	228.38	365.24
Less/(Add): Deferred Tax	0.53	-44.22
Profit for the year	603.71	937.77

### DIVIDEND AND TRANSFER TO RESERVES

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

### OPERATIONS (GENERAL REVIEW)

During the year your company achieved a Gross turnover of ₹ 20748.82 Lacs as against ₹ 15444.35 Lacs in the previous year.

Profit before tax was decreased to ₹ 832.62 Lacs from profit of ₹ 1258.79 Lacs of previous year mainly pressure on margin due to new entrants in industry and cheaper import.

Exports have decreased to ₹ 571.20 Lacs from ₹ 1053.82 Lacs.

### ISO 9001-2008 CERTIFICATION

The company have been awarded ISO 9001:2008 certificate on 01st May 2012 by BVQI.

### 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

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 forthcoming Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

Brief resume of the Director(s) 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.

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 agreements 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 2012 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, if any;

- b. 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 as at 31st March 2012 and of the profit of the Company for the year ended on that date;
- c. 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.
- d. 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**

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**

M/s H M Singhvi & Co., Chartered Accountants, Jaipur the Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company for the Financial Year 2012-13. As required under the provisions of the Section 224 (1B) of the Companies Act, 1956, the Company has obtained written confirmation from M/s H M Singhvi & Co. that their appointment if made would be in conformity with the limits specified in the Section.

#### **AUDITOR'S REPORT**

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

#### **COST AUDIT**

As per the requirement of Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company has appointed M/s Rajesh & Company, Cost Accountants, Jaipur, as Cost Auditors to audit the cost accounts of the Company for the Financial Year 2012-13.

The cost audit report for the Financial Year 2011-12 which was due to be filed with the Ministry of Corporate Affairs on September 30, 2011.

#### **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 earnings and outgo is given in the Annexure "A" forming part of this report.

#### **ACKNOWLEDGEMENTS**

The Board gratefully acknowledges the understanding and support received by the Company from its employees. It also places on record its deep gratitude for the unstinted support the Company has received from the Banks, Institutions, the Central Government, the various State Governments and the local authorities during the year.

Specific acknowledgement is also made for the confidence and understanding shown by the Members in the Company.

#### **REGISTERED OFFICE**

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

Place : Jaipur  
Date : September 1, 2012

**By order of the Board  
For P G Foils Limited**

**( 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)	8429025	8292993
Total Amount (Rs.)	43045783	37649229
Rate per unit (Rs.)	5.11	4.54
(b) Own generation		
(i) Through Diesel/		
LDO Generator (Units)	48555	32142
Unit per liter of Diesel/LDO	3.69	3.62
Diesel/LDO Cost per liter	37.52	37.52
(ii) Through steam Turbine Generator Unit		
	N.A.	N.A.
<b>(b) COAL</b>		
	N.A.	N.A.
<b>(c) FURNACE OIL</b>		
Quantity(Liters)	N.A.	N.A.
Total amount (₹In lacs)	N.A.	N.A.
Average rate (per liter)	N.A.	N.A.
<b>(d) OTHER/INTERNAL GENERATION</b>		
	N.A.	N.A.

#### (2) CONSUMPTION PER UNIT OF PRODUCTION

Aluminium Foil including Poly coated Cable wrap & laminated flexible packaging

Electricity	1785 Kwh Per MT	1492 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 ₹ 571.20 Lacs during the year. Total foreign exchange utilized ₹ 7520.32 Lacs.

### FORM 'B'

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

##### Research and Development (R&D) and benefits derived thereon :

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

- Development of multi-laminates suitable for packaging of Pan Masala.
- Manufacturing of thin & ultra thin gauge (light gauge) aluminium foil of finer thickness from 6 micron to 200 micron and in widths from 10mm to 1000 mm.
- Better control in process for improving quality of output
- Finding out ways and means for saving energy and cost.
- Development of imported foil substitute.
- Establishment of ultra modern quality control equipments.

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

- Maintaining competitive position in domestic market.
- Maximum orders for laminate foil suitable for packaging of Pan Masala having higher profit margin.
- Cost reduction.
- Reduction in scrap percentage.
- High Product Quality.

3) Future plan of Action :-

- To achieve zero defect quality.
- Development of ultra light gauge and other foils as substitute of cheaper imported foil.
- To create unique product range using different specifications.

4) Expenditure on R & D :-

Capital Expenditure as well as recurring expenditure incurred from time to time during the year on laboratory equipments, tools, 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 :

- Capital Expenditure : NIL
- Recurring expenditure : ₹ 62,54,453/-
- Total research & Development expenditure : ₹ 62,54,453/-
- Total R&D Expenditure as a percentage of total turnover : 0.32%

#### REGISTERED OFFICE

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

Place : Jaipur  
Date : September 1, 2012

**By order of the Board  
For P G Foils Limited**

**( PANKAJ P SHAH )  
Managing Director**

**COMPANY'S PHILOSOPHY OF CORPORATE GOVERNANCE**

Your Company is committed to the philosophy of good corporate governance. The affairs of the company are conducted with the highest levels of integrity, accountability and transparency. It constantly endeavors to follow the practices of good corporate governance by conducting the business operation for the benefit of its stakeholders. The compliance report, as prepared and given herewith is in conformity with the requirements of the Listing Agreement with the Stock Exchanges.

**CODE OF CONDUCT & ETHICS**

Company's Board has laid down a code of conduct for all Board members and senior management of the Company. All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

**BOARD OF DIRECTORS**

The Board comprises of eminent persons with considerable experience in diverse fields.

The Company has a policy of having optimum combination of executive and non executive directors, to ensure the independent functioning of the Board. The Board consists of six members, three of whom are independent directors. None of the Directors on the Board is a Member of more than ten committees and chairman of more than five committees across all the Companies in which they are directors. All necessary disclosures regarding the directorship have been made by the directors. The members on the Board have adequate experience, expertise and skills necessary for efficiently managing the affairs of the company.

Names and categories of directors on the Board, their attendance at Board meetings during the year and at the last Annual General Meeting held on 30th September 2011, and also the number of directorship in other committees is as follows:

Name	Category	No. of Board Meeting attended during the year	AGM Attended	No. of Directorship in Other Companies in India	No of Committee positions in other Public companies*	
					Chairman	Member
Shri Pankaj P Shah	Promoter & Managing Director	9	Attended.	1	NIL	NIL
Shri Abhay P Shah	Promoter & Whole Time Director	9	Attended	1	NIL	NIL
Shri Sahil P Shah	Non Executive, Non Independent	9	Attended	NIL	NIL	NIL
Shri Vimal Dhadda	Independent & Non-Executive	9	Attended	NIL	NIL	NIL
Shri Hemant Nama	Independent & Non-Executive	9	Attended	NIL	NIL	NIL
Shri Udhan Kumar Chordia	Independent & Non-Executive	7	Attended	NIL	NIL	NIL

**Note**

\* Only two Committees viz., the Audit Committee and the Shareholders'/Investors' Grievance Committee have been considered for this purpose.

**Pursuant to good Corporate Governance the Independent Directors on Board**

- Apart from receiving Sitting Fees, if any, Directors are do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management & associates which may affect independence of the Director.
- Are not related to promoters or persons occupying management positions at the board level or at one level below the board.
- Have not been an executive of the company in the immediately preceding three financial years.
- Are not partners or executives or were not partners or an executive during the preceding three years of the:
  - Statutory audit firm or the internal audit firm that is associated with the Company.
  - Legal firm(s) and consulting firm(s) that have a material association with the company.
- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.

**Information Supplied to the Board**

The Board has complete access to all information with the Company, inter-alia, the following information is regularly provided to the Board as a part of the agenda papers well in advance of the Board meetings or is tabled in the course of the Board meeting:

- Quarterly results for the Company.
- Quarterly report on receivables and recovery efforts made.
- Minutes of the meetings of the audit committee and other committees of the Board.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Any significant development in human resources.
- Compliance status of various regulatory, statutory or listing requirements and shareholders service such as payment of dividend, share transfer, etc.

**Meeting of Board**

Nine Board Meeting were held during the Financial Year ended 31st March, 2012 - on 30th April 2011, 14th May 2011, 12th August 2011, 25th August 2011, 04th October 2011, 25th October 2011, 02nd January 2012, 30th January 2012 and 14th February 2012.

The maximum gap between any two Board meetings was less than 4 months.

Shri Pankaj P Shah, Shri Abhay P Shah, Shri Sahil P Shah, Shri Vimal Dhadda, Shri Hemant Nema and Shri Udhan Kumar Chordia attended the 32nd Annual General Meeting of the company held on 30th September, 2011.

**AUDIT COMMITTEE**

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with the Stock Exchanges. The terms of reference also conform to the requirements of Section 292A of the Act.

The Audit Committee functions with the following objectives:

- To provide directions and oversee comprehensively the operations of the internal & external audit functions and financial reporting
- To review the internal control systems with special emphasis on the accounting system, its quality and its effectiveness in terms of follow up.
- To approve the draft of advertisement for publishing in the newspaper in terms of requirement of listing agreements.
- To discuss and approve the budget of the company for all its division along with capital expenditure Budget.

The composition, names of members, chairperson, and particulars of the meetings and attendance of the members during the year are as follows:

S.No.	Name of Member	Capacity	No. of meetings attended
1.	Shri Vimal Dhadda	Chairman	7
2.	Shri Hemant Nema	Member	7
3.	Shri Sahil P Shah	Member	7

The Committee met seven times during the Financial Year ended 31st March, 2012 - on 30th April 2011, 14th May 2011, 04th July 2011, 12th August 2011, 25th August 2011, 25th October 2011 and 14th February 2012.

All Members of the Audit Committee are financially literate.

The Chairman of the Audit Committee attended the last Annual General Meeting ("AGM") held on 30th September, 2011.

#### REMUNERATION COMMITTEE

- **Terms of reference :** The committee was formed to review and approve, inter-alia, the recommendation for appointment of Managing Director/Whole Time Director/Senior Management personnel and their compensation package, annual increments, incentives, additional perquisites etc.
- **Composition :** The Committee comprises two Non-executive Independent Directors and a Non-executive non-independent Directors. The Committee met three time during the year and the attendance of members at the meeting was as follows:

Name of Member	Status	No of meetings attended
Shri Hemant Nema	Chairman	3
Shri Vimal Dhadda	Member	3
Shri Sahil P Shah	Member	3

- **Details of remuneration paid to directors for the year 2011-12**

Name of Director	Salary – I Half	II Half	Perquisite annual
Shri Pankaj P Shah	75,000/- P.M.	1,05,000/- P.M.	Nil
Shri Abhay P Shah	70,000/- P.M.	1,00,000/- P.M.	Nil

#### SHAREHOLDERS/INVESTORS GREIVANCE COMMITTEE

The committee is consisting of three members:

S.No.	Name of Member	Capacity	No of meetings attended
1.	Shri Vimal Dhadda	Chairman	5
2.	Shri Pankaj P Shah	Member	5
3.	Shri Abhay P Shah	Member	5
4.	Shri Hemant Kumar Nema	Member	5

The committee looks into the matters relating to investor grievances viz, transfer and transmission of shares in the physical form, issue of duplicate certificates, non-receipt of dividend, non-receipt of Balance Sheet and other shareholder related issues.

The committee met five times during the year 2011-12. Number of shareholders complaint received and resolved during the year was nil and no complaint was outstanding as on 31st March, 2012.

#### GENERAL BODY MEETINGS

##### DETAILS OF LAST THREE AGMs

YEAR	AGM/EGM	LOCATION	DATE	TIME
2009	30th AGM	Orient Club, Ellis Bridge, Ahmedabad – 380 006	29th September 2009	11.00 A.M.
2010	31st AGM	Orient Club, Ellis Bridge, Ahmedabad – 380 006	28th September 2010	11.00 A.M.
2011	32nd AGM	Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad – 380 009	30th September 2011	11.00 A.M.

##### SPECIAL RESOLUTIONS PASSED IN THE PREVIOUS THREE AGMs

- AGM on 29th September, 2009:** No Special Resolutions were proposed.
- AGM on 28th September, 2010:** One Special Resolution was proposed and approved i.e. approval to keep register and index of members and debenture holders with RTA.
- AGM on 30th September, 2011:** No Special Resolutions were proposed.

No Special Resolution was passed during the Financial Year 2011-12 through Postal Ballot and no Special Resolution is proposed to be conducted through Postal Ballot at the forthcoming AGM.

#### DISCLOSURES

The related party disclosures are provided in notes to account forming part of the Balance Sheet. However in the opinion of the Board these transactions may not have any potential conflict with the interest of the Company at large.

There has been no non-compliance or penalties or strictures imposed on your company by any of the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

The Company has complied with the mandatory requirements of corporate governance as required by the listing agreement.

#### MEANS OF COMMUNICATION

Your Company's quarterly/half yearly results are communicated through newspapers in Indian Express and Financial Express. The said results are sent to Stock Exchanges where the shares of the company are listed.

Management discussion and analysis report forms part of this annual report, which is being posted to all shareholders of the company.

**GENERAL SHAREHOLDER INFORMATION**

**33rd Annual General Meeting:** **Date & Time:** 28th September, 2012, 11:00 A.M. **Venue:** Ahmedabad Textile Mills' Association, Ashram Road, Navrangpura, Ahmedabad – 380 009

**Financial Calendar (Tentative)**

a. Results for the first quarter ending 30th June 2012	By 14th August, 2012
b. Results for the second quarter ending 30th September 2012	By 14th November, 2012
c. Results for the third quarter ending 31st December 2012	By 14th February, 2013
d. Results for the fourth quarter ending 31st March 2013	By 14th May, 2013
e. Audited results for the year ended 31st March 2013	By end of May, 2013
d. Annual General Meeting for the year ending March 2013	By end of September, 2013

**Date of Book Closure**

From 24th September, 2012 to 28th September, 2012 (Both days inclusive)

**Listing on Stock Exchange**

Mumbai & Ahmedabad

**Trade Code**

526747 of BSE and 44777 of ASE

**Depository Connectivity**

National Securities Depository Limited and Central Depository Services (India) Limited

**Stock Market Price Data : Bombay Stock Exchange (BSE)**

Month	HIGH (₹)	LOW (₹)
April, 2011	85.40	71.40
May, 2011	81.85	72.00
June, 2011	78.75	71.50
July, 2011	102.80	71.70
August, 2011	134.00	89.00
September, 2011	125.00	112.00
October, 2011	122.75	107.10
November, 2011	114.00	76.00
December, 2011	107.65	80.00
January, 2012	105.30	91.20
February, 2012	107.00	90.00
March, 2012	100.00	69.00

Company's shares are not actively traded and accordingly comparison with broad based indices such as BSE Sensex, CRISIL index etc. is not made.

**Share Transfer System**

The work relating to share transfers is being looked after by the RTA and share division office of company.

**Demat Registrar cum Registrar & Transfer Agent:** M/s. Sharepro Services (India) Private Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, Ahmedabad- 380 009 Tel. :- 079-26582381 to 84 • Fax :- 079-26582385  
Email :- sharepro.ahmedabad@shareproservices.com, sharepro@shareproservices.com

**Distribution of shareholding as on 31st March 2012**

S.No.	Slab of Shareholding	No. of Shareholders	% of Total Holders	No. of Shares	% of Shareholding
1	Up to 500	7274	93.39	856114	10.56
2	501 to 1000	253	3.25	210823	2.60
3	1001 to 2000	108	1.39	164189	2.02
4	2001 to 3000	37	0.48	93890	1.16
5	3001 to 4000	25	0.32	87788	1.08
6	4001 to 5000	12	0.15	55627	0.69
7	5001 to 10000	25	0.32	190795	2.35
8	10001 to 20000	20	0.26	285972	3.53
9	Above 20000	35	0.45	6164802	76.01
	<b>Total</b>	<b>7789</b>	<b>100.00</b>	<b>8110000</b>	<b>100.00</b>

**Shareholding pattern as on 31st March 2012**

Category	No of Shares held	% of holding
Promoters	4173395	51.46
Mutual Funds & UTI	0	0.00
Banks, Financial Institutions	0	0.00
Private Bodies Corporate	1408819	17.37
Public	1978870	24.40
NRIs	548916	6.77
<b>Total</b>	<b>8110000</b>	<b>100.00</b>

**Dematerialization of shares:** Over **85.47%** of the company's paid up equity share capital has been dematerialized up to 31st March 2012.

**Plant Location :** P. O. – Pipalia Kalan, District- Pali, Rajasthan – 306 307

**INFORMATION REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH RESPECT TO DIRECTOR SEEKING REAPPOINTMENT**

Shri Sahil P Shah and Shri Hemant Nema, Director(s) are seeking reappointment at the forthcoming annual general meeting.

**ADDRESS FOR CORRESPONDENCE**
**The Company Secretary,**

P G Foils Limited  
6, Neptune Tower, Ashram Road, **Ahmedabad-380 009**  
Tel.: 079-26587606, 32986262, Fax : 079-26584187  
Email : pgfoils@pgfoils.in, pgfoils.investor@gmail.com

**General Manager**

M/s. Sharepro Services (India) Private Limited,  
416-420, 4th Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, **Ahmedabad- 380009**  
Tel.: 079-26582381 to 84, Fax : 079-26582385  
Email : sharepro@shareproservices.com, sharepro.ahmedabad@shareproservices.com



**COMPLIANCE CERTIFICATE OF THE AUDITORS**

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to this Report.

The Certificate from the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Report of the Company.

Place : Jaipur

Date : September 1, 2012

For **P G Foils Limited,**  
**(Pankaj P Shah)**  
Managing Director

**DECLARATION**

All Board Members and Senior Management personnel have affirmed their compliance with the 'Code of Conduct for Members of the Board and Senior Management' for the period from 1st April, 2011 to 31st March, 2012 or in case of new joinings, from the date of joining to 31st March, 2012 in terms of Clause 49(l)(D)(ii) of the Listing Agreement with the Stock Exchanges.

Place : Jaipur

Date : September 1, 2012

For **P G Foils Limited,**  
**(Pankaj P Shah)**  
Managing Director

**CEO / CFO CERTIFICATION**

As required by sub clause V of Clause 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the Financial Year ended March 31, 2012, the Company has complied with the requirements of the said sub-clause.

Place : Jaipur

Date : September 1, 2012

For **P G Foils Limited,**  
**(Pankaj P Shah)**  
Managing Director

**Auditor's Certificate on Corporate Governance**

**To the Members of P G Foils Limited**

We have examined the compliance of the conditions of Corporate Governance by P G Foils Limited for the year ended 31st March 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, and based on the representations made by the Directors and the Management, we may certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of the above mentioned listing agreement.

As required by the guidance note issued by the Institute of Chartered Accountants of India we have to state that as per the records maintained by the share transfer and investor grievance committee there was no investor grievance remaining unattended / pending for more than 30 days as at 31st March 2012 against the company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Jaipur

Date : September 1, 2012

For **H M Singhvi & Co.,**  
Chartered Accountants  
  
**(H M Singhvi)**  
Proprietor  
Membership No. 006962

The management of P G Foils Limited presents the analysis of performance of the company for the year 2011-2012 and its outlook for the future. The outlook is based on assessment of the current business environment. It may vary due to future economic and other developments.

#### Industry Scenario

The year 2011-2012 was not very encouraging year for the domestic economy attaining negligible growth and in particular to foil industry due to cheaper import and poor growth of Indian pharmaceutical companies and also ban on Gutka in many states. Company expects improvement in demand due to decline in import of foil on account of increase in Dollar rate.

#### Operational performance

Turnover during the year increased to ₹ 207.49 Crores by 34.34% from last year and production for the year 4748.151 MT as against last year 5559.549 MT.

#### Financial Performance

Gross turnover for the year is ₹ 207.49 Crores against ₹ 154.44 Crores in last year.

Profit for the year is ₹ 8.33 Crores compared to profit of ₹ 12.59 Crores in last year lower mainly due to competition with cheaper import, labour shortage and discount in sales rate matching to new entrants in domestic market.

Company contributed a total ₹ 15.15 Crores to the National Exchequer as Excise Duty.

#### Resources & Liquidity

Company continues to maintain its conservative financial profile. Company Banked with IDBI Bank Limited for their working capital needs. Company has sufficient working capital limits of ₹ 70 Crores from IDBI Bank Ltd at concessional and extremely competitive interest rate. Cash Flow for less than 2 years is adequate to extinguish its entire debts timely. Company made most of local purchases on cash basis at discounted rates but overseas purchases are on credit basis under buyers credit facility.

#### Opportunities and outlook

The Opportunities of growth have gained momentum in use of kitchen/house foil due to more hygienic packaging of food by suppliers as well as consumers.

The company has to continue to be a Cost leader to protect its profit margin and market share in this highly competitive industry.

Company expect improvement in demand of indigenous Foil due to increase in cost of import of foil on account of increase in Dollar rate.

#### Threats

With the Foil Industry showing signs of growth, number of new entrants already came and will be further coming in this sector and cheap import from China after withdrawal of anti dumping duty resulting surplus capacity by end of March 2013. The Company has to cope-up with these threats through a combination of cost leadership and project and sales management expertise.

#### Risks and Concerns

Your company faces risk with similar to those faced by companies

operating in the non ferrous metal sector. The volatility of the primary metal LME linked price on account of fluctuation in \$ and LME continues to be a key issue and success or failure is linked on how effectively companies are able to manage their purchase to tide over these critical periods. The company is exposing to risk from fluctuations in foreign exchange as nearly 50% of raw material imported in foreign currency. Profitability may also be affected on account of competition from existing and prospective manufactures of the same products and cheap import from China.

#### Export

The company's contribution to foreign exchange earnings amounted to ₹ 571.20 Lacs during the year under review and the total foreign exchange utilized by the company amounted to ₹ 7520.32 Lacs the details of which are provided in annexure to the director's report. Company is presently exporting to various countries and further trying to increase export to developed countries.

#### Human Resources

It is your company's belief that people are at the heart of corporate & constitute the primary source of sustainable competitive advantage. The trust of your company's human resource development efforts therefore is to create a responsive and market driven organization. Your company continues its focus on strengthening competitiveness in all its business. Your directors look forward to the future with confidence.

The company has followed a conscious policy of providing training to Management Staff through in-house and external programmes, for upgrading personal and technical skills in relevant areas of functional disciplines.

#### Internal Control System

The Company has an adequate system of internal controls implemented by the management towards achieving efficiency in operations, optimum utilization of company's resources and effective monitoring thereof and compliance with applicable laws and regulations.

The Company's internal auditor conducts regular audits to ensure adequacy of internal control systems, adherence to management instructions and compliance with laws and regulations of the country as well as to suggest improvements.

The Audit Committee of the Board of Directors also periodically reviews audit plans, internal/external auditor observations and recommendations, significant risk area assessments and adequacy of internal controls.

#### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and outside the country and other factors such as litigation and industrial relations.

**TO THE MEMBERS OF P G FOILS LIMITED**

We have audited the attached Balance Sheet of P G FOILS LIMITED as at 31st March 2012 and also the Statement of Profit & Loss and Cash Flow statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditors 'Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of Audit, we enclose in the annexure hereto a statement on the matter specified in paragraph 4 & 5 of the said order.
- (2) Further to our comments in the annexure referred to in paragraph above, we state that:
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of these books.
  - (c) The Balance Sheet and the Statement of Profit & Loss & Cash Flow statement dealt with in this

report are in agreement with the books of account.

- (d) In our opinion the Statement of Profit & Loss and Balance Sheet and Cash Flow statement dealt with in this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of Companies Act 1956.
- (e) On the basis of the written representations received from the Directors as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956, and
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the point no. 1 of Significant Accounting Policies and read together with the other notes and Significant Accounting Policies give the information as required by the Companies Act, 1956 in the manner as required and present a true and fair view in confirming with the accounting principals generally accepted in India.
  - (1) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012.
  - (2) In the case of the Statement of Profit & Loss, of the profit for the financial year ended on 31st March 2012.
  - (3) In the case of Cash Flow statement, of the Cash Flows for the year ended on 31st March 2012.

For **H M SINGHVI & Co.**  
Chartered Accountants  
(H M SINGHVI)

Place : Jaipur  
Date : September 1, 2012

Proprietor  
M. No.6962

**1. In respect of its fixed assets.**

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information
- b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification
- c) In our opinion, the Company has not disposed off substantial part of fixed assets, which has bearing on the going concern assumption.

**2. In respect of its inventories**

- a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business
- c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The company has not granted loans to parties covered in the register maintained under section 301 of the companies Act, 1956 during the year.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods. During the course of our audit, no major weakness has been noticed in the internal control procedure.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintain under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. According to the information and explanation provided by the management, in our opinion the company has not accepted any deposit.
7. The company has internal audit system, which is not sufficient commensurate with the size of the company.
8. We have been informed by the management, cost records have been prescribed under section 209(1) (d) of the companies Act, 1956 in respect of product manufactured by the company.
9. a) The company is regular in depositing undisputed statutory dues including Provident Fund, Wealth Tax, Income Tax, Sales Tax, Custom Duty, Excise duty, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, following, disputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2012 for a period of more than six months from the date of becoming payable

- b) Following dues are not deposited on account of disputes pending at various forums.

	Nature of dues	Period to which it relates	Amount in (₹)	Interest in (₹)	Forum which it is pending
Central Sales Tax Act	CST Demand	1982-83	413231/-	1559802/-	Hon'ble Supreme Court
		1983-84	1472173/-	6093420/-	Hon'ble Supreme Court
		1984-85	862071/-	4462262/-	Hon'ble Supreme Court
		1990-91	3378241/-	9415971/-	Hon'ble Supreme Court
		1991-92	5364057/-	22129275/-	Hon'ble Supreme Court
		1992-93	8396797/-	29641954/-	Hon'ble Supreme Court
		1993-94	8327394/-	27323270/-	Hon'ble Supreme Court
		1994-95	8952669/-	27771200/-	Hon'ble Supreme Court
		1995-96	9217606/-	26301247/-	Hon'ble Supreme Court
		1996-97	8256211/-	21892569/-	Hon'ble Supreme Court
Customs Act, 1962	Safeguard duty & valuation	2009-10	7832094/-	Commissioner (Appeal) Jaipur	
Customs Act, 1962	Safeguard duty & valuation	2010-11	8663368/-	CESTAT, New Delhi	
Customs Act, 1962	Safeguard duty	2009-10	12576869/-	High Court, Mumbai	

\* amount of Rs. 30,00,000/- has been deposited against CST demand for the year 1995-96 and 1996-97.

10. The Company has not incurred any cash loss in the current year and there are no accumulated losses in the balance sheet as on 31st March, 2012.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks.
12. According to the records of the company, in our opinion according to information and explanation given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
13. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the companies (Auditor's Report) order, 2003 is not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) order, 2003 is not applicable to the Company.
15. As per information and explanation provided by the management the company has not given any guarantee for others.
16. According to the records of the company, the company has taken term loan from Bank and has applied for the purpose for which the loan was obtained.
17. According to the information and explanations received, we report that the company has not applied short-term borrowings for long-term investments and vice versa.
18. According to the records of the company and the information and explanations provided by the management, the Company has not made any preferential allotment of shares during the year.
19. According to the records of the company, the Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the period covered by our audit report.
21. As per the information and explanations given to us, no material fraud on or by the Company has been noticed during the year.

For **H M Singhvi & Co.,**  
Chartered Accountants  
(H M SINGHVI)  
Proprietor  
M.No: 006962

Place : Jaipur  
Date : September 1, 2012



## BALANCE SHEET AS AT 31st MARCH 2012



	Note No.	AS AT 31.3.2012 (₹)	AS AT 31.3.2011 (₹)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
(a) Share capital	1	85,861,025.00	85,861,025.00
(b) Reserves and surplus	2	747,277,705.00	687,152,562.00
		<b>833,138,730.00</b>	<b>773,013,587.00</b>
<b>Non-current liabilities</b>			
(a) Long-term borrowings	3	30,000,000.00	59,465,058.00
(b) Deferred tax liabilities (net)		5,429,071.00	5,375,715.00
(c) Other long-term liabilities	4	19,718,256.00	18,554,812.00
		<b>55,147,327.00</b>	<b>83,395,585.00</b>
<b>Current liabilities</b>			
(a) Short-term borrowings	5	528,151,201.00	461,787,999.00
(b) Trade payables	6	94,137,134.00	107,389,667.00
(c) Other current liabilities	7	78,314,847.00	129,469,037.00
(d) Short-term provisions	8	3,417,604.00	19,964,018.00
		<b>704,020,786.00</b>	<b>718,610,721.00</b>
<b>TOTAL</b>		<b>1,592,306,843.00</b>	<b>1,575,019,893.00</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	221,896,093.00	249,849,038.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress	9	5,054,006.00	10,066,098.00
		<b>226,950,099.00</b>	<b>259,915,136.00</b>
(b) Non-current investments	10	110,000,000.00	-
(c) Long-term loans and advances	11	63,249,578.00	40,639,267.00
(d) Other non-current assets	12	-	14,695.00
		<b>173,249,578.00</b>	<b>40,653,962.00</b>
<b>Current assets</b>			
(a) Current investments	13	85,725,000.00	227,477,021.00
(b) Inventories	14	350,127,384.00	275,651,073.00
(c) Trade receivables	15	471,116,413.00	307,964,991.00
(d) Cash and cash equivalents	16	202,645,926.00	374,512,960.00
(e) Short-term loans and advances	17	79,972,943.00	79,395,489.00
(f) Other current assets	18	2,519,500.00	9,449,261.00
		<b>1,192,107,166.00</b>	<b>1,274,450,795.00</b>
<b>TOTAL</b>		<b>1,592,306,843.00</b>	<b>1,575,019,893.00</b>
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
**For H M Singhvi & Co.**  
Chartered Accountants

For and on behalf of the Board

**H M SINGHVI**  
Proprietor  
M.No: 006962

**Ramdev Singh Jetmal**  
Company Secretary

**Abhay P Shah**  
Whole Time Director

**Pankaj P Shah**  
Managing Director

Place : Jaipur  
Date : September 1, 2012

STATEMENT OF PROFIT & LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2012



	Note No.	For the year Ended 31.3.2012 (₹)	For the year Ended 31.3.2011 (₹)
<b>REVENUES</b>			
Revenue from operations (gross)	19	2,074,881,777.00	1,544,434,574.00
Less: Excise duty	19	151,522,769.00	130,858,517.00
Revenue from operations (net)		1,923,359,008.00	1,413,576,057.00
Other incomes	20	95,119,962.00	37,638,567.00
<b>Total revenue</b>		<b>2,018,478,970.00</b>	<b>1,451,214,624.00</b>
<b>EXPENSES</b>			
(a) Cost of materials consumed	21	1,217,483,554.00	1,007,831,270.00
(b) Purchases of Traded Goods	21	503,686,930.00	124,650,652.00
(c) Changes in inventories of finished goods, work-in-progress and traded goods	21	(51,327,257.00)	(19,094,271.00)
(d) Employee benefits expenses	22	75,356,789.00	73,534,324.00
(e) Finance costs	23	71,483,118.00	29,684,876.00
(f) Depreciation and amortisation expenses	24	35,952,259.00	33,227,489.00
(g) Other expenses	25	108,881,727.00	103,435,103.00
<b>Total expenses</b>		<b>1,961,517,120.00</b>	<b>1,353,269,443.00</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		56,961,850.00	97,945,181.00
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>56,961,850.00</b>	<b>97,945,181.00</b>
Extraordinary items	26	26,300,000.00	27,933,383.00
<b>Profit / (Loss) before tax</b>		<b>83,261,850.00</b>	<b>125,878,564.00</b>
<b>Tax expenses:</b>			
<b>Current Tax</b>			
(a) Tax expenses for current year		22,500,000.00	15,000,000.00
(b) Tax expenses relating to prior year		337,866.00	21,524,054.00
(c) Total current tax expenses		22,837,866.00	36,524,054.00
<b>Deferred Tax</b>		53,356.00	(4,422,368.00)
<b>Profit / (Loss) for the year</b>		<b>60,370,628.00</b>	<b>93,776,878.00</b>
<b>Earnings per share (of ₹ 10/- each):</b>			
Basic & Diluted		7.44	11.56
See accompanying notes forming part of the financial statements			

In terms of our report attached.  
**For H M Singhvi & Co.**  
Chartered Accountants

For and on behalf of the Board

**H M SINGHVI**  
Proprietor  
M.No: 006962

**Ramdev Singh Jetmal**  
Company Secretary

**Abhay P Shah**  
Whole Time Director

**Pankaj P Shah**  
Managing Director

Place : Jaipur  
Date : September 1, 2012

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**NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS**



	AS AT 31.3.2012 (₹)	AS AT 31.3.2011 (₹)
<b>NOTE 1 SHARE CAPITAL</b>		
<b>Authorised</b>		
1,50,00,000 Equity Shares of ₹10 each	15,000,000.00	15,000,000.00
<b>Issued</b>		
81,21,600 Equity Shares of ₹ 10 each	81,216,000.00	81,216,000.00
<b>Subscribed &amp; Paid up</b>		
81,10,000 Equity Shares of ₹10 each, fully paid	81,100,000.00	81,100,000.00
<b>Add : Share forfeited (amount originally paid up)</b>	61,025.00	61,025.00
Share Warrant Forfitted Account	4,700,000.00	4,700,000.00
<b>Total</b>	<b>85,861,025.00</b>	<b>85,861,025.00</b>

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.1 Reconciliation of the Number of Share outstanding

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes (give details)	Closing Balance
<b>Equity shares with voting rights</b>								
Year ended 31 March, 2012								
- Number of shares	8,110,000	-	-	-	-	-	-	8,110,000
- Amount (₹ 10/-)	81,100,000							81,100,000.00
<b>Year ended 31 March, 2011</b>								
- Number of shares	8,110,000	-	-	-	-	-	-	8,110,000
- Amount (₹ 10/-)	81,100,000							81,100,000.00

1.2 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2012		As at 31 March, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
1 Prem Krishi Private Limited	1,049,800.00	12.94%	1,049,800.00	12.94%
2 Tirumula Irons Private Limited	695,309.00	8.57%	622,097.00	7.67%

NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS



PARTICULARS	AS AT 31.3.2012 (₹)	AS AT 31.3.2011 (₹)
<b>NOTE 2 RESERVES AND SURPLUS</b>		
<b>(a) Capital reserve</b>		
Opening balance	1,103,042.00	1,103,042.00
Closing balance	<b>1,103,042.00</b>	<b>1,103,042.00</b>
<b>(b) Revaluation Reserve</b>		
Opening balance	2,917,468.00	3,206,070.00
Less: Utilised / transferred during the year	245,485.00	288,602.00
Closing balance	<b>2,671,983.00</b>	<b>2,917,468.00</b>
<b>(c) Securities Premium Account</b>		
Opening balance	194,447,475.00	194,447,475.00
Closing balance	<b>194,447,475.00</b>	<b>194,447,475.00</b>
<b>(d) General reserve</b>		
Opening balance	127,249,184.00	107,249,184.00
Add: Transferred from surplus in Statement of Profit and Loss	-	20,000,000.00
Closing balance	<b>127,249,184.00</b>	<b>127,249,184.00</b>
<b>(e) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	361,435,393.00	297,115,530.00
Add: Profit / (Loss) for the year	60,370,628.00	93,776,878.00
Transferred to:		
Proposed Dividend	-	8,110,000.00
Tax on proposed Dividend	-	1,347,015.00
General reserve	-	20,000,000.00
Closing balance	<b>421,806,021.00</b>	<b>361,435,393.00</b>
<b>Total</b>	<b>747,277,705.00</b>	<b>687,152,562.00</b>
<b>NOTE 3 LONG-TERM BORROWINGS</b>		
<b>(a) Term Loans</b>		
Secured	30,000,000.00	59,465,058.00
Unsecured	-	-
<b>Total</b>	<b>30,000,000.00</b>	<b>59,465,058.00</b>

Particulars	Terms of repayment and security	As at 31 March, 2012		As at 31 March, 2011	
		Secured	Unsecured	Secured	Unsecured
<b>Term Loans from Bank : For Foil Plant</b>	First exclusive charge on Aluminium Foil Plant imported from Holland with collateral security on equitable mortgage on the property at Beawar registered in the name of Shri Pankaj P Shah, Ashok P Shah, Abhay P Shah and Smt. Neela Devi and extending of lien on the existing pledged securities. Term loan on Aluminium foil plant for ₹ 10.50 Crores @ IDBI base rate+ 2.50% p.a. repayable in 22 Quaterly instalment of ₹ 48.24 Lacs each commencing from 30.06.2008 Last instalment due on 31.03.2013.	-	-	14,465,058.00	-
<b>For Windmill</b>	First exclusive charge on land, building and plant & machinery on Suzlon Wind Mill Installed at Jaisalmer and extending of lien on the existing pledged securities. Term loan on suzlon wind mill of ₹ 6.00 Crores @ IDBI base rate+ 2.50% p.a. payable in 16 quarterly instalment of ₹ 37.50 Lacs each commencing from 01.10.2011 Last instalment due on 01.07.2015.	30,000,000.00	-	45,000,000.00	-
<b>Total</b>		<b>30,000,000.00</b>	<b>-</b>	<b>59,465,058.00</b>	<b>-</b>

NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS

PARTICULARS	AS AT 31.3.2012 (₹)	AS AT 31.3.2011 (₹)	
<b>NOTE 4 OTHER LONG-TERM LIABILITIES</b>			
(a) Death Claim payable	-	455,619.00	
(b) Service award accrued but not due	6,578,906.00	5,272,106.00	
(c) Security deposits received	10,803,787.00	10,866,524.00	
(d) Statutory Remittances	827,063.00	827,063.00	
(e) Unpaid Dividend [Refer note (i) below]	1,508,500.00	1,133,500.00	
<b>Total</b>	<b>19,718,256.00</b>	<b>18,554,812.00</b>	
<b>Note:-</b>			
(i) Unpaid dividend of ₹ 15,08,500.00/- has not been deposited with the Scheduled Bank in Unpaid Dividend Account, since the ownership of the shares is sub-judice in city civil court at Ahemdabad.			
<b>NOTE 5 SHORT-TERM BORROWINGS</b>			
(a) Overdraft and Buyers Credit			
From banks			
Secured	528,151,201.00	461,787,999.00	
Unsecured	-	-	
<b>Total</b>	<b>528,151,201.00</b>	<b>461,787,999.00</b>	
(i) Details of security for the secured short-term borrowings:			
Particulars	Nature of security	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
Overdraft and buyers credit from banks	Overdraft of Rs 10830468/- against pledge of FDRs of ₹ 18029195/- and working capital overdraft of ₹ 517320733/- Secured against mortgage on entire land and building, Structure and Plant and Machinery present and future on first charge basis and hypothecation on entire current and movable assets and personal guarantees of Two Directors, family members of Directors and Associates concerns.	528,151,201.00	461,787,999.00
<b>Total</b>		<b>528,151,201.00</b>	<b>461,787,999.00</b>
<b>NOTE 6 TRADE PAYABLES</b>			
Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)	
<b>Trade payables:</b>			
Micro Small & Medium enterprises	65,864.00	155,103.00	
Others	94,071,270.00	107,234,564.00	
<b>Total</b>	<b>94,137,134.00</b>	<b>107,389,667.00</b>	
Disclosure Required Under Sectin 22 of the Micro, Small And Medium Enterprise development Act, 2006			
(i) Principal Amount Remaining Unpaid to any Supplier As at the end of the accounting Year	19,808.00	97,513.00	
(ii) The Amount of interest accrued and remaining unpaid at the end of the accounting year	46,056.00	57,590.00	
<b>Total</b>	<b>65,864.00</b>	<b>155,103.00</b>	
<b>NOTE 7 OTHER CURRENT LIABILITIES</b>			
(a) Current maturities of Term Loan (Refer Note 3)	29,465,058.00	39,120,000.00	
(b) Advance From Customers	14,492,873.00	51,823,777.00	
(c) Creditors for Capital Expenditure	13,160,485.00	18,177,952.00	
(d) Other payables			
(i) Statutory remittances	5,390,843.00	2,500,667.00	
(ii) Service award due & payable	1,705,500.00	1,005,000.00	
(iii) Interest accrued but not due on Buyers Credit	4,931,839.00	252,765.00	
(iv) Security Deposit received from Customers	275,000.00	3,112,199.00	
(v) Outstanding expenses	7,717,495.00	12,682,828.00	
(vi) Unclaimed Dividend [Refer note (i) below]	1,175,754.00	793,849.00	
<b>Total</b>	<b>78,314,847.00</b>	<b>129,469,037.00</b>	
<b>Note:-</b> (i) Unclaimed dividend includes ₹ 347865.00/- for F.Y.2004-05, ₹ 445984.00/- for F.Y. 2007-08 and ₹ 1273873.00/- for F.Y. 2010-11.			

NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS

Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
<b>NOTE 8 SHORT-TERM PROVISIONS</b>		
(i) Provision for excise duty	3,417,604.00	1,866,904.00
(ii) Provision for Income tax	22,500,000.00	
Less:- Advance tax	<u>22,500,000.00</u>	8,509,099.00
(iii) Provision for Wealth Tax	-	131,000.00
(iv) Provision for Dividend	-	8,110,000.00
(v) Provision for Dividend distribution Tax	-	1,347,015.00
<b>Total</b>	<b>3,417,604.00</b>	<b>19,964,018.00</b>

**NOTE : 9 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
	BLANCE AS AT 01.04.11	ADDITION	DISPOSALS	BALANCE AS AT 31.03.2011	UP TO 01.04.2011	FOR THE YEAR	DISPOSALS	UPTO 31.03.2012	BALANCE AS AT 31.03.2012	BALANCE AS AT 31.03.2011
<b>TANGIBLE ASSETS</b>										
<b>AGRICULTURE LAND</b>	577767			577767					577767	577767
<b>BUILDING</b>										
A) BUILDING OTHER THAN FACTORY BUILDING	19418794	3659110	9500000	13577904	7455678	415506	2298177	5573007	8004897	11963116
B) FACTORY BUILDING	31641698			31641698	15657687	1598402		17256089	14385609	15984011
<b>PLANT &amp; EQUIPMENTS</b>										
A) UNIT NO.1	209670184	13085690		222755874	202822763	4225281		207048044	5707830.02	6847421
B) LOADING MACHINE	2192331			2192331	1919622	78824		1998446	193885	272709
C) UNIT NO.2	53712049	1050437		54762486	52733379	381379		53114758	1647728	978670
D) WIND MILL	117918133	700509		118618642	26521742	12810678		39332420	79286222	91396391
E) UNIT NO. 3	141046641	973700	6444049	135576292	28504455	14984670	1302294	42186831	93389461	112542186
<b>FURNITURE &amp; FIXTURE</b>	7906608	7000		7913608	6846808	175603		7022411	891197	1059800
<b>VEHICLES</b>	17305555	1196292	3507396	14994451	11552079	1009706	3270288	9291497	5702954	5753476
<b>OFFICE &amp; COMPUTER EQUIPMENTS</b>	7540074	154904	22404	7672574	5066583	517695	20247	5564031	2108543	2473491
<b>TOTAL</b>	<b>608929834</b>	<b>20827642</b>	<b>19473849</b>	<b>610283627</b>	<b>359080796</b>	<b>36197744</b>	<b>6891006</b>	<b>388387534</b>	<b>221896093</b>	<b>249849038</b>
Figures For The Previous Year	520829729	88981605	881500	608929834	306397899	21269669	1525640	326141929	282787905	1946687800
<b>CAPITAL WORK IN PROGRESS</b>	<b>10066098</b>	<b>2512446</b>	<b>7524538</b>	<b>5054006</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>5054006</b>	<b>10066098</b>

**NOTE 10 NON-CURRENT INVESTMENTS**

Particulars	As at 31 March, 2012			As at 31 March, 2011		
	Quoted (₹)	Unquoted (₹)	Total (₹)	Quoted (₹)	Unquoted (₹)	Total (₹)
HDFC FMP 36 M OCT.2011 (1) GROWTH SERIES XIXI		50,000,000.00	50,000,000.00	-		-
SUNDRAM FIXED TERM PLAN CP 370 DAYS GROWTH		20,000,000.00	20,000,000.00	-		-
BARCLAYS EQUITY LINKED 25 MONTHS NCD		40,000,000.00	40,000,000.00	-		-
<b>Total</b>		<b>110,000,000.00</b>	<b>110,000,000.00</b>			

**NOTE 11 LONG-TERM LOANS AND ADVANCES  
(UNSECURED, CONSIDERED GOOD)**

Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
(a) Capital advances [Refer note (i) below]	47,164,302.00	32,339,242.00
(b) Earnest money deposit	405,712.00	475,712.00
(c) Security deposits with others	14,333,020.00	6,559,337.00
(d) Loans and advances to employees	51,291.00	60,100.00
(e) Prepaid expenses	92,127.00	1,750.00
(f) Balances with government authorities [Refer note (ii) below]	839,201.00	839,201.00
(g) Other Receivables	363,925.00	363,925.00
<b>Total</b>	<b>63,249,578.00</b>	<b>40,639,267.00</b>

**Note:-**

- (i) The company has entered into an agreement with Shreeniwas cotton mills ltd.on 19th day of Nov.2010 to purchase a flat in Mumbai on a total consideration of ₹ 9,23,97,834.00/- and in addition ₹ 12 lacs will be paid on possession towards non refundable club membership. Possession of this flat is expected to be taken on 30th Nov. 2015. The company has paid ₹ 4,71,64,302.00/- as per terms of agreement in advance.

(ii) Balances with government includes a sum of ₹ 6,00,000.00/- was deposited by the company as pre-deposit of penalty as per directions given by the Custom Excise & Gold (control) Appellate New Delhi by order dated 03.02.2003 against total amount of penalty of ₹ 25 lacs to be deposited by Shri Pankaj P. Shah (Managing Director) and Shri Ashok P. Shah (Ex-Director) of the company, the appeal has been dismissed by the tribunal. The company has filed an appeal before High Court.

**NOTE 12 OTHER NON-CURRENT ASSETS**

Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
Unamortised expenditure	-	14,695.00
<b>Total</b>	<b>-</b>	<b>14,695.00</b>

**NOTE 13 CURRENT INVESTMENTS**

Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
<b>(A) Quoted-At Cost (Mutual funds)</b>		
DSPML TIGER FUND DIVIDEND PLAN	3,000,000.00	3,000,000.00
IDFC PREMIER EQUITY FUND GROWTH PLAN	-	2,500,000.00
IDFC PREMIER EQUITY FUND GROWTH PLAN	-	4,804,169.91
RELIANCE MEDIA & ENTERTAINMENT FUND GROWTH PLAN	10,000,000.00	10,000,000.00
BIRLA MIDCAP FUND GROWTH PLAN	5,000,000.00	5,000,000.00
RELIANCE BANKING FUND GROWTH PLAN	-	3,000,000.00
RELIANCE DIVERSIFIED POWER FUND GROWTH PLAN	5,000,000.00	5,000,000.00
RELIANCE MEDIA & ENTERTAINMENT FUND GROWTH PLAN	-	2,500,000.00
RELIANCE REGULAR SAVING FUND EQUITY GROWTH PLAN	2,500,000.00	2,500,000.00
RELIANCE GROWTH FUND GROWTH PLAN	-	4,396,920.00
RELIANCE GROWTH FUND GROWTH PLAN	-	7,169,224.10
KOTAK 50 FUND GROWTH PLAN	-	10,073,066.00
HDFC TOP 200 FUND DIVIDEND PLAN	-	7,308,340.99
KOTAK FUND 50 GROWTH PLAN	10,000,000.00	10,000,000.00
HDFC EQUITY FUND GROWTH PLAN	5,000,000.00	5,000,000.00
BIRLA SUN LIFE PLATINIUM PLUS FUND II GROWTH PLAN	24,000,000.00	24,000,000.00
BIRLA SUN LIFE MID CAP FUND GROWTH PLAN	5,000,000.00	5,000,000.00
ICICI PRU. INFRASTRUCTURE FUND GROWTH PLAN	5,000,000.00	5,000,000.00
IDBI BANK NIFTY INDEX FUND	1,000,000.00	1,000,000.00
TATA EQUITY P/E FUND GROWTH PLAN	10,000,000.00	10,000,000.00
L&T MONTHLY INCOME PLAN	-	25,000,000.00
L&T MONTHLY INCOME PLAN	-	25,000,000.00
ICICI PRU. INCOME MULTIPLIER PLAN	-	25,000,000.00
ICICI PRU. INCOME MULTIPLIER PLAN	-	25,000,000.00
<b>Total</b>	<b>85,500,000.00</b>	<b>227,251,721.00</b>
<b>(B) Unquoted-At Cost</b>		
Equity shares of Bikaner builders Private Ltd. Face value ₹ 10/- each	225,000.00	225,000.00
NSC	-	300.00
<b>Total</b>	<b>225,000.00</b>	<b>225,300.00</b>
<b>TOTAL INVESTMENTS (A+B)</b>	<b>85,725,000.00</b>	<b>227,477,021.00</b>
<b>Aggregate Market value of Quoted Investments</b>	<b>85,588,462.45</b>	<b>246,183,158.00</b>

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NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS



Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
<b>NOTE 14 INVENTORIES</b> (At lower of cost and net realisable value)		
(a) Raw materials & Dyes	167,786,714.00	115,574,722.00
Goods-in-transit	48,076,770.00	70,743,674.00
	<b>215,863,484.00</b>	<b>186,318,396.00</b>
(b) Work-in-progress	64,038,581.00	22,141,785.00
	<b>64,038,581.00</b>	<b>22,141,785.00</b>
(c) Finished goods(Other than traded)	31,068,148.00	19,992,191.00
Finished goods with consignment agents	1,227,598.00	1,930,781.00
	<b>32,295,746.00</b>	<b>21,922,972.00</b>
(d) Packing Material & Consumables store	15,735,414.00	22,131,448.00
	<b>15,735,414.00</b>	<b>22,131,448.00</b>
(e) Scrap	21,054,989.00	21,997,302.00
	<b>21,054,989.00</b>	<b>21,997,302.00</b>
(f) Stock in trade (Aluminium Wire Rods)	1,139,170.00	1,139,170.00
	<b>1,139,170.00</b>	<b>1,139,170.00</b>
<b>Total</b>	<b>350,127,384.00</b>	<b>275,651,073.00</b>
<b>NOTE 15 TRADE RECEIVABLES</b> (Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	6,839,052.00	2,812,036.00
Other Trade receivables	464,277,361.00	305,152,955.00
<b>Total</b>	<b>471,116,413.00</b>	<b>307,964,991.00</b>
<b>NOTE 16 CASH AND CASH EQUIVALENTS</b>		
(a) Cash in hand	795,199.00	423,498.00
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	702,282.00	50,197,777.00
(ii) Term Deposit(STDR)	199,972,691.00	323,090,836.00
(Pledged as margin money against bank gurantee)		
(iii) Dividend Account	1,175,754.00	793,849.00
(iv) Margin money deposit	-	7,000.00
<b>Total</b>	<b>202,645,926.00</b>	<b>374,512,960.00</b>
<b>NOTE 17 SHORT-TERM LOANS AND ADVANCES</b> (Unsecured, considered good)		
(a) Capital advances	-	4,836,822.00
(b) Advances to suppliers and others	9,178,742.00	25,681,026.00
(c) Advances to employees	460,216.00	968,297.00
(d) Prepaid expenses	388,170.00	262,402.00
(e) Advance Tax	2,58,21,141.00	
Less:- Provision for Income Tax	<u>2,25,00,000.00</u>	
	3,321,141.00	-
(e) Balances with government authorities	66,624,674.00	47,646,942.00
<b>Total</b>	<b>79,972,943.00</b>	<b>79,395,489.00</b>



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**NOTES FORMING PART OF  
THE FINANCIAL STATEMENTS**



Particulars	As at 31 March, 2012 (₹)	As at 31 March, 2011 (₹)
<b>NOTE 18 OTHER CURRENT ASSETS</b>		
(a) Electricity expense receivable	11,284.00	13,280.00
(b) Export Entitlement Receivable	277,678.00	-
(c) Investment Income Receivable	597,000.00	-
(d) DEPB in Hand	1,533,003.00	9,421,286.00
(e) Stock of gas cylinder	85,840.00	-
(f) Unamortised expenditure	14,695.00	14,695.00
<b>Total</b>	<b>2,519,500.00</b>	<b>9,449,261.00</b>
<b>NOTE 19 REVENUE FROM OPERATIONS</b>		
Particulars	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
(a) Sale of products (Refer Note (i) below)	2,013,758,638.00	1,494,671,235.00
(b) Job Charges	-	2,769,685.00
(c) Other operating revenues (Refer Note (ii) below)	61,123,139.00	46,993,654.00
	2,074,881,777.00	1,544,434,574.00
(d) Less: Excise duty	151,522,769.00	130,858,517.00
<b>Total</b>	<b>1,923,359,008.00</b>	<b>1,413,576,057.00</b>
<b>Note (i)</b>		
Particulars	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
<b>Sale of products comprises:</b>		
<b>Manufactured goods</b>		
Aluminium Foil	1,425,297,266.00	1,337,853,373.00
Glassine Paper	24,539,797.00	27,397,522.00
Chemical	17,142,943.00	-
Total	1,466,980,006.00	1,365,250,895.00
Less : Sales Returns	19,853,457.00	20,435,671.00
Discount, Rebate & Shortage	5,729,095.00	1,235,133.00
<b>Total - Sale of manufactured goods</b>	<b>1,441,397,454.00</b>	<b>1,343,580,091.00</b>
<b>Traded goods</b>		
Aluminium Wire Rod	221,871,987.00	-
Aluminium Foil	177,879,215.00	97,545,083.00
Precious Stones	120,904,000.00	-
Grannuals	40,444,382.00	29,721,763.00
Raw Cotton	-	1,213,524.00
Paper	-	14,328,658.00
Chemical	8,646,563.00	7,695,649.00
VMCH	514,391.00	294,099.00
Glassine Paper	2,198,765.00	778,193.00
Less : Sales Returns	-	485,825.00
Discount, Rebate & Shortage	98,119.00	-
<b>Total - Sale of traded goods</b>	<b>572,361,184.00</b>	<b>151,091,144.00</b>
<b>Total - Sale of products</b>	<b>2,013,758,638.00</b>	<b>1,494,671,235.00</b>
<b>Note (ii)</b>		
<b>Other operating revenues comprises :</b>		
Export Incentives etc	4,053,006.00	4,793,722.00
Process Scrap Sale	41,891,110.00	36,790,294.00
Gain on wind power generations	15,179,023.00	5,409,638.00
<b>Total - Other operating revenues</b>	<b>61,123,139.00</b>	<b>46,993,654.00</b>

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Particulars	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
<b>NOTE 20 OTHER INCOME</b>		
(a) Interest income (Refer Note (i) below)	52,591,450.00	12,308,123.00
(b) Dividend Income	128,529.00	1,026,283.00
(c) Net gain on foreign currency transactions and translation (other than considered as finance cost)	-	2,134,204.00
(d) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	42,399,983.00	22,169,957.00
<b>Total</b>	<b>95,119,962.00</b>	<b>37,638,567.00</b>
<b>Note (i)</b>		
Particulars	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
<b>Interest income comprises:</b>		
Interest from Bank on Fixed Deposits	13,353,751.00	8,216,889.00
Interest on Trade Receivables	38,210,526.00	2,787,272.00
Interest on IT Refunds	847,935.00	951,489.00
Interest on Others	179,238.00	352,473.00
<b>Total - Interest income</b>	<b>52,591,450.00</b>	<b>12,308,123.00</b>
<b>Note (ii)</b>		
<b>Other non-operating income comprises:</b>		
Rental income	13,200.00	11,840.00
Profit on sale of fixed assets	818,295.00	-
Liabilities / provisions no longer required written back	11,947,357.00	1,336,227.00
Bad Debts Recovered back	7,746,104.00	3,296,055.00
Cash Discount Received	-	83,626.00
Discount on purchase of DEPB	4,013,480.00	574,310.00
Prior Period Income (net)	4,238,197.00	-
Investment Income	663,333.00	200,329.00
Miscellaneous Income	25,311.00	3,487.00
Net Gain on Sale of Investment	12,934,706.00	16,664,083.00
<b>Total - Other non-operating income</b>	<b>42,399,983.00</b>	<b>22,169,957.00</b>
<b>NOTE 21 COST OF MATERIALS CONSUMED (Including Packing Material &amp; Consumable stores)</b>		
Particulars	For the year ended 31 March, 2012 (₹)	For the year ended 31 March, 2011 (₹)
<b>Opening stock</b>	131,790,363.00	108,651,709.00
Add: Purchases	1,434,310,226.00	1,148,271,606.00
	<b>1,566,100,589.00</b>	<b>1,256,923,315.00</b>
Less: Cost Of Sales(Traded Item)	162,915,487.00	110,880,026.00
Less: Purchase return	9,972,881.00	5,083,980.00
Less: Closing stock	175,728,667.00	133,128,039.00
<b>Cost of material consumed</b>	<b>1,217,483,554.00</b>	<b>1,007,831,270.00</b>
<b>NOTE 21 PURCHASE OF TRADED GOODS</b>		
Grannuals	39,602,225.00	28,386,852.00
Raw Cotton	-	13,770,626.00
Aluminium Foil	112,966,156.00	74,832,413.00
Paper	8,520,895.00	5,811,589.00
VMCH	1,648,268.00	539,383.00
Chemicals	177,943.00	231,866.00
Polythene	-	1,077,923.00
Aluminium Wire Rod	219,765,771.00	-
Precious Stones	121,005,672.00	-
<b>Total</b>	<b>503,686,930.00</b>	<b>124,650,652.00</b>

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<b>NOTE 21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
<b>Inventories at the end of the year:</b>		
Finished Goods	31,068,148.00	19,992,191.00
Work in Process	64,038,581.00	22,141,785.00
Scrap	21,054,989.00	21,997,302.00
Stock in Trade(Aluminium Wire Rod)	1,139,170.00	1,139,170.00
Stock with consignment Agent	1,227,598.00	1,930,781.00
	<b>118,528,486.00</b>	<b>67,201,229.00</b>
<b>Inventories at the beginning of the year:</b>		
Finished Goods	19,992,191.00	10,812,312.00
Work in Process	22,141,785.00	25,576,474.00
Scrap	21,997,302.00	10,579,002.00
Stock in Trade(Aluminium Wire Rod)	1,139,170.00	1,139,170.00
Stock with consignment Agent	1,930,781.00	-
	<b>67,201,229.00</b>	<b>48,106,958.00</b>
<b>Net (increase) / decrease</b>	<b>(51,327,257.00)</b>	<b>(19,094,271.00)</b>
<b>NOTE 22 EMPLOYEE BENEFITS EXPENSES</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
Salaries and wages (including Bonus And Allowances)	43,773,153.00	42,765,019.00
Contributions to provident and other funds (refer note (i) below)	28,238,259.00	28,375,061.00
Directors Remuneration and allowances	2,100,000.00	1,740,000.00
Staff welfare expenses	1,245,377.00	654,244.00
<b>Total</b>	<b>75,356,789.00</b>	<b>73,534,324.00</b>
<b>Note:-</b> (i) Contribution to provident and other funds includes sum paid for employer employee insurance premium amounting to ₹ 2,50,00,000/- and Keyman Insurance premium amounting to ₹ 2,34,330/-		
<b>NOTE 23 FINANCE COSTS</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
<b>(a) Interest expense on:</b>		
(i) Bank Borrowings	27,800,695.00	26,643,499.00
(ii) Trade payables		
(a) Interest to SSI	46,056.00	57,790.00
(b) Interest to others	45,292.00	-
(iii) Others		
- Interest on delayed / deferred payment of income tax	1,914,247.00	-
- Others	1,452,826.00	32,004.00
(b) Other borrowing costs	463,681.00	31,831.00
(c) Bank Charges	6,439,659.00	2,919,752.00
(d) Net (gain) / loss on foreign currency transactions and translation (other than operations)	33,000,307.00	-
(e) Forward booking Cancellation Loss	320,355.00	-
<b>Total</b>	<b>71,483,118.00</b>	<b>29,684,876.00</b>
<b>NOTE 24 DEPRECIATION &amp; AMORTISATION EXPENSES</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
Depreciation & Amortisation	36,197,744.00	33,516,091.00
Less: Transfer from revaluation reserve	245,485.00	288,602.00
<b>Total</b>	<b>35,952,259.00</b>	<b>33,227,489.00</b>

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NOTES FORMING PART OF  
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<b>NOTE 25 OTHER EXPENSES</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
<b>A) Manufacturing Expenses</b>		
Consumption of Chemical	964,346.00	1,027,213.00
Power & Fuel	43,045,783.00	37,649,229.00
Freight Inward	16,304,020.00	15,515,606.00
Repair & Maintenance (Machinery)	13,750,462.00	13,991,284.00
Other Manufacturing Expenses	6,610,781.00	5,041,030.00
<b>Total Manufacturing Expenses</b>	<b>80,675,392.00</b>	<b>73,224,362.00</b>
<b>B) Administrative expenses</b>		
Sales Tax Demands	6,499,947.00	-
Provision for Excise Duty	3,417,607.00	1,866,904.00
Rent	804,375.00	968,300.00
Bad Debts/Advances written off	701,117.00	6,180,364.00
Legal & Professional Charges	1,245,217.00	1,523,298.00
Travelling Expenses (Including directors travelling ₹ 3,05,621/- previous year ₹ 2,57,432/- Vehicles (running, repair & maintenance etc.)	1,275,743.00	1,404,318.00
Repair & Maintenance (Building)	1,073,230.00	1,145,542.00
Repair & Maintenance (Others)	891,065.00	4,760,292.00
Net loss on currency fluctuation and translation	445,664.00	743,093.00
Loss on sale of Current investments	1,408,951.00	111,824.00
Prior Period Items (net)	859,732.00	-
Auditors Remuneration {refer to note(i) below}	-	123,581.00
Postage, Telephone & Fax Expenses	244,972.00	248,012.00
Wealth tax paid	822,369.00	867,714.00
Other Administrative expenses	2,844,586.00	51,000.00
<b>Total Administrative Expenses</b>	<b>22,534,575.00</b>	<b>23,528,633.00</b>
<b>C) Selling And Distribution Expense</b>		
Advertisement	152,125.00	699,208.00
Freight outward, octroi & insurance	3,042,812.00	4,644,843.00
Cash Discount Paid	1,066,477.00	496,221.00
Commission to selling agents	1,373,448.00	731,869.00
Sales Promotion Expenses	36,898.00	109,967.00
<b>Total Selling And Distribution Expense</b>	<b>5,671,760.00</b>	<b>6,682,108.00</b>
<b>Total</b>	<b>108,881,727.00</b>	<b>103,435,103.00</b>
<b>Note :</b>		
<b>(i) Payments to the auditors comprises:</b>		
As auditors - statutory audit	125,000.00	90,000.00
Tax audit	30,000.00	30,000.00
For Certification	32,500.00	72,000.00
Reimbursement of expenses	57,472.00	56,012.00
<b>Total</b>	<b>244,972.00</b>	<b>248,012.00</b>
<b>NOTE 26 EXTRAORDINARY ITEMS</b>		
<b>Particulars</b>	<b>For the year ended 31 March, 2012 (₹)</b>	<b>For the year ended 31 March, 2011 (₹)</b>
Insurance maturity income	26,300,000.00	25,000,000.00
Recovery of interest W/off	-	2,933,383.00
<b>Total</b>	<b>26,300,000.00</b>	<b>27,933,383.00</b>

- 1. Basis of Preparation of Financial statements :** The Financial Statements have been prepared in accordance with Indian Generally Accepted accounting principles (GAAP), generally under the historical cost convention on accrual basis except insurance, Interest on debtors and other claims receivable, which are accounted for on receipt/payment basis. GAAP comprises of mandatory Accounting Standards notified by companies (Accounting Standards) Rules 2006 and relevant provisions of the companies Act 1956, the Guidelines issued by ICAI and Securities and Exchange Board of India (SEBI). Accounting Policies have been consistently adopted except where a change in existing GAAP requires a change in accounting policy hitherto in use.
  - 2. Use of Estimates :** The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the results are known/materialised.
  - 3. Fixed Assets, Intangible Assets and Depreciation :**
    - (i) (a) Fixed assets are stated at cost of acquisition or construction less depreciation. All cost relating to the acquisition & installation of fixed assets are capitalized.
    - (b) Addition in Fixed assets is stated at cost net of VAT and Cenvat credit, Custom duty (where applicable). All cost relating to acquisition and installation of fixed asset are capitalized.
    - (c) Agricultural land is shown at cost price.
    - (ii) Revalued assets are recorded at revalued amount less depreciation on revalued amount.
    - (iii) (a) Depreciation on fixed assets is provided on written down value basis at the rates and in the manner prescribed in Schedule XIV of Companies Act, 1956. Depreciation in respect of revalued amount, the additional depreciation attributable to revaluation is withdrawn from revaluation reserve. Depreciation on addition in fixed assets has been adjusted after deducting the amount of excise duty & VAT availed as Cenvat and VAT set off.
    - (b) Depreciation on assets added / disposed off during the year has been provided on prorata basis with reference to date of addition / disposed except for items on which 100% depreciation rate are applicable.
    - (iv) Fixed assets acquired in exchange or in part exchange for another asset are recorded at the net book value of the assets given up, adjusted for any balancing payment or receipt of cash or other consideration.
    - (v) Capital Assets under erection/installation/construction are reflected in the Balance sheet as "Capital Work in Progress".
  - 4. Purchases :** Purchase of all Raw materials, Aluminium wire Rods, glassine paper, packing material, Oil & Lubricants, Gas Cylinder, production , mechanical & Electrical stores, Polythene and polyester film & paper are accounted for on basic price & CST. Cenvat and VAT on purchase of these items are shown as Cenvat recoverable & VAT recoverable is adjusted against the Excise/Sales Tax liabilities.
  - 5. Investments :** Short term investments are stated at cost or market price, whichever is lower.  
Long term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.  
Dividends reinvested are added to the cost of investments on the NAV of the date of distribution of dividend by mutual funds.
  - 6. Inventories & Other Current Assets :**  
Inventories as taken and certified by the management are valued as under:
 

(a) Raw materials, dyes & Chemicals packing material, Polyester Film, Paper and Polythene	: At cost excluding cenvat credit and VAT.
(b) Production, Electrical, Mechanical and consumable store & spares	: At cost excluding cenvat credit & VAT
(c) Oil & lubricants	: At cost excluding excise duty except HSD.
(d) Work in process	: At estimated cost (valued as certified by the management.)
(e) Aluminium wire rods	: At cost or market price whichever is lower.
(f) Scrap & rejected goods	: At net realizable value determined by management.
(g) Finished goods	: Valuation of finished goods Manufactured but not cleared from excise bonded warehouse up to the end of the year is at cost or market price, whichever is lower inclusive of Excise Duty. (Cost price estimated by deducting approx 8.75% from the selling price).
(h) Stock at port & in transit	: At Selling price
(i) Stock in transit/ware house (Purchase)	: At purchase price including clearing expenses and custom duty paid.
(j) DEPB licences Purchased	: At cost.
(k) Gas Cylinder	: At cost
(l) Returned Material outside factory	: At Net Realisable Value on the basic sale price sold or at price certified by management.
(m) Stock with Consignment Agent	: At cost (estimated by deducting 8.75% from the selling price) plus excise and expenses as per Invoice.
- Note:** The cost of raw materials, dyes, chemicals, packing material, oil & lubricant and consumable stores are arrived at on first in first out method and in the case of basic raw material, freight inward expenses have also been considered.
- 7. Expenditure :**
    - (a) All other expenses are accounted for on accrual basis and consumption of stores has been taken on actual consumption.
    - (b) Power unit generated from Enercon wind power plant which has been wheeled for captive consumption after adjusting wheeling charges @ 10% of the energy fed into grid to RVPNL Discom(s) is accounted on effective tariff rate in power bill and simultaneously such figure was also reflected in other operating revenue.

**8. Employee Benefits :**

- (a) Defined contribution plans : The Company's contribution to provident fund is considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.
- (b) Defined benefit plans : Gratuity payable to employees is provided for on the basis of premium paid under group gratuity Scheme with Life Insurance Corporation of India.  
Provision of Leave encashment has been made on accrual basis on leave un-availed balance available as on 31.03.2012.  
Service Awards have been adjusted / accounted on the basis of completed months.
- (c) Short-term employee benefits : Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

**9. Borrowing Costs :** Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**10. Revenue Recognition :**

- (a) Sales are inclusive of Cenvat but are net of Sales returns, Shortages and other discounts & rebates but excluding value of recoveries made for insurance, freight and packing forwarding expenses, which have been shown in the invoice value and are adjusted in the respective heads.
- (b) Discount and rebates on sales is accounted for as and when settled.
- (c) Export sales are accounted for on the basis of exchange rate on date of transactions and recognized only when export goods leaves the territory of India.
- (d) Revenue from investment is accounted on sale/disposal of such investments.
- (e) Export Incentive: (i) Revenue from DEPB Licences is recognised when the licences are sold / utilized and are shown as other operating revalue. (ii) Revenue of duty drawback has been accounted on accrual basis.
- (f) Units generated on Enercon wind power plant has been accounted on the basis of effective tariff rate in respective month. Units generated on Suzlon wind power plant has been accounted at contract price
- (g) Interest receivable from debtor and dividend from investment are considered on receipt basis.
- (h) The Company has purchased DEPB Licenses from market at discounts and the same has been shown as Discounts received on purchase of DEPB in other income.

**11. Transaction in Foreign Currencies (Other than for fixed assets) :** Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Gain/Loss arising out of fluctuation in between transaction date and realization date are recognized in statement of profit & loss.

All foreign currency Monetary items at the year-end which not covered by foreign exchange contracts are translated at year-end rates.

The difference between the foreign exchange contract rate and the exchange rate on the date of transaction is recognized as income or expenditure over the life of the contract.

Foreign Exchange Gain/Loss of buyer's credit taken from foreign bank has been recognized at the date of transaction and recognized in statement of profit & loss.

**12. Impairment of Assets :**

All assets other than inventory, investment or deferred tax assets are reviewed for impairment where event or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying amount exceeds their recoverable amount will be written down to recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired.

**13. Cenvat and VAT :**

The value of Cenvat and VAT benefits eligible on raw materials, other eligible inputs, production stores and capital goods is considered for the clearances of finished goods

**14. Accounting of Taxes on Income :**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

**15. Contingent Liabilities :**

The company is not providing for contingent liabilities in the account since the ultimate outcome thereof cannot be determined on the date of balance sheet. However, notes on every contingent liabilities exist on the date of balance sheet are given in notes on account. Contingent assets are neither recognized nor disclosed in the balance sheet.

**16. Earnings Per Share :**

Basic and diluted earning per share are computed by dividing the net profit after tax attributable to equity shareholders for the year, with the weighted number of equity shares outstanding during the year.

**17. Lease:**

Lease rentals under an operating lease, are recognized as an expenses in the statement of Profit & Loss on a straight line basis over the lease term. Lease Income from Operating lease is recognized in statement of Profit & Loss on a Straight line basis over the Lease Term.

## 27. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) Guarantees given by bank in favour of buyer/Suppliers, & Central Excise for ₹ 532.40 Lacs (Previous year ₹ 235.90 Lacs).
- (b) Letter of credit of ₹ 513.24 Lacs (Previous year ₹ 1928.03 Lacs) opened in favour of Raw Material suppliers.
- (c) Estimated amount of contracts remaining to be executed on capital account & not provided for ₹ 923.98 Lacs (Previous year ₹ 923.98 Lacs) against which advances given ₹ 471.64 Lacs (Previous year ₹ 323.39 Lacs).
- (d) The Following companies have given Guarantee/Securities against Overdraft facilities sanctioned by the IDBI Bank Ltd.
1. Pipalia Cables & Wires Pvt. Ltd.
  2. Foils India Laminates Pvt. Ltd.
  3. Miracle Foils Pvt. Ltd.
  4. Prem Cables Pvt. Ltd.
  5. Tirumala Irons Pvt. Ltd.
- and personal guarantee by the Managing Director, Whole Time Director and their family members.
- (e) Uncompleted/reopened assessments of Sales Tax.
- (f) Suit filed by NELCO for sum of ₹ 2,27,085/- against which a sum of ₹ 25,000/- has been deposited in the City Civil Court, Ahmedabad.
- \*Matter pending since more than 12 Years and company does not expect any liability.
- (g) Building situated at Beawar in the name of Shri Pankaj P Shah, Ashok P Shah, Abhay P Shah & Smt. Neela Devi has been mortgaged with Bank against the term loan.
28. The Lease Deed regarding land at Jaisalmer where windmill is installed has not been executed.
29. The balances of sundry debtors, sundry creditors and loans & advances as on 31.3.2012 are subject to reconciliation & confirmation by the parties.
30. Income Tax & Sales Tax assessments have been completed up to the assessment year 2009-2010.
31. i) During the year the company has paid a sum of ₹ 2,34,330/- to LIC of India towards premium of key man insurance policies. Regarding this the company has taken the undertaking from Shri Pankaj P Shah and Shri Abhay P Shah, the directors who are covered-up under these policies, for non-claiming of end benefits of the policies on maturity.
- ii) The Company has paid renewal premium of ₹ 250 Lacs towards Employer-Employee policies in the name of company to cover life of some of employees which have not been given to Employees.
32. Directors Remuneration : Salaries ₹ 21,00,000/-
33. (a) The Company has purchased DEPB Licenses face value of ₹ 10,97,16,027/- which were purchased for ₹ 10,56,00,877/-. The Difference between face value and purchase price has been treated as discount.
- (b) The company has received DEPB Licenses worth ₹ 32,28,055/- as Export incentive and Previous year's on hand licenses worth ₹ 9,18,089/- Out of which DEPB licenses valuing ₹ 32,29,173/- utilized by Debiting to respective import purchase account and by credit to exports incentives. The balance DEPB licenses ₹ 9,16,971/- are in hand not considered as income.
34. Company has installed One Wind Mill of 0.6 MW capacities at Soda Bandan District Jaisalmer in agreement with Rajasthan Rajya Vidhyut Vitran Nigam Limited, and Jodhpur Discoms for wheeling of Energy for captive consumption. During the year Company has adjusted ₹ 49,15,839/- (9,38,189 Units) in power bill, which has been credited in the statement of Profit and Loss.
35. Cenvat recoverable on the date of balance sheet.
- |                  |                |
|------------------|----------------|
| On Raw Materia   | ₹ 2,28,92,793/ |
| On Capital Goods | ₹ 50,03,555/-  |
- This amount was shown under the head loans & advances.
36. During the year company has purchased 40 nos. of equity linked non-principal protected debentures aggregating to ₹ 400 Lacs from Barclays investments and loans (India) Ltd. for 24 months at a contingent coupon rate of 20.15% p.a. As on 31.03.2012 company has accrued contingent income of ₹ 28,37,120/- and diminution in the value of investment of ₹ 33,96,000/-. No accounting entry has been charged in this respect.
37. Interest of ₹ 14,17,880/- for year 2010-11, ₹ 41,67,396/- for year 2011-12 has been capitalized by crediting prior period income and interest respectively on advance given to Shreeniwas cotton mills ltd. for Mumbai flat (Refer note 14).
38. During the year company has written back depreciation of ₹ 22,98,177/- for the period 01.06.2005 to 31.3.2011 and amount of ₹ 95,00,000/- shown in fixed asset has been transferred to security deposit against Mumbai office due to non-execution of lease as per agreement.
39. Lease rent in respect of leasehold land for factory building and township are accounted for on accrual basis and the unexpired portion of said leasehold land are 53 and 54 years respectively.
40. Sales tax demand of ₹ 30 Lacs has been deposited with sales tax department against the case pending at Supreme Court for the year 1995-96 & 1996-97 and the same has been debited to Statement of profit and loss.
41. Case filed against the company by Chalbury McCouat, UK has been withdrawn. Therefore disputed liability of ₹ 51,41,755/- has been reduced from plant & Machinery and depreciation of ₹ 13,02,294/-, which has already been charged, has been written back with retrospective effect.
42. Consequent to the accounting standard for Deferred Tax the company has created total Deferred Tax Assets /(Liability) of ₹ 53,356/- for the year ended 31st March 2012.

Deferred Tax Assets/ (Liabilities)	(In ₹)		
	As on 31.03.11	Changes for the period	As on 31.03.12
Difference between WDV as per Books and as per IT Act	(55,10,554)	(27,95,629)	(83,06,193)
Tax impact of expenses charged off in financial statement but allowance under tax law deferred	1,34,839	27,42,283	28,77,122
<b>TOTAL</b>	<b>(53,75,715)</b>	<b>53,356</b>	<b>(54,29,071)</b>

43. The information in regards to SSI Units has been compiled in respect of parties to the extent to which they could be identified as SSI Units on the basis of information available with the company.

44. Bank balances are subject to bank reconciliations.

45. There is no agriculture produce from the Agriculture land.

46. Since the Company does not have any subsidiary therefore AS21 is not applicable.

47. Foreign Exchange loss (Net) of ₹ 3,44,09,257/- includes foreign exchange gain/loss in respect of purchase, Sales and buyer' Credit.

48. EARNINGS PER SHARE:

PARTICULARS	AS AT 31ST MARCH 2012	AS AT 31ST MARCH 2011
Profit after taxation (₹)	6,03,70,628	9,37,76,878
Number of share outstanding:	81,10,000	81,10,000
Total number of shares outstanding at the beginning of the year	81,10,000	81,10,000
Number of shares outstanding during the year	81,10,000	81,10,000
Basic and Diluted Earnings per share (₹)	7.44	11.56
(Face Value per Share ₹10/-)		

49. SEGMENT REPORTING

Based on the guidance notes given in the Accounting Standard on Segment Reporting (AS-17) issued by the Institute of Chartered Accountants of India the Company is single reportable segment company, engaged in the business of manufacture and sale of Aluminium foil in its various form. As the company operates in a single primary segment, disclosure requirement is not applicable.

50. RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD 18:

List of Related Parties:

a. Key Managerial Personnel

01. Shri Pankaj P Shah	Managing Director
02. Shri Abhay P Shah	Whole Time Director
03. Shri Sahil P Shah	Director

b. Related Parties with whom transactions have been taken place.

01. Prem Cables Private Limited
02. Miracle Carriers & Trading Company
03. Prem Nagar Industrial Estates Pvt. Ltd.
04. Pipalia Cables & Wires Pvt. Ltd
05. Miracle Foils Pvt. Ltd.

The following transactions were carried out with the Related Parties in the ordinary course of Business:

Sr. No.	Transactions	Related parties	(In ₹)	
			Key Personals	Relatives
1	Sales/Purchase and Conversion Charges Paid/Received	16,73,55,004	-	-
2	Freight and Car Hire Charges	2,68,51,248	-	-
3	Remuneration	-	21,00,000	-
4	Rent Paid	2,52,000	-	-
5	Lease Rent	7,500	-	-

51. Nominal amount of forward contracts entered into by the company and outstanding as on 31.03.2012 are ₹ 1196.02 Lacs (previous year ₹ Nil).

52. The Figures of the previous years has been regrouped and rearranged wherever necessary to make them comparative with previous year figures as done by the management so as reconciled with the amended revised schedule VI.



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**Note on Financial Statement for  
the Year ended 31st March, 2012**



53. VALUE OF MATERIALS CONSUMED AND PERCENTAGE THEREOF

PARTICULARS	TOTAL VALUE OF CONSUMPTION		IMPORTED INCLUDING DUTY & EXP		INDIGENEOUS	
	2011-12	2010-2011	2011-12	2010-11	2011-12	2010-11
<b>Raw Material</b>						
Value (₹ Lacs)	13012.14	9319.89	5509.23	1053.09	7502.91	8266.80
Percentage	100	100	42.34	11.30	57.66	88.70
<b>Stores, Spares &amp; Packing Material</b>						
Value (₹ Lacs)	729.14	699.55	318.99	512.52	410.15	187.03
Percentage	100	100	43.75	73.26	56.25	26.74

54. FOREIGN EXCHANGE EARNINGS & EXPENDITURE

	₹ in Lacs
a) Earning in foreign exchange on account of export of goods on F.O.B. basis	571.19
b) C&F value of imported raw material	5900.57
c) C&F value of imported stores	318.99
d) C&F value of Imported traded item	1210.06
e) Expenditure in foreign currency	90.70
f) Value of Capital Goods imported	0.00

In terms of our report attached.

**For H M Singhvi & Co.**  
Chartered Accountants

**For and on behalf of the Board**

**H M SINGHVI**  
Proprietor  
M.No: 006962

**Ramdev Singh Jetmal**  
Company Secretary

**Abhay P Shah**  
Whole Time Director

**Pankaj P Shah**  
Managing Director

Place : Jaipur  
Date : September 1, 2012

# CASH FLOW STATEMENT FOR THE YEAR 2011-12



Particulars	2011-12		(₹ in Thousands) 2010-11	
	(₹)	(₹)	(₹)	(₹)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and extraordinary items	56,962		126,387	
Adjustment for:				
Interest paid	31,259		26,643	
Interest received	(13,354)		(12,308)	
Recovery of interest	-		(2,933)	
Profit/Loss on sale of Investment	(12,935)		(16,664)	
Foreign exchange loss	33,000		(1,351)	
Profit on forward booking	-		(671)	
Dividend Income	(129)		(1,026)	
Keyman Insurance Maturity Receipt	-		(25,000)	
Depreciation	35,912		33,227	
Loss/Profit on sale of fixed assets	(818)		42	
Amortisation of Shares warrant exp.	14		15	
Provisions No longer required	(11,947)		(895)	
Provision for Excise Duty	-		1,866	
Revaluation reserve	245		(325)	
Operating profit before working capital changes		118,209		127,007
Adjustment for:				
Trade & other receivables	(179,072)		4,062	
Inventories	(74,476)		(124,332)	
Trade Payable & others	(72,614)		122,981	
Cash Flow from Operating Activities		(207,953)		129,718
Direct Taxes Paid		(21,072)		(28,015)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(229,025)</b>		<b>101,703</b>
<b>B CASH FLOW FROM INVESTMENT ACTIVITIES</b>				
Interest Received	13,354		12,308	
Dividend Received	129		1,026	
Purchases of fixed assets	(15,641)		(99,048)	
Sale of Fixed Assets	13,400		262	
Purchase of investments	(110,000)		(154,683)	
Sale of Investments	154,686		262,743	
Keyman Insurance Maturity Receipt	26,300		25,000	
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>82,228</b>		<b>47,608</b>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES</b>				
Interest Paid	(31,259)		(26,643)	
Foreign Exchange Gain/Loss	(33,000)		1,351	
Liabilities no longer required	11,947		-	
Profit on forward booking	-		671	
Prior period income/Expense	-		(457)	
Recovery of interest	-		2,933	
Net Proceeds of Short Term Borrowings	66,363		197,018	
Repayment of term loan	(39,120)		(19,296)	
<b>NET CASH FLOW (USED) IN FINANCIAL ACTIVITIES</b>		<b>(25,069)</b>		<b>155,577</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(171,866)</b>		<b>304,888</b>
<b>E CASH AND CASH EQUIVALENTS AS AT 1ST APRIL 2011</b>		<b>374,512</b>		<b>69,624</b>
Opening Balance: Cash in hand and balance with Bank.				
<b>F CASH &amp; CASH EQUIVALENTS AS AT 31ST MARCH 2012</b>		<b>202,646</b>		<b>374,512</b>
Closing balance: Cash in hand and balance with Bank.				

For and on behalf of the Board

Place : Jaipur  
Date : September 1, 2012

**Pankaj P Shah**  
Managing Director

The Board of Directors,  
P G Foils Limited,

### AUDITOR'S CERTIFICATE

We have examined the above Cash Flow statement of P G Foils Ltd. for the year ended 31.3.2012 The statement has been prepared by the company in accordance with the requirements of clause 32 of listing agreement with the stock exchanges and is based on and in agreement with the corresponding Statement of Profit & Loss and Balance Sheet of the Company covered by our report of date to the members of the company.

Place : Jaipur  
Date : September 1, 2012

For **H M Singhvi & Co.**  
Chartered Accountants  
H M SINGHVI  
Proprietor  
M.No: 006962




# P G Foils Limited

Regd. Office : 6, Neptune Towers,  
Ashram Road, Ahmedabad - 380 009

Member's Signature (s)

1.
2.
3.

33rd Annual General Meeting  
28th September, 2012  
at 11.00 a.m.

Ahmedabad Textile  
Mills'Association, Ashram Road,  
Navrangpura,  
Ahmedabad – 380 009

Admission Slip	
Please hand over this admission slip at the entrance of meeting hall.	
Folio	Holding

<input type="checkbox"/>	Member	<input type="checkbox"/>	Proxy

I hereby register my presence at the meeting

Signature of Member/Proxy



# P G Foils Limited

Regd. Office : 6, Neptune Towers,  
Ashram Road, Ahmedabad - 380 009

## PROXY

I/We .....  
of .....  
in the district of .....being a

FOLIO	HOLDING

member/members of the P G FOILS LIMITED appoint ..... of .....  
or failing him ..... of ..... as  
my/our proxy to vote for me/us on my/our behalf at the 33rd annual General Meeting of the Company to be held on Friday  
the 28th September, 2012 at 11.00 a.m. and at any adjournment thereof.

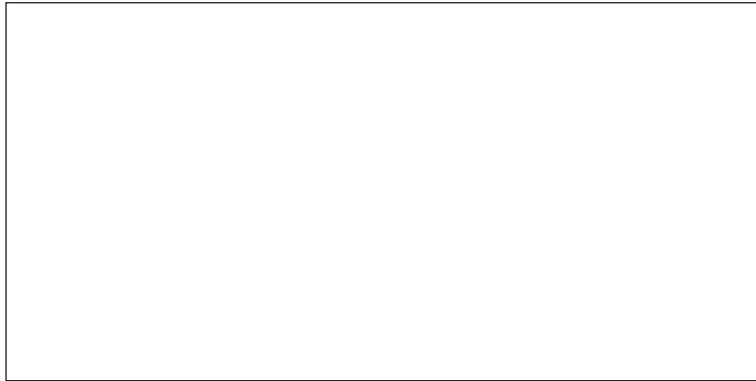
Signed this ..... day of ..... 2012

Affix  
Re 1/-  
Revenue  
Stamp

Proxy form must reach company's registered Office not later than 48 hours before the commencement of the meeting	
For Office use only	
Proxy No.	Date of Receipt

Signature

BOOK-POST



If undelivered, Please return to :

 **P G Foils Limited**

Pipalia Kalan - 306 307

Dstt. Pali, Rajasthan