



Date: 05.09.2022

Corporate Relationship Dept.  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai - 400001

**BSE Code: 526747**

**Scrip ID: PGFOILQ**

Dear Sir / Ma'am

## **Sub: Annual General Meeting Notice, Integrated Annual Report 2021-22**

The Forty Third Annual General Meeting ("AGM") of the Company will be held on 29<sup>th</sup> September, 2022 at 11.30 A.M. IST through Video Conferencing / Other Audio-Visual Means.

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent to the Members, who have registered their e-mail addresses with the Company/ Depositories, through electronic mode.

The Integrated Annual Report containing the Notice is also uploaded on the Company's website i.e. [www.pgfoils.in](http://www.pgfoils.in)

This is for your information and records.

Thanking You,

For **P G FOILS LIMITED**

**Bhawana Songara**  
**Company Secretary & Compliance Officer**  
Place: Pipalia Kalan

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*just any*  
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**But PGF**  
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**And that's what our  
story is all about!**

## Reporting

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# Transforming Aluminium!

At PG Foils Limited, we are among the world's largest Company enabling transformation of aluminium into specialised, value-added, high-quality packaging products having large and longstanding customers in the pharmaceutical, food and beverage, FMCG, dairy and consumer goods sectors of **India and the world!**



#### Report access

As a responsible organisation committed to reducing our environmental footprint, we have printed limited hard copy reports. Our stakeholders are encouraged to view this report available on our website: [www.pgfoils.in](http://www.pgfoils.in) under the 'Investors Corner' tab.



#### Instant digital copy

Please download a digital copy of this report by scanning the QR code from your smart device.

### Forward-looking statements

Certain statements in this report may be regarded as forward-looking statements or forecasts, but do not represent an earnings forecast or guarantee. Actual results and outcomes may differ materially from those expressed in or implied by these statements. All forward-looking statements are based solely on the views and considerations of the management.





## INTRODUCTION

ORGANISATIONAL STEWARDSHIP  
ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG)  
STATUTORY REPORTS  
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# About our report

As an aluminium packaging major, PG Foils Limited embraces the principles of transparency and accountability for constructive engagement with stakeholders and ensuring sustainable growth of the enterprise.

Our FY2021-22 annual reporting suite, which includes this Annual Report, forms an integral part of the Company's primary communication to shareholders, investors, regulators, customers, suppliers, local community members and other service providers.

## Our Capitals

PG Foil's impact on and contribution to the Capitals of value creation, as articulated in the Value Reporting Foundation's International <IR> Framework, are addressed in an integrated manner throughout this report for the ease of understanding of our readers.

Our analysis of the business' performance, transformation, strategy and prospects are together intended to inform our stakeholders of the Company's performance for the year under report, while also outlining the broad future direction.



### Manufactured Capital



#### In PG Foils

Our assets and machinery and other infrastructure utilised in manufacturing, and our distribution infrastructure.

#### Discussed under (major chapters)

- CMD's report
- Manufactured capital

### Social and Relationship Capital



#### In PG Foils

Key relationships with our stakeholder groups, including the social community, etc.

#### Discussed under (major chapters)

- Stakeholder initiatives amidst COVID-19
- Social and relationship capital

### Financial Capital



#### In PG Foils

Shareholders' equity and debt funding.

#### Discussed under (major chapters)

- CMD's report
- Financial performance
- Key financial indicators
- Financial capital

### Intellectual Capital



#### In PG Foils

Our brand, sectoral experience and IT and network systems.

#### Discussed under (major chapters)

- Intellectual capital



## Human Capital



### *In PG Foils*

Skills, experience, commitment, loyalty and hard work of our people.

### *Discussed under (major chapters)*

- CMD's report
- Human capital

## Our role in society

At PG Foils, we have long considered societal value creation as a vital measure of our success. We can succeed only when the extended community around us progresses, and as a large enterprise we realize that we have the voice and reach to create positive change, especially at the grassroots. Thus, in addition to our regular citizenship initiatives during the year, we also stepped up efforts in alleviating COVID-19 pandemic's substantial negative impact on society, focusing on creating conducive conditions in preparing for an early bounce-back. We have identified the United Nations' Sustainable Development Goals (UN SDGs) as a useful marker in assessing our impact across our chosen areas and also in developing new programs. We have selected the following seven SDGs (out of the total of 17) where we believe we can create the maximum value.



## Board responsibility statement

The Board of PG Foils acknowledges its responsibility in ensuring the integrity of this Annual Report. The Board has contributed to the identification of matters that are material to the Company, and these matters have been used to select information addressed in this report. The management has prepared and verified the information, ensuring an accurate, balanced and inclusive overview of the organisation.

## Request for feedback

We would like to hear from our stakeholders on our Annual Report 2021-22 and reporting practice, including the accessibility of information provided and opportunities to expand on and improve the Company's future reporting.

### **Please contact:**

Naveen Jain, Chief Financial Officer, at [naveen@pgfoils.in](mailto:naveen@pgfoils.in)

Vinay Kumar Joshi, Assistant Company Secretary, at [vinay@pgfoils.in](mailto:vinay@pgfoils.in)

## INTRODUCTION

ORGANISATIONAL STEWARDSHIP  
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# Welcome to the *world of PGF!*



## Our history

The dream of one man, Shri Parasraj G. Shah, has found fertile ground in Pipalia Kalan, located deep in the interiors of Rajasthan, to grow and thrive for a long time to come.

Established in the year 1979, PG Foils has always had an important presence in Pipalia Kalan, contributing to the development of the area and evolving as Pali district's region with the highest GDP.

Over our long and eventful history during which our founder and promoters transformed Pipalia Kalan from a sleepy desert village into a thriving manufacturing hub, the results have followed in a never-ending journey marked by the courage of the people who to this day make the Company great. Our goals highlight our continuous evolution that defines the spirit of our Company as one that in transforming aluminium has also transformed an entire region.

## Our vision

As supply chain members, we strive to be strategic partners of our customers through innovation in aluminium foil packs and flexible packaging. Our success lies in adding to the competence of our customers through innovation in packaging.

## Our mission

Our mission is metamorphosis of PG Group into an integrated multifaceted manufacturing powerhouse – a dynamic packaging solutions provider to match the ever-changing market needs.

## Our growth strategy

With a focus on driving all-round excellence, we adhere to a five-pronged strategy to achieve sustainable long-term value. These include:

*Harness the deep fundamental strengths of our business*

*Focus on product premiumization*

*Enhance manufacturing capacity through inorganic route*

*Expand customers in existing and new geographies*

*Explore synergistic growth opportunities across our manufacturing units*



# 1979

**ESTABLISHMENT**

# 11,700

**MTPA**

**PRODUCTION CAPACITY**

# 500+

**EMPLOYEES**

# 2,00+

**CUSTOMERS**

# 24+

**Countries**

**EXPORTS**

## Our identity

With a manufacturing capacity of 11,700 MTPA, PG Foils Limited (PGF) is among the world's largest Indian stock market-listed Company engaged in the production and supply of aluminium foil and specialty aluminium flexible packaging products to major Indian and international pharmaceutical companies and customers in several other sectors.

Aluminium foil is mainly used as packaging material and has proved to be the best of its kind on account of its unique times-tested protective properties. It is moisture-proof, gas-proof, light-proof and hygienic. It reflects 96% of the light and imparts a point of sale appeal. So, unconsciously and instinctively, end users use PGF-manufactured products every day when they:

- Press open a blister or pharma foil encasing the tablet medicine
- Pull-off the tagger foil that protects the quality and taste of consumables in cans
- Peel open a biscuit or cookies packet
- Tear open a sachet of sauce or milk powder
- Unwrap the attractive packaging wrapping their ice cream cone
- Pack food items in aluminium foils to secure and retain its freshness
- Dip their tea bag foils in hot liquids for their refreshing cup of tea

Thus, PG Foils manufactures a wide range of everyday use products under the PGF brand that are supplied in India and over 24 countries abroad, including the UK, UAE, Australia, Russia, Bangladesh, Sri Lanka, Egypt, Jordan, Mexico, Oman, Nepal, Philippines, Kenya, Sudan, Iran, Ghana, Nigeria, etc.

## Our key products

We manufacture a wide range of products that meet the critical quality and performance requirements of our customers. Our key products include:

- Pharma foil
- Blister foil
- Tagger foil
- CR foils (child resistant foils- PVC and paper based)
- Sachet foil
- Bare foil
- House foil
- Tea bag foil
- Cigarette foil
- Container foil
- Polyester foil
- Multilayer laminated foil (both PET and paper-based)
- Poly laminates
- Ice cream laminates
- Paper-based laminates
- Chocolate wraps
- Contraceptive wraps

## Our certification

PGF is ISO 9001-2008 certified and also possesses the EN 14375 certification.



## INTRODUCTION

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## Our customer *universe*

PG Foils enjoys undisputed market share in pharma industry packaging for decades now. The Company is the first choice of all major leading multinational and domestic pharmaceutical companies and is an integral partner to them. Some of our major customers include:

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## | INTRODUCTION

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## Key performance *highlights*, 2021-22

PG Foils was able to achieve sound performance during the year, despite pandemic-related challenges and disruptions. Below we describe our performance in relation to each of our Capitals.

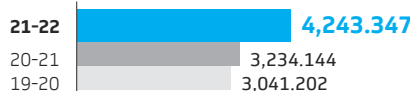


### Manufactured Capital

The Company's integrated manufacturing operations utilize modern machinery and equipment to manufacture reliable high-quality specialty products. Further, our operations meet the audit and certification standards of our customers.

#### KEY FINANCIAL METRICS (MTPA)

##### Aluminum plain foil



##### Aluminum plain foil coated



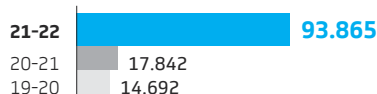
##### Aluminum printed foil



##### Aluminum printed backed foil



##### Aluminum both-side poly-laminated foil



##### Total production

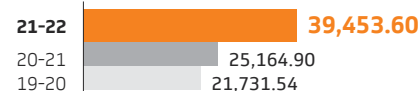


### Financial Capital

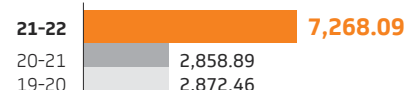
The Company's focused growth strategy, along with disciplined financial planning and capital allocation, has led to sustained financial returns.

#### KEY FINANCIAL METRICS (₹ LACS)

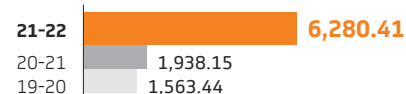
##### Income from operations



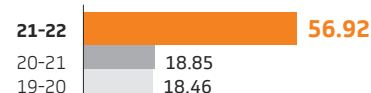
##### EBIDTA



##### Net profit



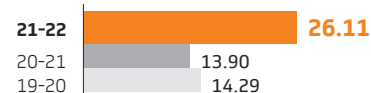
##### Earnings / share (₹)



##### Book value / share (₹)



##### ROCE (%)





## Human Capital

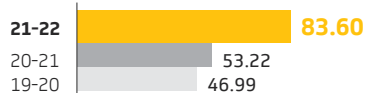
Our employees possess specialist skills and competencies that have been honed over years of training and being on the shopfloor. While we maintain a safe, congenial and progressive work environment, we value loyalty, dedication and diversity and offer fair compensation standards.

### KEY HUMAN RESOURCE METRICS (₹ LACS)

#### Salary and other benefits



#### Revenue / employee



#### Total workforce (nos.)



## Social and Relationship Capital

We foster mutually-respectful and cordial relations with our stakeholders, thus maintaining a conducive environment for business and growth.

### KEY STAKEHOLDER METRICS (₹ MILLION)

#### CSR spends



#### Beneficiaries

Nanesh P G Memorial Hospital  
[Paras Raj Bohra Memorial Trust]

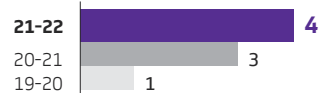


## Intellectual Capital

We have been able to create strong competitive differentiation and a viable commercial model through our specialist product, process and market knowhow and through our ongoing focus on innovation.

### KEY I-CAP METRICS

#### New products developed



#### New customers acquired

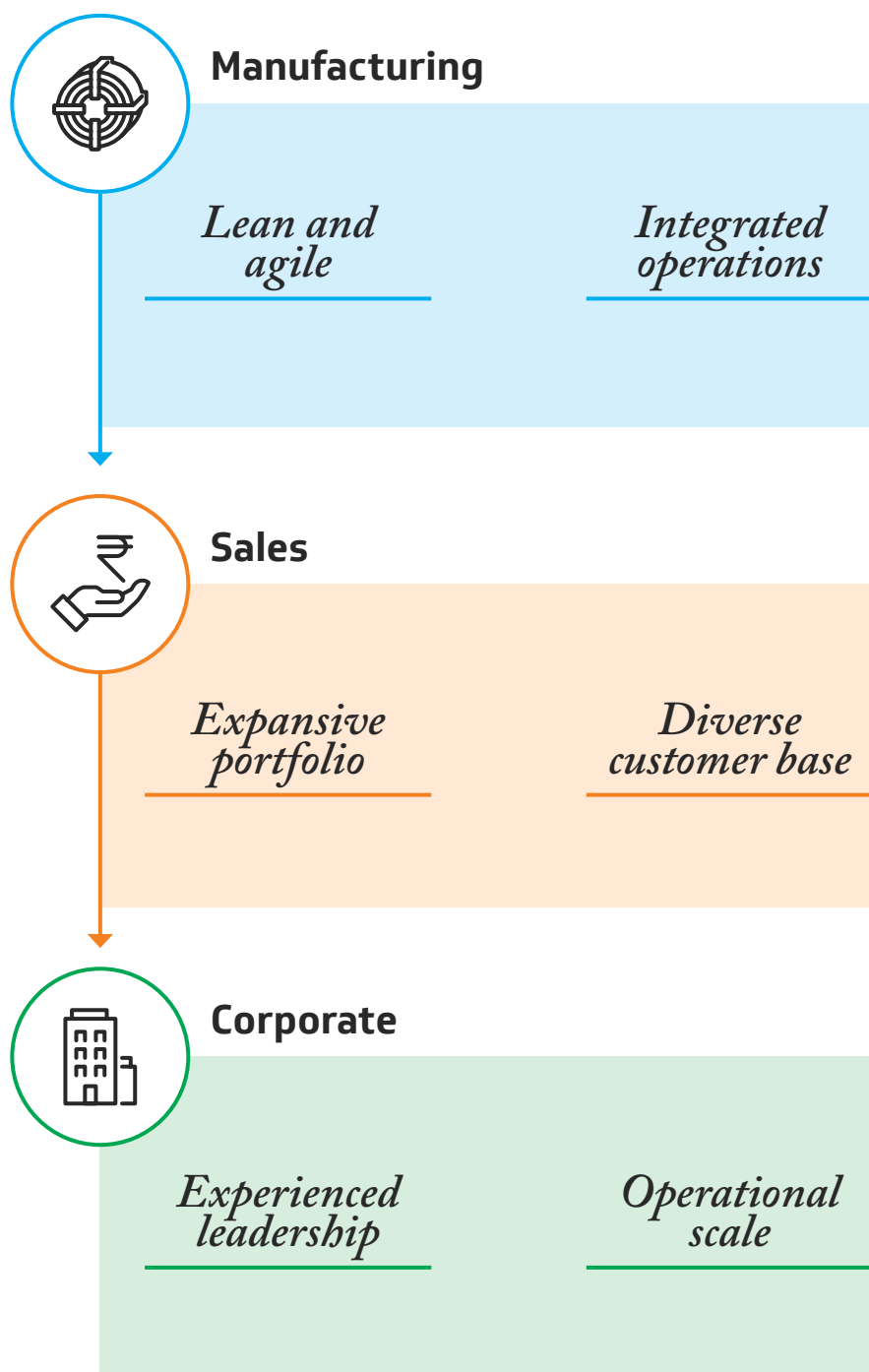




## Our business framework

At PG Foils, our focused strategy enables us to deliver growth today while driving the investments required to continue to sustainably expand our business and create value for tomorrow.

Our vision and mission are aligned to our business strategy that comprises advancing our performance and bolstering our imprint as a proud Indian manufacturer of specialty aluminium packaging products that are used domestically and exported to many countries abroad. Our long run sustainability in a sector in which few have survived over time will continue to remain anchored on our ambition to achieve business excellence through product quality and customer delight. Thus, innovation and customer service will be at the heart of all that we do, and supporting this endeavour is our business framework that encapsulates the integrated nature of our operating model.



*Sustainable  
resource use*

*Robust  
QA/QC*

*Empowering  
livelihoods*

*Multidecade  
relationships*

*Innovation  
and R&D*

*Strong  
sales focus*

*Governance  
and compliance*

*Sound financial  
planning*

*Sustainable tax  
contribution*

## Key stakeholder initiatives *amidst COVID-19*

The COVID-19 pandemic stoked challenges, yet it also strengthened our culture of solidarity, interdependence and responsibility.

During the year, we operated in a manner without compromising on the health and safety of our people involved in the various aspects of our business. We have thus adopted several measures of care for our various stakeholders, while also pivoting our business to ensure that it adjusts to the new normal.



### For our customers

- Ensured operational continuity for round-the-clock service, especially for pharma customers
- Facilitated customers through deliveries as per quantity and timeline commitments
- Ensured COVID-safe practices and thorough sanitisation of premises to avoid chances of infection and operational discontinuity



### For our people

- Assured full job protection and on-time salary disbursement
- As an essential service, we continued with our operations and hence ensured a safehouse for our shopfloor employees who could remain productive, engaged and safe
- Extended holistic support during emergencies, including for hospitalization, quarantine, etc.



### For our communities

- Our social outreach programs are rooted in impacting the grassroots and making a difference in their lives
- We focus on community relief through efforts in food distribution, health care support, etc.
- Our hospital played a key role in COVID as it was transformed into an isolation centre; it resumed normal operations once the second wave subsided



### For the nation

- Continued to serve national interests through meeting essential and critical requirements
- Met social obligation through providing employment and livelihood
- Ensured employment protection during the pandemic
- Contributed ₹ 1,623.95 lacs as tax to the exchequer in FY2022



## Letter from our CMD



*“PG Foils delivered a strong and satisfactory performance in 2021-22 characterised by growing momentum and record results. Our teams delivered growth and strengthened margins despite a dynamic and challenge-filled operating environment with global supply chain disruptions, high raw material inflation and continued effects of the pandemic.”*

CMD

### **Dear shareholders,**

I warmly welcome you to PG Foils Limited's Annual Report for the fiscal year 2021-22.

As you'd have seen we have adopted a new reporting approach that is premised on communicating our story better and informing our plans for the future. This reporting is a step in the direction of correcting the market perception of us as a convertor – what we actually do is we transform aluminum into value-added specialty PGF aluminum and this is where our true strength lies.

So before I give a performance update for the year and our plans, I would like to take you a bit into our past.

### **THE FIGHTING SPIRIT – OUR EARLY HISTORY**

When I look back, I feel the next evolution in our journey arrived when two large international players in the Indian aluminium packaging sector faced challenges and could not meet their supply commitments. We were pursuing customers for years but because of the criticality of the products made to precise specifications it was difficult to make a breakthrough as they were highly cautious to switch suppliers. But with problems arising with their existing vendors, customers weighed their



risks and finally gave us orders. This godsend opportunity was hugely valued and we worked hard in earning and keeping the trust of our customers. Many of them are still with us today.

So this period really toughened me up and prepared me for the challenges ahead. What really came as a major support was our people who took it in their own hands to see such an industry come up in their village. They were committed to the job and today I'm proud that my team has transformed into a highly specialised group of people with the best skills in the industry and this land has transformed into one exhibiting the highest GDP in the Pali region of Rajasthan. I think my father would be happy.

### LAST MAN STANDING – SUSTAINING IN A CHALLENGING BUSINESS

PG Foils is the first indigenous Company in the aluminium foil and packaging sector, it is the first in north India and also the first to have Indian promoters. We are located in a village setting with promoters who are hands-on and with a homegrown team that has learnt skills on the job. We have seen companies decline and disappear both before and after us and many companies today are either of a micro scale or are in terminal decline. We are amongst the few with largescale operations and in profit.

I think the distinction boils down to the mindset. This business requires close proximity and engaged supervision because it is critical for end customers. The plant and the shopfloor needs to be the headquarters and not an office that is located in a city far away. Crores of rupees of products are at stake if the packaging fails quality tests or does not arrive on time. For the manufacturer himself, any material rejects diminish product value to a quarter and hence is a big source of loss.

So the major difference at PG Foils is that we fostered a unique pathbreaking culture of entrepreneurialism, deep and direct engagement and opportunism that would be difficult for a typical process-driven company to follow. That is not to say we are not process driven, but being business-wise, engaged and proactive and taking calculated risk honed via

decades of experience is something that goes beyond the permit of a conventional managerial setup. Through longstanding experience we have created a position for ourselves where we're able to improve our financial profile despite buying in cash and selling on credit, something that defies conventional wisdom and has yet worked perfectly for us.

What we also do is never make a compromise on quality. We use imported aluminium and one of our key suppliers is Bahrain-based GARMCO, one of the oldest and largest downstream aluminium company in the Middle East producing high quality aluminium rolls. We also procure aluminium from Hindalco and other materials such as ink, granules and chemicals from eminent companies, such as Huber group, Reliance, GNFC, etc. Using top quality inputs on vintage machinery while closely controlling all process and quality parameters through online technology makes aluminium transform into PGF aluminium and this is something we take very seriously knowing that our products are used for essential and critical consumable items. Our plant and operations are subject to regular audits by customers and their endorsement is validation of what we do on the shopfloor and attests to our own stringent standards.

What I also do is make regular customer visits. We have fought hard for their business and me and my team never take this lightly. We have direct engagement with customers and have no agents or intermediaries, which is unlike the sales structure of other companies. Having a relationship-building approach in customer engagement has enabled us to transform formal relations into friendly ties and my customers often tell me lightheartedly that I'm the only person who's a promoter who visits them. So I feel a major source of advantage is we have a large basket of solid and secure customers and goodwill and we have been able to meet their quality, cost and delivery expectations on a consistent basis. We have been able to break through this major entry barrier, which fuels my optimism to expand our leadership position and market share, sustainably grow the business and enhance value.

## AGAINST THE ODDS – OUR PERFORMANCE IN 2021-22

PG Foils delivered a strong and satisfactory performance in fiscal year 2021-22, characterized by growing momentum and record results. Our teams delivered growth and strengthened margins despite a highly dynamic and challenge-filled operating environment with global supply chain disruptions, high raw material inflation and continued effects of the pandemic. Even amid this scenario, we advanced our strategic agenda across multiple key areas, investing for organic growth, accelerating innovation and taking new products to commercial scale. The foundations of our business are stronger than ever,

PG Foils delivered a strong and satisfactory performance in fiscal year 2021-22, characterized by growing momentum and record results.

which means we are uniquely positioned for future growth and continued success. Before I share our plans for the future, the gist of our performance in 2021-22 is given below:

- Income from operations rose by 56.78% from ₹ 25,164.90 lacs in 2020-21 to ₹ 39,453.60 lacs
- EBITDA expanded by 154.22% from ₹ 2,858.89 lacs in 2020-21 to ₹ 7,268.09 lacs
- Finance cost increased only marginally by 25.28% from ₹ 457.05 lacs in 2020-21 to ₹ 572.62 lacs
- Net profit grew by a substantial 224.04% from ₹ 1,938.15 lacs in 2020-21 to ₹ 6,280.41 lacs
- EPS improved by a sharp 201.96% from ₹ 18.85 in 2020-21 to ₹ 56.92

- On the balance sheet side, total assets grew by a healthy 42.81% from ₹ 38,308.79 lacs in 2020-21 to ₹ 54,709.11 lacs
- We have nil non-current borrowings and are debt-free on a net debt basis, with cash and equivalent of Rs 36,585.97 lacs against debt liability of ₹ 26,402.78 lacs (as on 31 March 2022)

I would like to believe that our 2021-22 performance is only the start of our next phase of value creation as we have identified a number of growth vectors for the future.

## WORKING ON NEW GROWTH PATHWAYS – BUILDING FOR THE FUTURE

The replacement cost of our assets is no less than ₹ 150 crore and such capex intensity would deter anyone to undertake new aluminium rolling plant, not to speak of the product quality stringency and customer relations required to succeed in the business.

While these very barriers are the source of competitive advantage for us, what is also true is that inorganic expansion can give us something that would help us build on our already strong foundation – scale. So in a post balance sheet development, we acquired a small aluminium factory located nearby our operations and the strategy is to use it for utilising the bare foil that we manufacture for conversion into specialty packaging products and hence boost our margins. We have also identified ways to enhance efficiency of the acquired plant and hence lower costs.

Simultaneously, we are also having discussion with other players to acquire their assets and a promising deal as of now is a manufacturing facility in the Northeast. The region where this particular plant is located is a pharma hub and hence we can use it for faster and more efficient deliveries, being right in the centre of our major customers. Both the plants have high-quality top-grade assets and infrastructure.

We mobilised around ₹ 33 crore (till 31st March 2022) through a preferential issue with participation from, amongst

other investors, the promoter group and the fund will be utilised for future acquisitions. Raising funds through the preferential route is the most optimal for our minority shareholders, protecting against any value dilution. We have many longstanding shareholders who've been a part of our journey for many years now and we respect their conviction and attachment.

On the market front, within the existing environment, it will be essential to create demand and grow our share of the market. A major support here is some spare capacity available at our main rolling mills. The overall market for foil consumption in India stands at about 7,000 MT per month, comprising around 4,000 MT consumed by pharma companies and the rest by other non-pharma players, such as FMCG, etc. While our converted or value-added product sale stands at 500-550 MT per month, bare foil or unconverted product dispatches stand at 300-350 MT, with both supplied to pharma customers. To start with, we'll divert about 100 MT of bare foil towards value-added processing at our newly acquired plant and subsequently increase this as we acquire new capacities. We also export 200 MT of standard and value-added products to 22+ countries abroad. With pharma consumption at 4,000 MT and our supplies at about 800-850 MT, we have only about 20-21% of the market and can scale this up with acquisitions, even as we rise up the value addition hierarchy by transforming our product profile and thus become a more integrated part of their supply chain.

Going forward, we will continue to build on our story as a model grassroots industrial establishment that has achieved hard-fought success and in doing so has put this small village in rural Rajasthan firmly on India's map as a global supplier of specialty aluminium products, thus adhering to the government's vision of Make in India and Atmanirbhar Bharat.

### Acknowledgements

We are no strangers to challenge and seeing through a difficult year was par for the course. We demonstrated a fighting spirit and this is visible in our exceptional performance for the year.

My team did an outstanding job in responding to the external stress and I deeply appreciate their commitment and hard work. The members of the Board have always been a source of strength to me. I acknowledge the counsel received from them to steer the Company during difficult times and thank them for their valuable input. Our suppliers, who are true collaborators, continued to extend their fullest support and ensured supply continuity and customer satisfaction, despite constraints. While thanking them, I am assured of their continued partnership to take PGF to greater heights.

In closing, I thank you for being a part of our journey that has been about persistency, grit, hard work and determination in creating something precious – shared prosperity.

*Best wishes to you and your family,*

**Pankaj P. Shah**  
**CHAIRMAN AND MANAGING DIRECTOR**



## Our Board profile

The PGF Board is constituted by eminent persons with considerable experience in diverse fields.



**Shri Pankaj P Shah**  
**MANAGING DIRECTOR**

### Qualification

MBA in Finance from IIM – Ahmedabad

Shri Pankaj P Shah is Promoter of the Company. He has rich experience built over the decades in all the facets of the business and his vision and astute planning has enabled the Company to emerge as amongst the largest in its sector in Asia.



**Shri Sahil P Shah**  
**WHOLE TIME DIRECTOR**

### Qualification

MBA in Marketing from Seneca College of Business, Canada

Shri Sahil P Shah, as part of new-age leadership, takes care of procurement and production planning of the Company, providing strategic stewardship in the administration for better materials, new designs and innovation in the product development cycle. He also heads the marketing affairs related to exports.



**Smt. Sakshi S Shah**  
**DIRECTOR**

### Qualification

MBA in Management from Amity University, Jaipur

Smt. Sakshi S Shah is actively engaged in the administrative and operational affairs of the Company and is responsible for business development, planning and strategy formation.

Shri Vimal Chand Dhadda possesses 21+ years of rich experience in the field of business management, customer relations and regulatory liaison.

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**Shri Vimal Chand Dhadda**  
**INDEPENDENT DIRECTOR**

Shri Amit Aggarwal has 11+ years of experience in the field of specialty marketing and customer development.

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**Shri Amit Aggarwal**  
**INDEPENDENT DIRECTOR**

Shri Narendra Kumar Ambalal Porwal possesses 11+ years of rich experience in the field of investment, capital allocation and financial planning and strategy.

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**Shri Narendra Kumar Ambalal Porwal**  
**INDEPENDENT DIRECTOR**

## Manufactured Capital



Our Manufactured Capital comprises our integrated production assets at our Pipaliya Kalan industrial facility. It also comprises our warehouses that are crucial for safe product stocking, storage and dispatch.

### Statement on Manufacturing Excellence

Mahaveer Raj Jain  
 EXECUTIVE DIRECTOR, OPERATIONS

### Key objectives

- Enhance value-addition
- Maximise asset utilisation
- Optimise production efficiencies and costs
- Lower consumption of key resources, such as aluminium, energy and water
- Ensure ongoing supervision and stock-taking for alignment with performance targets

*“Through our longstanding presence and specialist capabilities, we have demonstrated avant-garde manufacturing excellence not only in the aluminium packaging sector of India, but also in the world. It is a matter of pride for us to have set industry benchmarks in product design and manufacturing that ultimately benefits our customers. Further, we draw satisfaction that through pioneering domestic manufacturing of a specialty product we have contributed to import substitution, while ensuring higher self-reliance in meeting critical demand for medicines, food items, etc.”*

## Our integrated assets – from raw aluminium to specialty value-added packaging

Specialising in multilayer laminated and multicolour printed flexible packaging materials, we update our technology through debottlenecking to enhance capacity as well as ensure that our products are geared to perform in modern equipment and machines. Our integrated manufacturing facility with PLC-controlled machinery and equipment comprises various sections, which have been described below:

- Two high-speed and four high rolling mills from Acenbach, Germany, having rolling accuracy with auto gauge control and auto flatness system
- Two high-precision foil separators from Smutze, USA, with online ultrasonic welding
- Three breakdown and four high-rolling mills from Davy United, UK
- Poly laminators from Kampf, Germany and Black Clawson from Italy
- Extrusion laminating machines from Nakajima, Korea, and dry bond laminators from Sungun, Korea
- Nine and eight-colour printing machines from Sungun, Korea
- Slitting machines from Sungun, Korea
- Heavy gauge lamination machines

Our in-house support facilities enable production under one roof and help us directly control quality and cost- from raw material stage right through to finished products. These facilities are:

- Electronic artwork preparation unit
- Roll grinding unit
- Chemical mixing unit for uniform coating
- Co-extruded poly film unit
- Printing cylinder processing unit
- Captive power generation
- Truck fleet for seamless outbound / inbound delivery
- Enterprise resource planning (ERP)

## Manufacturing excellence Integration

Strong integration with assembly-like operations facilitates cost efficiency and quality assurance, enabling us to meet diverse demand quantity from 1 ton to 100 tons per month.

## Localisation

We are committed to localisation for equipment upgrade and maintenance that provides stronger operational control.

## Product development

New product development is an important part of our strategy and we have developed capabilities that enable us to create samples exactly as per customer specifications and hence meet new product launch timelines.

## Product testing infrastructure

We possess a well-equipped testing facilities. For instance, we are the only in India to possess online pin hole testing equipment as well as remote print control technology enabling online inspection.

## Utility

### Solar power energy

We are the among the few industrial facility in our sector to use green energy through our 2 MW solar plant that enables us to lower our total cost of electricity. Installation of another 1 MW is in progress that will further help lower electricity cost.

### Safety

Our plant possesses state-of-the-art fire hydrant systems and quick response for safeguarding people and assets in case of any extraneous events.

### Recycling

We place emphasis on re-use and re-utilisation of aluminium scrap and waste through producing our “Miracle” brand of foils made for household purposes.



## Forward plans for 2022-23

- Integrate acquired facilities and scale their production
- Diversify into polyester-based products
- Manufacture constantia flexible covers used in specialised packaging, such as preservation of meat and fish, vegetables and fruit, ready meals, etc.



# Financial *Capital*





## Major strengths

- Strong balance sheet with net debt-free status
- Sound credit profile
- Robust liquidity  
(₹ 2,188.10 lacs cash/cash equivalent)
- Judicious capital management strategy



Our Financial Capital comprises the pool of funds available to us for deployment, which includes debt, retained earnings and equity funding. How we allocate and utilise our Financial Capital is fundamental to our ability to create sustained value for our stakeholders.

### Statement on Financial Excellence

**Naveen Jain**  
CHIEF FINANCIAL OFFICER

*"Our financial strategy during the year was anchored on planning, forecasting and taking prudent decisions rooted in long-term thinking. We ensured adequate liquidity buffers to tide over any difficult situations. Another lever that we harnessed was overall cost curtailment, without touching salary costs, to ensure that our business was aligned with the times. These initiatives enabled the Company to report profits for the year 2021-22, despite the year being a truncated one on account of the severe second and mild third wave of the coronavirus. In a major opportunistic call we purchased inventory at USD 3,200-3,400 per MT when aluminium LME prices were at their lowest range, thus securing almost 7 months of production. This advance purchase attests to our financial strength and will help us further improve our margins. We are also focusing on improved production planning to lower bare foil production and divert to value-added products that will improve our margin and profit profile over time. Yet another driver of our performance is our acquisitions that will have a higher additive impact on overall profitability."*



# Human Capital



Our Human Capital is composed by our people who are the heart of our Company. Their knowledge, skills, perseverance, enthusiasm, passion, hard work and commitment to our purpose ensure that we remain growth-oriented and sustainable for the long-term.

## Statement on People Excellence

**Ashok Singh**  
 MANAGER, HR

*"While fostering a meritocratic and inclusive shopfloor culture, PGF empowers its workers irrespective of their ethnicity, religiosity or gender. We provide equal opportunity to all. We continually engage with our human resources and show solidarity through genuine care and empathy. This was truly reflected in full job protection at the Company, with salaries also remaining untouched even amid the challenging conditions of the pandemic. In effect, while cutting down on employees as a means to shed costs was prevalent elsewhere, at PGF, none of our employees lost their job on account of the COVID crisis. We also made our employees more aware about the pandemic through conducting sessions with health care professionals, while also ensured their physical safety and wellbeing through making provisions for masks, hand sanitisers, arrangement of oximeters and cylinders, etc."*

## Key objectives

- Talent futurisation to ensure relevance for tomorrow
- Investing in our people through training, skills building and capacity development
- Fostering a diverse and inclusive culture with high ownership
- Offering a fulfilling, rewarding and cordial work environment

# 506

**TOTAL EMPLOYEES AS ON  
31 MARCH 2022**

# 480

**PERSON-HOURS OF TRAINING  
PROVIDED IN 2021-22**

# 46

**EMPLOYEES RECRUITED IN  
2021-22**



## Employee support amid COVID

Our people skills, proficiency, experience, commitment and concern to look after each other comprises our most valuable asset. Our top priority at the outset of the pandemic was to protect the health, safety and wellbeing of our employees. Key actions included:

- COVID-secure measures were put in place at the office and shopfloor, including additional hand sanitiser stations
- Financial support was extended to employees to enable them to tide over any emergency financial challenges
- Ensured no salary deductions or retrenchment, thereby reinforcing our deep relations with our employees
- Created awareness around the importance of vaccination, with the result that almost 100% of our staff has been fully vaccinated (as on 31 March 2022)

## Occupational health and safety (OHS)

We improve the health and safety of our workforce through well-structured policies, programs and actions. Efficient and effective safety practices enable us to avert any untoward incidents and accidents, thus fostering a safe environment for all. Some of the benefits of health and safety management at the Company are given below:

- Induces a safety culture leading to a safe work zone
- Reduces chances of accidents, thus protecting lives
- Ensures healthier mental and physical conditions of employees
- Increases confidence of employees
- Increases workforce productivity
- Enhances Company's reputation and image



## Intellectual *Capital*





Our Intellectual Capital refers to the knowledge and capability intrinsic to our organisation. It comprises the DNA of our Company and how we do business.

#### Statement on Intellectual Excellence

**Pushpendra Kumar Mewara**  
HEAD, SALES AND MARKETING

*"We believe innovation and relationships are the major drivers of long-term value creation and to remain competitive we encourage the experimentation, creativity and flexibility that promote innovative thinking. A critical feature of our Intellectual Capital is that we are one of the longstanding players in the business and this spawns from our ability to create high-quality products day in and day out that meet the exacting specifications of our customers. On the face of it we roll aluminium into fine value-added products. But go deeper and one will discover how we have built mastery in a process in which many have either failed completely or have failed to scale up. I feel this boils down to deep intimacy with our assets and machinery on the one hand and deep association we have created with our customers on the other. This is the foundation of our Intellectual Capital."*

## Principal objectives

- Formulate future-facing business strategies and follow it up with execution agility and excellence
- Challenge our Intellectual Capital to explore new growth ideas and opportunities
- Integrate sustainable thinking in everything we do
- Consider ESG factors and future sustainability in our decision-making
- Implement transparent governance practices to safeguard stakeholder interests

## Progress achieved

- We have won the trust of several large and global customers across a wide number of sectors and industries who have reposed their faith in our products for the last many years
- We launched 9 new products over the past four years, thus becoming a key development and supply chain partner for our customers
- We possess deep understanding of the manufacturing process and through our experience are able to quickly address machinery / process issues, thus ensuring continuity of our assembly line and dependable customer service
- By virtue of a multidecade and globalised presence in the business, we have the experience of aluminium price forecasting and take opportunistic calls accordingly



## Social and Relationship Capital



Our manufacturing site is entrenched in the community. As a result, we see our Social and Relationship Capital as the link between our presence and the broader society.

### Key objectives

- Enhance value-addition
- Maximise asset utilisation
- Optimise production efficiencies and costs
- Lower consumption of key resources, such as aluminium, energy and water
- Ensure ongoing supervision and stock-taking for alignment with performance targets

### Managing during COVID-19

- We focused on accelerating our involvement and engagement in the communities around our plant's vicinity to extend help and support during the COVID-19 emergency
- We facilitated the conversion of our hospital into an isolation and quarantine facility and thereafter into a vaccination centre
- We mobilised food and ration support for vulnerable communities

## Our main CSR focus areas

### COMMUNITY SUSTENANCE



#### Community sustenance

Our community sustenance initiatives help in creating harmonious relations with the local communities in and around our operations, while uplifting their lives and livelihoods. We understand the needs of the people who live in adjoining areas around our plant and extend a helping hand whenever needed. Specifically amid the COVID-19 pandemic, we organised relief programs to ensure basic sustenance for low-income families.

### HEALTH CARE



#### Health care

As part of our focus on better healthcare, a charitable hospital is run under Paras Raj Bohra Memorial Trust, which was established in the memory of our late Founder. This allopathic fully charitable hospital called Nanesh PG Memorial Hospital renders free consultation and medication to all those in need. The hospital has an OPD and also conducts small operations while also having a dentistry practice. Over 15,000 people benefitted from the hospital in 2021-22. The hospital has plans to install an MRI, CT scan and sonography unit that patients can avail free of charge. A total of ₹ 1.13 crore has been donated to Paras Raj Bohra Memorial Trust over the last 3 financial years and ₹ 38.10 lacs was contributed in financial year ended 31st March 2022 under the CSR scheme by the Company to enhance medical facilities of the town.

### EDUCATION



We focus on the health, safety and wellbeing of our people, especially those working on the shopfloor and mandate the use of personal protective equipment during work. We also provide equipment, such as gloves, helmets, safety harnesses, etc., so that they can remain safe and protected at all times. Moreover, we also build awareness around proper and safe working practices to avert any accidents or disasters.

#### Education

Education is the cornerstone of social and societal progress. With this belief, we have constructed and donated a school in Pipalia Kalan that is attended by 700+ children. We also offer scholarships to meritorious students.

### NATIONAL EMERGENCY AND DISASTER RELIEF



#### National emergency and disaster relief

We possess a well-equipped testing facilities. For instance, we are the only in India to possess online pin hole testing equipment as well as remote print control technology enabling online inspection.

### MAXIMISING IMPACT THROUGH PARTNERSHIPS



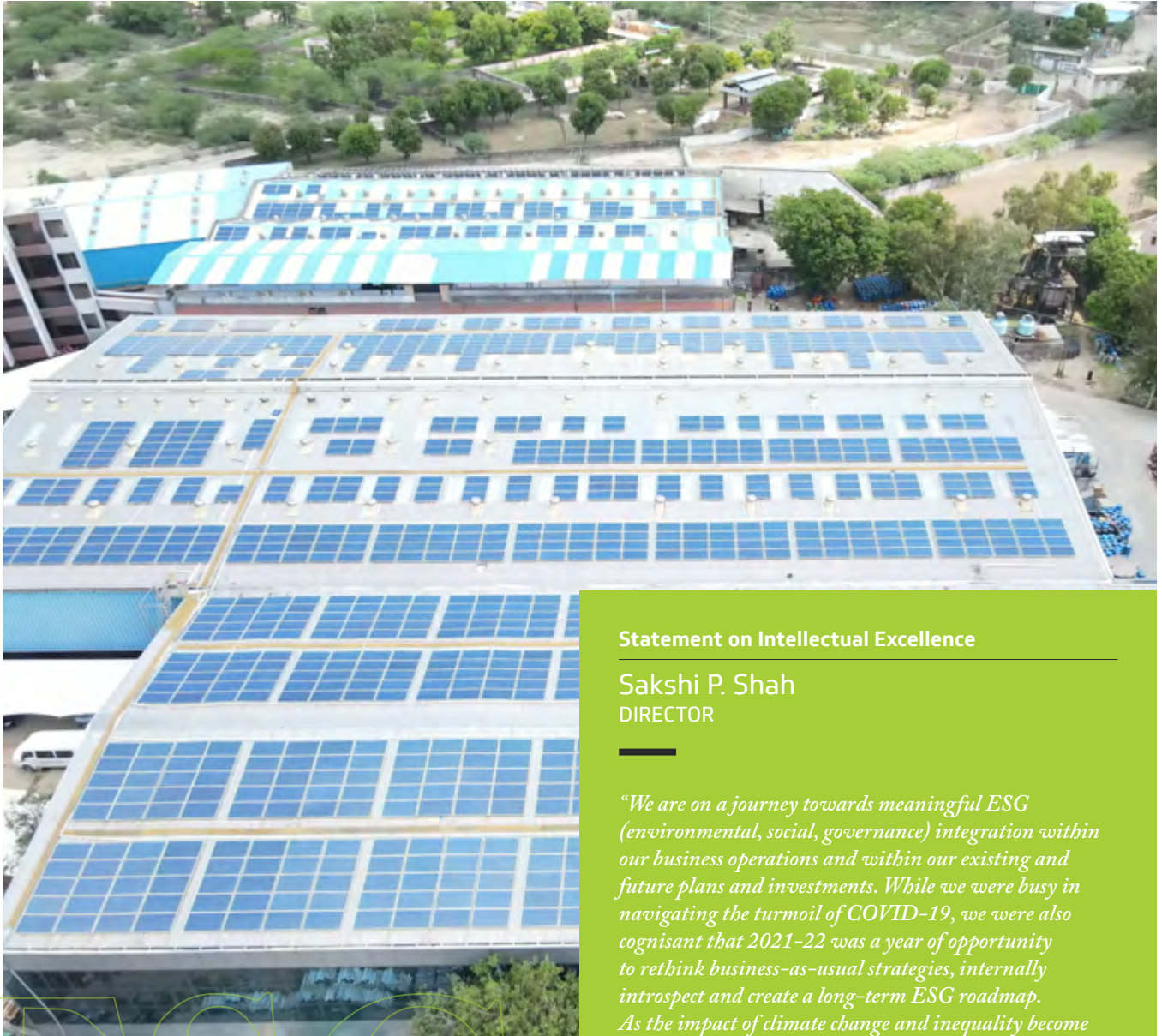
#### Maximising impact through partnerships

With a view to maximise our social impact and create durable and long lasting value, we encourage employee volunteerism in community service.

The trust has also contributed to the development of five fully-equipped mobile hospitals (buses converted into hospitals) with operation theatre, pathological services, etc., to offer free medical services right at the doorstep of people, especially those living in remote areas for whom accessing a hospital is difficult. The mobile vans are also deployed to conduct general health check-up camps at a frequency of about 5 every month.



## Our approach *to ESG*



### Statement on Intellectual Excellence

**Sakshi P. Shah**  
 DIRECTOR

*“We are on a journey towards meaningful ESG (environmental, social, governance) integration within our business operations and within our existing and future plans and investments. While we were busy in navigating the turmoil of COVID-19, we were also cognisant that 2021-22 was a year of opportunity to rethink business-as-usual strategies, internally introspect and create a long-term ESG roadmap. As the impact of climate change and inequality become more evident, the need for all stakeholders to ensure common cause, understanding and purpose, and to avoid damaging the environmental and social status for future generations has become an imperative. Our long-term ESG strategy involve strengthening our internal policies on governance and climate action as well as contribution to the United Nations’ Sustainable Development Goals (UN SDGs). We recognise that people are the enablers of our business and a critical resource in fulfilling our ESG objectives and they have to be supported in the journey.”*

ESG

## Environmental

- We are dedicated to reducing our environmental / carbon footprint
- We are anchoring our identity and reputation more firmly on clean and sustainable manufacturing and industrialisation
- We have made consistent investment in machinery and technology that has enabled us to reduce pollution and ensure improved alignment with environmental norms
- Our 2 MW solar power plant enables us to meet some part of our energy requirements and helps lower electricity costs
- We focus on wastage elimination and have processes for waste re-use and re-utilisation in ensuring resource circularity

## Social

- We are reinforcing the value of our 'social contract' comprising the bonds we have been able to forge with our employees
- We assured employment security and did not effect any cuts in salary nor enforced retrenchment
- We showed solidarity with the community around our operations during peak COVID-19 through voluntary citizenship
- We extend healthcare support to needy communities through the Nanesh PG Memorial Hospital that is run by us and dispenses free services and medicines

## Governance

- We are committed to ethical business practices
- We bolster business ethics and compliance via regular training and through ensuring alignment with best practices in business conduct
- We safeguard the business from bribery, corruption and fraudulent activities through ongoing vigilance
- We encourage whistle-blowing to bring to light any malpractice, thus protecting our brand and reputation

## Our ESG contribution

### Employment

**LOCAL EMPLOYMENT  
CREATION, ESPECIALLY  
IN BACKWARD AREAS**

### Trade and commerce

**FACILITATING PROGRESS,  
PROSPERITY AND LIVELIHOOD  
TRANSFORMATION VIA  
TRADE AND COMMERCE**

### Building local capabilities

**FOCUSING ON CAPACITY  
DEVELOPMENT, INCLUDING  
LOCAL OCCUPATIONS**

### Responsible nation-building

**MAKING SUSTAINABLE  
EXCHEQUER CONTRIBUTIONS**

# Notice of Annual General Meeting

**PG Foils Limited**

**CIN: L27203GJ1979PLC008050**

P.O.: Pipalia Kalan, Dist. Pali, Rajasthan - 306 307, Tel: 02937-287151-56; Fax: 02937-287150;

E: pgfoils@pgfoils.in, pgfoils.investor@gmail.com

**NOTICE** is hereby given that the Forty-Third Annual General Meeting ('AGM') of the Shareholders of **PG Foils Limited** ('the Company') will be held on **Thursday, 29<sup>th</sup> September, 2022 at 11:30 A.M. (IST)** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the items of business mentioned below:

## ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2022 together with Report of the Directors and the Auditors thereon.**
- To appoint a Woman Director in place of Mrs. Sakshi Sahil Shah (DIN: 07129888), who retires by rotation and being eligible, offers herself for reappointment:**

**"RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Sakshi Sahil Shah (DIN: 07129888), who retires by rotation and being eligible, offers herself for reappointment, be and is hereby appointed as a Non-Executive Director of the Company, with the consent of the members of the Company, accorded under Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015."

## SPECIAL BUSINESS

- To re-appoint Mr. Sahil P Shah (DIN: 01603118) as Whole-time Director.**

To consider and if thought fit, to pass the following resolution, which will be proposed as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the relevant provisions of the Articles of Association of the Company (hereinafter referred to as the "Articles") and the Companies Act, 2013 (hereinafter referred to as the "Act") including Section 160, Mr. Sahil P Shah (DIN: 01603118) be and is hereby re-appointed as a Director of the Company not liable to retire by rotation.

**"RESOLVED FURTHER THAT** Mr. Sahil P Shah shall cease to be a Director of the Company if he ceases to be a Whole-time Director of the Company."

**"RESOLVED FURTHER THAT** pursuant to Sections 196, 197, 198 and all other applicable provisions of the Companies Act, 2013, read with Schedule V thereto and the Rules made thereunder, including the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), and subject to the approval of the Central Government, if required, the reappointment of Mr. Sahil P Shah (DIN: 01603118) as Whole-time Director of the Company with effect from 1<sup>st</sup> April, 2022, be and is hereby approved, on the terms as to remuneration and otherwise as set out hereunder and with liberty to the Board (which term shall be deemed to include the Committee, if any, constituted by the Board from time to time) to alter the said terms and conditions in such manner as may be agreed to between the Board and Mr. Sahil P Shah in the best interests of the Company but subject to the restrictions, if any, contained in the said Act or otherwise as may be permissible at law.

Terms and Conditions of appointment:

### A. **Period:**

Period – 5 years w.e.f. 01<sup>st</sup> April 2022 to 31<sup>st</sup> March 2027

B. **Remuneration:**

Rs.12,00,000 PA (including salary, perquisites & allowances) with such increments as the Board may decide from time to time.

C. **Perquisites:**

(a) **Other Expenses:** Entertainment, travelling and all other expenses incurred for the business of the Company as per policy of the Company.

(b) **Other Allowances/benefits, perquisites:** Any other allowances, benefits and perquisites as per the Rules applicable to the Senior Executives of the Company and/or which may become applicable in the future and/or any other allowance, perquisites as the Board from time to time decides.

D. Subject as aforesaid, the Whole-Time Director shall be governed by such other Rules as are applicable to the Senior Executives of the Company from time to time.

E. The aggregate of the remuneration and perquisites as aforesaid in any financial year shall not exceed the limit from time to time under Sections 197, 198 and other applicable provisions of Companies Act, 2013 read with Schedule V thereto or otherwise as may be permissible at law.

a. As long as Mr. Sahil P Shah (DIN: 01603118) functions as the Whole Time Director of the Company he shall not be subject to retirement by rotation.

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, the remuneration, including the perquisites as aforesaid, will be paid to Mr. Sahil P Shah in accordance with the applicable provisions of the Companies Act, 2013.

4. **To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2023 and in this regard to consider and if thought fit, to pass the following resolution, which will be proposed as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of **Rs. 30,000/-** per annum (Rupees Thirty Thousand only) plus taxes, as applicable and inclusive of actual travel and out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2023 to be paid to M/s Rajesh & Company, Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be and is hereby ratified and confirmed.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors  
For PG Foils Limited

Place: Pipalia Kalan  
Date: 29<sup>th</sup> Aug, 2022

Bhawana Songara  
Company Secretary  
Membership No.: A54416

## ANNEXURE TO THE NOTICE

### DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE 43rd ANNUAL GENERAL MEETING TO BE HELD ON 29<sup>TH</sup> SEPTEMBER, 2022.

[In pursuance of regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

#### ITEM NO. 2:

|   |  |
|---|--|
| <b>Name of Director</b>   | Mrs. Sakshi Sahil Shah<br>Din: 07129888  |
| <b>Date of Birth</b>  | 11.04.1986   |
| <b>Age</b>  | 36 years   |
| <b>Nationality</b>  | Indian   |
| <b>Qualification</b>  | Qualification: MBA degree in Management  |
| <b>Experience</b>   | She has worked for 6 years in the administrative and operational affairs of the Company.   |
| <b>Terms &amp; Conditions for Appointment/reappointment</b>   | As per the Nomination, Remuneration Policy of the Company as displayed on the Company's website, i.e. <a href="http://www.pgfoils.in">www.pgfoils.in</a> |
| <b>Last Remuneration Drawn</b>  | 6,00,000/-   |
| <b>Date of first appointment on the Board</b>   | 27.03.2015   |
| <b>No. of shares held in the Company</b>  | NIL  |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b> | Wife of Mr. Sahil P Shah (Whole-Time Director)<br>Daughter-in-law of Mr. Pankaj P Shah (Managing Director)   |
| <b>No. of Board Meetings attended/ held during Financial Year (2021-22)</b>                         | 5 out of 5   |
| <b>Directorships held in other companies</b>  | 1  |
| <b>Chairman/ Member of the Committee of the Board of Directors of our Company</b>                   | Shareholders/Investor Grievance Committee- Member  |
| <b>Committee position held in other listed companies</b>  | NIL  |

#### ITEM NO. 3:

Mr. Sahil P Shah is a Whole Time Director of the Company. He joined the Company as an Additional Director in August 2007. He was inducted to the Board as Whole-Time Director in April 2017. Mr. Sahil P Shah has over 14 years of work experience in areas of general management and marketing, including business relations in India and in global markets. He is reappointed for a period of 5 years w.e.f 01<sup>st</sup> April 2022 by the Board of Directors, subject to necessary approval by shareholders.

**Other Details:**

|   |  |
|---|--|
| <b>Name of Director</b>   | Mr. Sahil P Shah<br>DIN: 01603118  |
| <b>Date of Birth</b>  | 18.03.1985   |
| <b>Age</b>  | 37 years   |
| <b>Nationality</b>  | Indian   |
| <b>Qualification</b>  | MBA degree in Marketing  |
| <b>Experience</b>   | He has worked for 14 years in the field of foils and other aluminum related products.  |
| <b>Terms &amp; Conditions for Appointment/reappointment</b>   | As per the Nomination, Remuneration Policy of the Company as displayed on the Company's website, i.e. <a href="http://www.pgfoils.in">www.pgfoils.in</a> |
| <b>Last Remuneration Drawn</b>  | 12,00,000/-  |
| <b>Date of first appointment on the Board</b>   | 11.08.2007   |
| <b>No. of shares held in the Company</b>  | 700  |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b> | Husband of Mrs. Sakshi S Shah (Director)<br>Son of Mr. Pankaj P Shah (Managing Director)   |
| <b>No. of Board Meetings attended/ held during Financial Year (2021-22)</b>                         | 5 out of 5   |
| <b>Directorships held in other companies</b>  | 7  |
| <b>Chairman/ Member of the Committee of the Board of Directors of our Company</b>                   | Audit Committee - Member<br>Corporate Social Responsibility Committee - Member   |
| <b>Committee position held in other listed companies</b>  | NIL  |

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 4:**

The Board, on the recommendation of the Audit Committee, has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2023 at the remuneration of Rs. 30,000/- per annum plus out of pocket expenses, if any, incurred during the course of audit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2023.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

None of the Directors/Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, in the said resolution.



## Annexure

### NOTES:

#### GENERAL:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (for reappointment vide Circular Nos.14/2020, 17/2020, 20/2020,02/2021, 21/2021 and 2/2022 dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 14, 2021 and May 05, 2022 respectively (collectively referred to as "MCA Circulars") permitted the holding of AGMs by Companies through Video Conferencing/Other Audio-Visual facility (VC/OAVM), upto December 31, 2022 without the physical presence of the Members at a common venue. The Securities and Exchange Board of India ('SEBI') also issued Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 (collectively referred to as "SEBI Circulars"). In compliance with MCA Circulars, SEBI Circulars, provisions of the Act and the SEBI Listing Regulations, the AGM of the Company is being conducted through VC/OAVM Facility, which does not require the physical presence of members.
2. Pursuant to the provisions of the Companies Act, 2013 a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since the AGM is being held in pursuant to the Circulars through VC/OAVM, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. An Explanatory Statement pursuant to Section 102 of the Act, in respect of Item nos. 2 to 4 of the Notice set out above, is annexed hereto. The Board of Directors have considered and decided to include item nos. 3 to 4 as Special Business as they are unavoidable in nature. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, ('ICSI') in respect of Director seeking re-appointment at this AGM is annexed.
4. In accordance with the Secretarial Standard - 2 on General Meetings issued by the ICSI read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15<sup>th</sup> April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered office of the Company i.e. 6, Neptune Tower, Ashram Road, Ahmedabad-380 009 (Gujarat) which shall be the venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
5. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the Members through electronic mode during the AGM. The aforesaid documents along with documents referred to in the Notice will also be available electronically for inspection by the Members, without payment of any fees, from the date of circulation of this Notice up to the date of AGM, i.e. Thursday, 29<sup>th</sup> September, 2022. Members seeking inspection of the aforementioned documents can send an email to [pgfoils@pgfoils.in](mailto:pgfoils@pgfoils.in)
7. The Company has listed its shares at:
  - a) BSE Limited,  
 Phiroze Jeejeebhoy Towers,  
 Dalal Street, Mumbai – 400 001.
 The listing fees of these Exchanges have been paid in time.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for minimum 1,000 members on 'first come first serve' basis. This will not include large Shareholders (Shareholders holding 2% or more equity shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of 'first come first serve' basis.

9. Institutional/Corporate Shareholders intending to authorize their representatives to attend the meeting pursuant to Section 113 of the Act, are requested to email certified copy of the Board/governing body resolution/authorization etc., authorizing their representatives to attend and vote on their behalf at email ID [pgfoils@pgfoils.in](mailto:pgfoils@pgfoils.in) with a copy marked to [evoting@cdslindia.com](mailto:evoting@cdslindia.com).

#### DISPATCH OF ANNUAL REPORT:

10. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.pgfoils.in](http://www.pgfoils.in), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com), and AGM notice is also available on CDSL website, i.e. [www.evotingindia.com](http://www.evotingindia.com).

#### DECLARATION OF RESULT:

11. The Board of Directors has appointed Mr. Manish Sancheti, Proprietor, M Sancheti & Associates, Company Secretaries, as a Scrutinizer to scrutinize the remote e-voting process and e-voting at the AGM in a fair and transparent manner.
12. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
13. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.pgfoils.in](http://www.pgfoils.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

#### BOOK CLOSURE:

14. The Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from **Friday, 23<sup>rd</sup> September, 2022 to Thursday, 29<sup>th</sup> September, 2022 (both days inclusive).**
15. SEBI has mandated the submission of PAN, KYC and nomination details by Members holding shares in physical form by 31st March, 2023. Shareholders are requested to submit their PAN, KYC and nomination details at the Ahmedabad office of the Company's Register and Transfer Agent "Bigshare Services Pvt. Ltd." or e-mail at [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com) with e-signed documents. The forms for updating the same are available at Company's website, i.e. [www.pgfoils.in](http://www.pgfoils.in).

In case a holder of physical securities fails to furnish these details before the due date, the Company shall freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on 31st December, 2025, the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002. Members holding shares in electronic form are requested to submit their PAN to their Depository Participant(s).

#### UNPAID DIVIDEND & TRANSFER TO IEPF ACCOUNT:

16. Pursuant to the provisions of Section 124 of the Act, unpaid/unclaimed dividend for the financial year 2010-2011 has been transferred by the Company to the Investor Education Protection Fund ("IEPF") established by the Central Government. In terms of the provisions of Section 125(5) of the Act, dividend which remains unpaid/unclaimed for a period of seven years from the date of declaration will be transferred to the IEPF.

Further, in terms of the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), equity shares in respect of which dividend has not been paid or claimed for seven consecutive years of more from the date of declaration will also be transferred to an account viz. "Investor Education and Protection Fund Authority Ministry of Corporate Affairs", which is operated by the IEPF Authority pursuant to the IEPF Rules.

In compliance with the aforesaid Rules, the Company has already transferred equity shares for which dividend remained unpaid/unclaimed for a period of seven years from the date of declaration to the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs, after providing necessary intimations to the relevant shareholders. Details of unpaid/unclaimed dividend and such equity shares are uploaded on the website of the Company as well as

that of the MCA. No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the Investor Education and Protection Fund Authority, Ministry of Corporate Affairs, respectively, pursuant to the IEPF Rules. Members can however claim both the unclaimed dividend amount and equity shares from the IEPF Authority by making applications in the manner provided in the IEPF Rules.

#### DEPOSITORY SYSTEM:

17. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, 01<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company in case of any queries by sending email to [pgfoils@pgfoils.in](mailto:pgfoils@pgfoils.in).

In terms of the Listing Regulations, it is mandatory to furnish a copy of PAN card to the Company in the following cases viz. deletion of name, transmission of shares and transposition of shares.

18. As per the provisions of Section 72 of the Act, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. Members holding shares in physical form may obtain the Nomination Form from the Company at its registered office or can download the form from Company's website i.e. [www.pgfoils.in](http://www.pgfoils.in). Members holding shares in electronic form have to approach their DPs for completing the nomination formalities.
19. Members are requested to make all correspondence in connection with the shares held by them by addressing letters directly to the Company quoting their Folio number or their Client ID number with DP ID number, as the case may be.
20. Shareholders are requested to read the "Shareholders' Information" Section of the Annual Report for useful information.

#### PROCEDURE FOR JOINING AGM THROUGH VC/OAVM:

21. Members are requested to attend and participate in the ensuing AGM through VC/OAVM and cast their vote either through remote e-voting facility or through e-voting facility to be provided during the AGM.
22. The facility of e-voting during the AGM will be available to those Members who have not cast their vote by remote e-voting. Members who have cast their vote by remote e-voting may attend the AGM through VC/OAVM but will not be entitled to cast their vote once again on resolutions.
23. **The remote e-voting period commences on Monday, 26<sup>th</sup> September, 2022 at 09:00 A.M. and ends on Wednesday, 28<sup>th</sup> September, 2022, at 05:00 P.M.** The remote e-voting module shall be disabled by CSDL for voting thereafter. The Members whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September, 2022.
24. Members are encouraged to join the Meeting through laptops for better experience.
25. Further Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
26. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
27. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email ID, mobile number at [pgfoils@pgfoils.in](mailto:pgfoils@pgfoils.in) during the **period Friday, 23<sup>rd</sup> September, 2022 at 09:00 A.M. to Sunday, 25<sup>th</sup> September, 2022 at 05:00 P.M.**

The same will be replied by the company suitably.

28. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## VOTING THROUGH ELECTRONIC MEANS:

### General Instructions

1. Pursuant to Section 108 of the Act, read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, as amended from time to time, the Company is pleased to provide its Members the facility of remote e-voting to exercise their right to vote at the 43<sup>rd</sup> AGM. CDSL will be providing facility for voting through remote e-voting, for participation in the AGM through VC/OAVM facility and e-voting during the AGM.
2. The cut-off date for the purpose of determining the Members eligible for participation in remote e-voting (e-voting from a place other than venue of the AGM) and voting at the AGM through e-voting system is **23<sup>rd</sup> September 2022 ('Cut-off Date')**.
3. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice, holds shares as on cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com with a copy marked to the Company on pgfoils@pgfoils.in. However, if the Member is already registered with NSDL for remote e-voting, then he/she/it can use his/her/its existing User ID and password for casting the vote. Only a Member who is entitled to vote shall exercise his/her/its vote through e-voting and any recipient of this Notice who has no voting rights as on cut-off date should treat the same as intimation only.
4. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date i.e. 23<sup>rd</sup> September 2023 (Friday)** only shall be entitled to avail the facility of remote e-voting as well as e- voting at the AGM.
5. The Board has appointed CS Manish Sancheti, Practicing Company Secretary (M. No. FCS 7972 & C.P. No. 8997) and Proprietor of M/s M Sancheti & Associates, Company Secretaries, Jaipur has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
6. The results once declared along with the Scrutinizer's Report shall be placed on the Company's website www.pgfoils.in and on website of CDSL [www.evotingindia.com](http://www.evotingindia.com) within forty-eight hours of conclusion of the AGM and will also be communicated to The BSE Limited, where the shares of the Company are listed.

Members are requested to carefully read the below mentioned instructions for remote e-voting before casting their vote.

- i. The voting period **begins on 26<sup>th</sup> September, 2022 and 09:00 AM and ends on 28<sup>th</sup> September, 2022 and 05:00 PM.** During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/record date of **23<sup>rd</sup> September, 2022** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iv. Click on "Shareholders" module.
- v. Now enter your User ID
  - (i) For CDSL: 16 digits beneficiary ID,
  - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (iii) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- vi. Next enter the Image Verification as displayed and Click on Login.
- vii. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

viii. If you are a first-time user follow the steps given below:

|   |  |
|---|--|
|   | For Shareholders holding shares in Demat Form and Physical Form  |
| PAN   | <p>Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul> |
| Dividend Bank Details<br><b>OR</b><br>Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>                      |

- ix. After entering these details appropriately, click on "SUBMIT" tab.
- x. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- xi. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. Click on the EVSN for the relevant 'PG Foils Limited' on which you choose to vote.
- xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xv. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), Aadhar (self-attested scanned copy of Aadhar Card) to **Company/RTA email ID**.

### INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM/EGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

### Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at their e-mail address viz. [man.sancheti@gmail.com](mailto:man.sancheti@gmail.com) and to the Company at the email address viz; [pgfoils@pgfoils.in](mailto:pgfoils@pgfoils.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022- 23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

By Order of the Board of Directors  
For P G Foils Limited

Place: Pipalia Kalan  
Date: 29<sup>th</sup> August, 2022

Bhawana Songara  
Company Secretary  
Membership No.: A54416



# DIRECTOR'S REPORT

*Dear Shareholders,*

We have pleasure in presenting the 43<sup>rd</sup> Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ended March 31, 2022.

## FINANCIAL HIGHLIGHTS

The audited financial results of the Company for the year ended March 31<sup>st</sup>, 2022 are summarized below:

(Rs. in Lacs)

| Particulars  | 2021-22   | 2020-21   |
|--|-----------|-----------|
| Revenue from Operations  | 39,453.60 | 25,164.90 |
| Add: Other Income  | 2,850.92  | 1,340.59  |
| Total Income   | 42,304.52 | 26,505.49 |
| Total Expenses   | 35,609.05 | 24,103.65 |
| Profit/(Loss) before Depreciation, Tax and Extraordinary Items | 6,695.47  | 2,401.84  |
| Less: Depreciation   | 415.06    | 463.69    |
| Profit/(Loss) before Taxation and Extraordinary Items          | 6,280.41  | 1,938.15  |
| Add: Exceptional Items   | Nil       | Nil       |
| Profit before Tax  | 6,280.41  | 1,938.15  |
| Less: Current Tax  | 1,465.08  | 263.68    |
| Less/(Add): Deferred Tax                                       | 158.87    | 145.89    |
| Profit for the year  | 4,656.46  | 1,528.58  |

## DIVIDEND AND TRANSFER TO RESERVES

The Company has not transferred any amount to General Reserve during the year. During the year, the Board of Directors declared and paid interim dividend @ Rs. 2 per share and no final dividend was recommended by the Board.

Following table gives information relating to due dates for transfer of dividends to IEPF:

| Financial Year | Interim/Final Dividend per Equity Share | Date of Declaration | Due date/Cut-off date to transfer to IEPF |
|----------------|---|---------------------|---|
| 2021-22        | Interim Dividend 2.00                   | 15th November, 2021 | 14th November, 2028                       |
| 2017-18        | Interim Dividend 1.20                   | 12th February, 2018 | 11th February, 2025                       |
| 2016-17        | Interim Dividend 1.10                   | 06th March, 2017    | 05th March, 2024                          |
| 2015-16        | Interim Dividend 1.00                   | 12th February, 2016 | 11th February, 2023                       |

## OPERATIONS (GENERAL REVIEW)

During the year under review, your Company achieved a gross turnover, excluding trading turnover, of Rs. 339.56 crore, as against Rs. 239.05 crore in the previous year. Profit before tax for the year stood at Rs. 62.80 crore, compared to profit of Rs. 19.38 crore in the previous year, higher mainly due to strong earnings on account of growth in both prices and demand of aluminium foils. Exports declined to Rs. 2,865.48 lacs from Rs. 3,103.45 lacs in the previous year.

## ISO 9001-2008 CERTIFICATION

The company has been awarded the below-mentioned certificates:

1. ISO 9001:2015 certificate on 22<sup>nd</sup> May, 2018 by BVQI
2. DMF Type III certificate on 28<sup>th</sup> October, 2011
3. ISO – 15378 : 2017 (GMP) certificate on 29<sup>th</sup> April, 2019
4. BIS certificate on 09<sup>th</sup> August, 2018
5. IVM, Germany on 24<sup>th</sup> June, 2018

## IMPACT OF GLOBAL CRISIS: COVID-19

The Company has assessed the impact of the pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial results in determination of the recoverability and carrying values of financial assets and non-financial assets.

The impact of the surge in Covid-19 pandemic on the overall economic environment has receded to a great extent. Your Company is conscious of the significant disruption and impact COVID-19 can have on employees, clients, partners, investors and the communities in which we operate. We are working hard to contain and mitigate its impact.

The Company continues its business activities, in line with the guidelines issued by the Government authorities, take steps to strengthen its liquidity position and further explore cost restructuring exercise. The Company does not foresee any challenges in its ability to continue as going concern or meeting its financial obligations.

## SHARE CAPITAL

### Equity share capital

#### Authorised capital

| Particulars                                       | No. of Shares    |                  | Amount in Rs. lacs |                  |
|---|------------------|------------------|--------------------|------------------|
|   | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022   | As at 31.03.2021 |
| Equity Shares of Rs. 10 each                      |                  |                  |                    |                  |
| At the beginning of the period                    | 1,50,00,000      | 1,50,00,000      | 1,500.00           | 1,500.00         |
| Add: Additions during the period                  | -                | -                | -                  | -                |
| Less: Reduction during the period                 | -                | -                | -                  | -                |
| At the end of the period                          | 1,50,00,000      | 1,50,00,000      | 1,500.00           | 1,500.00         |
| Grand total                                       | 1,50,00,000      | 1,50,00,000      | 1,500.00           | 1,500.00         |
| <b>Issued, Subscribed and Paid-up</b>             |                  |                  |                    |                  |
| Particulars                                       | No. of Shares    |                  | Amount in Rs. lacs |                  |
|   | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022   | As at 31.03.2021 |
| Equity Shares of Rs. 10 each fully paid-up        |                  |                  |                    |                  |
| At the beginning of the period                    | 81,10,000        | 81,10,000        | 811.00             | 811.00           |
| (81,10,000 shares fully paid-up out of 81,21,600) |                  |                  |                    |                  |
| Add: Additions during the period (**)             | 9,83,000         | -                | 98.30              | -                |
| Less: Reduction during the period                 | -                | -                | -                  | -                |
| At the end of the period                          | 90,93,000        | 81,10,000        | 909.30             | 811.00           |
| Total   | 90,93,000        | 81,10,000        | 909.30             | 811.00           |

(\*) 11,600 partly paid-up equity shares forfeited amounting to Rs. 61,025

(\*\*) During the year under review, the Company has converted 9,83,000 warrants into equity shares dated 05.03.2022

## BOARD OF DIRECTORS

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Sakshi Sahil Shah is liable to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers herself for re-appointment.

Pursuant to the requirements of the Companies Act, 2013 and Articles of Association of the Company, Mr. Sahil P Shah is retired on completion of his tenure and being re-appointed as Whole-Time Director w.e.f. 01.04.2022 subject to shareholders' approval at the forthcoming Annual General Meeting.

## KEY MANAGERIAL PERSONNEL

The following are the Key Managerial Personnel of the Company: As of March 31, 2022, the following are the Key Managerial Personnel (KMP) of the Company as per Section 2(51) and 203 of the Act:

| Sl. No. | Name of Person    | Designation             |
|---------|-------------------|-------------------------|
| 1.      | PANKAJ P SHAH     | MANAGING DIRECTOR       |
| 2.      | SAHIL P SHAH      | WHOLE-TIME DIRECTOR     |
| 3.      | NAVEEN KUMAR JAIN | CHIEF FINANCIAL OFFICER |
| 4.      | BHAWANA SONGARA   | COMPANY SECRETARY       |

During the year under review, there is no change in the Key Managerial Personnel of the Company.

## POLICY ON NOMINATION & REMUNERATION

Pursuant to Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, the policy on the appointment of Board members, including criteria for determining qualifications, positive attributes, independence of a director and the policy on remuneration of directors, KMP and other employees is available on the website of the Company at [www.pgfoils.in](http://www.pgfoils.in).

## NUMBER OF THE MEETING OF THE BOARD

The details of the number of meetings of the Board held during the financial year 2021-22 form part of the Corporate Governance Report.

## COMMITTEES OF THE BOARD

The Board of Directors has the following committees:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Nomination and Remuneration/Compensation Committee
4. Corporate Social Responsibility Committee

Details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report

## FINANCE & ACCOUNTS

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on March 31, 2022 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended from time to time. The estimates and judgements relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present the Company's state of affairs, profits and cash flows for the year ended March 31, 2022. The notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this report.

## REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and /or Board under section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

## SECRETARIAL STANDARDS

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors and 'General Meetings', respectively, have been duly followed by the Company.

## DETAILS OF SUBSIDIARY, ASSOCIATES & JOINT VENTURE COMPANY

The Company does not have any subsidiaries, associates and joint venture company.

## RISK MANAGEMENT

The Company follows well-established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company has in place a business risk management framework for identifying risks and opportunities that may have a bearing on the organization's objectives, assessing them in terms of likelihood and magnitude of impact and determining a response strategy.

## AWARDS & RECOGNITION

Our beloved Shri Pankaj P Shah, Managing Director, has been honored and awarded "Indian Leadership Award for Industrial Development" by All India Achievers Foundation, New Delhi and Manufacturer of the Year in Foil Industry of India by Times of India Group, Jaipur.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to SEBI (LODR) Regulations, 2015 Report on Management Discussion and Analysis is annexed separately.

## 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 April, 2001. Necessary agreements have been entered into by the Company with NSDL, CDSL and with Bigshare Services Private Limited, who is registrar for transfer of shares (demat and physical) of the Company.

## DIRECTORS RESPONSIBILITY STATEMENT

According to provision of Clause (c) sub-section (3) of section 134 of Companies Act, 2013, your Directors would like to inform the members that the audited accounts for the financial year 31st March 2022 are in full conformity with the requirements of the Companies Act, 2013. The financial results are audited by the statutory auditors M/s Sharma Ashok Kumar & Associates, Chartered Accountants, Pali. The Directors further confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts for the financial year ended March 31, 2022 on a going concern basis;
- (e) they have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- (f) they have devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the requirement of Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) Committee was constituted. The details about committee composition and terms of reference of the committee are given in the Corporate Governance Report and details of CSR activities as required under Section 135 of the Companies Act, 2013 are given in Annexure 'B'. The Company has a Corporate Social Responsibility (CSR) Policy in place and the same can be accessed at [www.pgfoils.in](http://www.pgfoils.in).

## CORPORATE GOVERNANCE

It has been the endeavour of your Company to follow and implement best practices in corporate governance, in letter and spirit. The following forms a part of this Annual Report:

- i) Declaration regarding compliance of Code of Conduct by Board members and Senior Management Personnel
- ii) Management Discussion and Analysis Report
- iii) Report on Corporate Governance
- iv) Auditor's certificate regarding compliance of conditions of corporate governance

## PARTICULARS OF LOAN, INVESTMENT & GUARANTEE

The Company has complied with all provisions of section 186 of Companies Act, 2013 and SEBI (LODR) 2015 in relation to loan, investment & guarantee given by the Company during the financial year ended 31st March, 2022.

## WHISTLE BLOWER POLICY

The Company has in place a Vigil Mechanism/Whistle Blower Policy. The policy provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct Policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

## BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Compensation and Shareholders'/Investors' Grievance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## AUDIT COMMITTEE

The Company has constituted an Audit Committee in terms of the requirements of the Act and Regulation 18 of the Listing Regulations. The details of the same are disclosed in the Corporate Governance Report.

## VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and as per Regulation 22 SEBI (LODR) Regulations, 2015, the Company has made a formal Vigil Mechanism Policy which provides detailed procedure to protect the interest of employees of the Company.

Your Company has in place a vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of your Company's Code of Conduct. Adequate safeguards are provided against victimization to those who avail of the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases. The Vigil Mechanism is available on your Company's website [www.pgfoils.in](http://www.pgfoils.in).

## RELATED PARTY TRANSACTION

The particulars of contracts or arrangements made with related parties made pursuant to Section 188 of Companies Act, 2013 is furnished in Note no. 41 and is attached to this report.

## INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has adequate internal financial control procedures commensurate with its size and nature of business. The Company has identified and documented all key internal financial controls, which impact the financial statements, as part of its Standard Operating Procedures (SOP). The SOPs are designed for all critical processes across all its plants and offices wherein financial transactions are undertaken. The financial controls are tested for operating effectiveness through ongoing monitoring and review process of the management and independently by the internal auditors. In our view, the internal financial controls, affecting the financial statements are adequate and are operating effectively.

## DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill the entire requirement as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

The Board of Directors has taken on record the declaration and confirmation submitted by the Independent

Directors after undertaking a due assessment of the veracity of the same.

## AUDITORS

### Statutory audit

M/s Sharma Ashok Kumar & Associates, Chartered Accountants, Pali, the Auditors of the Company, has been appointed to audit the accounts of the Company for the financial year 2021-2022. As required under the provisions of the Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s Sharma Ashok Kumar & Associates, Chartered Accountants, Pali, aware 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

M/s. Rajesh & Company, Cost Accountants, Jaipur, have been appointed for auditing cost accounting records of the Company for the year ending 31st March, 2022. Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, Members are requested to consider the ratification of the remuneration payable to M/s. Rajesh & Company, Cost Accountants, Jaipur.

The due date for filing of the Cost Audit Reports for the financial year 2021-22 is 30th September, 2022. The Company has filed the reports with the Ministry of Corporate Affairs within the due date.

The Company has received letter from Cost Auditor to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

## Secretarial audit

During the year under review, M/s M Sancheti & Associates, Practising Company Secretary who was appointed as the Secretarial Auditor of the Company has issued the audit report in respect of the secretarial audit of the Company for the financial year ended March 31, 2022.

The Secretarial Audit Report for the financial year ended 31st March, 2022 contains certain qualifications and clarification by the Board as follows:

**Observation (1):** Pursuant to rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, every company shall within a period of sixty days after the holding of Annual General Meeting Form No. IEPF-2, containing details of unclaimed amounts, as referred in subsection (2) of

section 125 of the Act. However, the Company had filed same on 22nd April, 2022 i.e. with delay of 160 days;

**Observation (2):** Form MGT-14 for Board meeting held on 13th August 2021 which was required to be filed upto 11th September, 2021 was filed on 05th October, 2021 i.e. with a delay of 24 days

**Observation (3):** Form MGT-14 for re-appointment of Mr. Sahil P Shah as Whole Time Director (KMP) which was required to be filed upto 04th April, 2022 was filed on 12th May, 2022 i.e. with a delay of 39 days;

**Clarification (1, 2 and 3):** Company being a compliant one intends to file forms and returns within due date thereof. However in the year some of the forms got delayed due to change in secretarial team of the Company; however company filed the requisite forms with additional fee and Company took a note of delay in Board meeting and assurance committed to file the required forms and return within stipulated time frame.

**Observation (4):** Preferential issue of specified securities made to person who has sold or transferred any equity shares of the listed entity during the six months preceding the relevant date.

**Clarification:** Event was not in knowledge of the Company, and as soon as it came into knowledge the Company rectified it with revised resolution for modification of the previous one.

**Observation (5):** Company has failed to disclose in the explanatory statement to the Notice dated 13th August, 2021 of the annual general meeting for passing the special resolution, the identity of the natural persons who are the ultimate beneficial owners of the entities to whom preferential issue of warrants is proposed.

**Clarification:** Ultimate beneficial owners of the entities disclosed in revised one.

**Observation (6):** Company delayed the filling of disclosures of related party transactions on a consolidated basis for the half year ended on September 2021 within the 30 days from the date of publication of its standalone financial results for the said half year.

Clarification: Inadvertent delay was ratified with filing of the same with BSE Limited and Company took a note of delay in Board meeting and assurance committed to file the required forms and return within stipulated time frame.

## ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 has been placed on the Company's website viz. [www.pgfoils.in](http://www.pgfoils.in).



### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

The Management does not perceive any material changes occurred subsequent to the close of the financial year as on March 31, 2022 before the date of report dated 29th August, 2022 affecting financial position of the Company in any substantial manner.

### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no significant and material orders passed by the regulators/courts that would impact the going concern status of the Company and its future operations.

### **ACCEPTANCE OF DEPOSITS**

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014.

### **PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2021-2022, no complaints were received by the Company related to sexual harassment

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information in accordance with the provision of the Clause (m) of sub-section (3) of section 134, read with Companies

Disclosure of particulars in the report of Board of Directors Rules 2014, regarding conservation of Energy, Technology absorption & Foreign Exchange earnings and outgo is given in the Annexure "A" forming part of this report.

### **CAUTIONARY STATEMENT**

Statements in the annual return particularly those which relate to Management Discussion & Analysis Report may constitute forward-looking statements within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual result might differ.

### **OTHER DISCLOSURES**

- There was no revision of financial statements and Board's Report of the Company during the year under review;
- There has been no change in the nature of business of the Company as on the date of this report;
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable; and
- The requirement to disclose the details of difference between amount of valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

### **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 banks, institutions, central government, various state governments and local authorities during the year.

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

## 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

| <b>(1) POWER &amp; FUEL CONSUMPTION</b>       |                     |                      |
|---|---------------------|----------------------|
| <b>(a) Electricity</b>                        | <b>CURRENT YEAR</b> | <b>PREVIOUS YEAR</b> |
| (a) Purchased (Unit KWH)                      | 74,21,820           | 68,19,435            |
| Total Amount (Rs.)                            | 6,29,61,350         | 5,73,44,957          |
| Rate per unit (Rs.)                           | 8.48                | 8.41                 |
| (b) Own generation                            |                     |                      |
| (i) Through diesel/LDO generator (units)      | N.A.                | N.A.                 |
| Unit per liter of diesel/LDO                  | N.A.                | N.A.                 |
| diesel/LDO cost per litre                     | N.A.                | N.A.                 |
| (ii) Through steam turbine generator unit     |                     |                      |
| (b) Coal                                      | N.A.                | N.A.                 |
| (c) Furnace oil                               |                     |                      |
| Quantity (litres)                             | N.A.                | N.A.                 |
| Total amount (Rs. in lacs)                    | N.A.                | N.A.                 |
| Average rate (per litre)                      | N.A.                | N.A.                 |
| (d) Other/internal generation                 | N.A.                | N.A.                 |
| <b>(2) CONSUMPTION PER UNIT OF PRODUCTION</b> |                     |                      |
| Aluminum foil including poly coated           |                     |                      |
| Cable wrap & laminated flexible packaging     |                     |                      |
| Electricity                                   | 889 Kwh per MT      | 936 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 achieved export worth Rs. 2,865.48 lacs during the year. Total foreign exchange utilized was Rs. 9,647.71 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 foil suitable for export mainly for Bangladesh
- Manufacturing of thin & ultra thin gauge (light gauge) aluminum foil of finer thickness from 6 micron to 200 micron and in widths from 10 mm to 1000 mm
- Better control in process for improving quality of output
- Power audit for saving energy and cost
- Development of imported foil substitute at new plant
- Establishment of ultra-modern quality control equipment

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

- Increase in export orders from Bangladesh and other countries
- Maintaining competitive position in the domestic market
- Savings in power cost
- Cost reduction in various consumables
- Reduction in scrap percentage
- High product quality, one of the best in the country
- Decrease in power consumption by 5.02%

### 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 equipment, tools, spares, handling equipment 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: NIL
- Total research & Development expenditure: NIL
- Total R&D expenditure as a percentage of total turnover: NIL

## ANNEXURE “B” TO THE DIRECTORS’ REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES, 2021-22

[Pursuant to Section 134(3) (o) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. A brief outline of the CSR Policy of the Company

PG Foils Ltd. (hereafter referred to as “the Company”) is committed to fulfilling its responsibilities to society in a qualitative manner beyond statutory obligations in line with the time-honoured record of ethics and responsibility of the PG Group which it belongs to. The Company views compliance as the bare minimum in terms of its endeavour to be a good citizen in all three aspects of corporate life – environmental, social and economic.

The CSR vision of the Company is to become the most admired Company of the region by doing business the ethical way and embed the ethos of a socially and environmentally responsible corporate citizenship in its strategy and activities. Coupling its regular business with innovative and creative choices in CSR, the Company endeavours to contribute meaningfully to nation building.

#### 2. Composition of the CSR Committee in meeting held on 17<sup>th</sup> January, 2022 during the year:

| Name of the Director       | Status in the Committee | No. of Meetings Attended |
|----------------------------|-------------------------|--------------------------|
| Mr. Pankaj P Shah MD*      | Chairperson             | 1 of 1                   |
| Mr. Vimal Chand Dhadda ID* | Member                  | 1 of 1                   |
| Mr. Sahil P Shah WTD*      | Member                  | 1 of 1                   |

\*ID – Independent Director, WTD –Whole-Time Director, MD- Managing Director

- Provide the web link where the Composition of the CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: [www.pgfoils.in](http://www.pgfoils.in)
- Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)- Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- Not Applicable
- Average net profits for the three immediately preceding years- Rs. 18,69,14,091.00
- Two percent of the average net profit of the company as per section 135(5) - Rs. 37,38,282.00
  - Surplus arising out of the CSR projects or programs or activities of the previous financial years.

(c) Amount required to be set off for the financial year if any

(d) Total CSR obligation for the financial year (7a+7b-7c) - Rs. 37,38,282.00

8. (a) CSR amount spent or unspent for the financial year:

| Total amount spent for the financial year (Rs.) | Amount unspent (Rs.)  |                  |   |        |                  |
|---|---|------------------|---|--------|------------------|
|   | Total amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5) |        |                  |
|   | Amount  | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| 38.10 lacs                                      | NIL   | NA               | NA  | NIL    | NA               |

(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1)     | (2)                  | (3)  | (4)                  | (5)                     |          | (6)                                | (7)                                      | (8)  |                         |
|---------|----------------------|--|----------------------|-------------------------|----------|------------------------------------|--|--|-------------------------|
| Sl. No. | Name of the Project  | An item from the list of activities in schedule VII to the Act | Local area (Yes/ No) | Location of the project |          | Amount spent for the project (Rs.) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency |                         |
|         |                      |  |                      | State                   | District |                                    |  | Name   | CSR registration number |
| 1.      | Health Care Activity | Promoting health care, including preventive health care        | Yes                  | Rajasthan               | Pali     | 38.10 lacs                         | No                                       | Paras Raj Bohra Memorial Trust                       | CSR00007083             |

(d) Amount spent on Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 38.10 Lacs

(g) Excess amount for set-off, if any

| Sl. No. | Particular  | Amount (Rs.) |
|---------|---|--------------|
| (i)     | Two percent of the average net profit of the company as per section 135(5)                                | 37,38,282.00 |
| (ii)    | Total amount spent for the Financial Year   | 38,10,000.00 |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]   | 71,718.00    |
| (iv)    | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | NIL          |
| (v)     | The amount available for set off in succeeding financial years [(iii)-(iv)]                               | NIL          |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (Rs.) | Amount spent in the reporting Financial Year (Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |              |                  | The amount remaining to be spent in succeeding financial years (Rs.) |
|---------|--------------------------|---|--|---|--------------|------------------|--|
|         |                          |   |  | Name of the Fund  | Amount (Rs.) | Date of transfer |  |
| 1.      | 2018-19                  | NIL   | NIL  | NA  | NA           | NA               | NA   |
| 2.      | 2019-20                  | NIL   | NIL  | NA  | NA           | NA               | NA   |
| 3.      | 2020-21                  | NIL   | NIL  | NA  | NA           | NA               | NA   |
|         | Total                    |   |  |   |              |                  |  |

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of a capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5)- Not Applicable

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

Sahil P Shah  
Whole-Time Director  
DIN: 01603118

Pankaj P Shah  
Chairman CSR Committee  
DIN: 00160558

Date: 29.08.2022

Place: Pipalia Kalan



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL**  
**YEAR ENDED 31<sup>st</sup> MARCH 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
 The Members of  
 PG FOILS LIMITED  
 6, Neptune Tower, Ashram Road  
 Ahmedabad, Gujarat - 380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by PG FOILS LIMITED having Corporate Identification Number L27203GJ1979PLC008050 (hereinafter called the 'Company') for the audit period covering the financial year ended on 31<sup>st</sup> March 2022 (the 'audit period'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended 31<sup>st</sup> March, 2022 complied with statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended 31<sup>st</sup> March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder –
  - (a) Pursuant to rule 5(8) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, every company shall within a period of sixty days after the holding of Annual General Meeting Form No. IEPF-2, containing details of unclaimed amounts, as referred in subsection (2) of section 125 of the Act. However the Company had filed same on 22<sup>nd</sup> April, 2022 i.e. with delay of 160 days
  - (b) Form MGT-14 for Board meeting held on 13<sup>th</sup> August 2021 which was required to be filed upto 11<sup>th</sup> September, 2021 was filed on 05<sup>th</sup> October, 2021 i.e. with a delay of 24 days
  - (c) Form MGT-14 for re-appointment of Mr. Sahil P Shah as Whole Time Director (KMP) which was required to be filed
  - (d) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 –
    - (i) Preferential issue of specified securities made to person who has sold or transferred any equity shares of the listed entity during the six months preceding the relevant date.

- (ii) Company has failed to disclose in the explanatory statement to the notice dated 13th August, 2021 of the annual general meeting for passing the special resolution, the Identity of the natural persons who are the ultimate beneficial owners of the entities to whom preferential issue of warrants is proposed.
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (upto 12<sup>th</sup> August, 2021) & The Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August, 2021) –  
Not applicable as there was no reportable event during the financial year under review
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (upto 15th August, 2021) & The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (with effect from 16th August, 2021) –  
Not applicable as there was no reportable event during the financial year under review
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client –  
Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (upto 09<sup>th</sup> June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10<sup>th</sup> June, 2021) –  
Not applicable as there was no reportable event during the financial year under review
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 –  
Not applicable as there was no reportable event during the financial year under review and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 –  
Company delayed the filling of disclosures of related party transactions on a consolidated basis for the half year ended on September 2021 within the 30 days from the date of publication of its standalone financial results for the said half year.
- (v) The Company has identified and confirmed the following laws as being specifically applicable to the Company.
- (i) Rajasthan Shops and Commercial Establishments Acts, 1958;
  - (ii) The Contract Labour (Regulation and Abolition) Act, 1970 & Rajasthan Rules, 1971;
  - (iii) Inter State Migrant Workers (Regulation of Employment & Condition of Service) Act, 1979 Rajasthan Rules, 1981;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the audit period, the Company has complied with the provisions of the Acts, Rules, Regulations, Agreement and Bye-laws mentioned above.

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Independent Directors including a Woman Independent Director. Changes in the composition of Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

- (ii) Adequate Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

We further report that during the financial year under review, following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

1. Company has issued 38,90,000 (Thirty Eight Lakh Ninety Thousand) warrants on preferential basis convertible on preferential basis in the annual general meeting held on 15<sup>th</sup> September, 2021
2. Company has allotted 9,83,000 (Nine Lakh Eighty Three Thousand) equity shares on exercise of conversion of the convertible warrants.

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For M Sancheti & Associates  
 Company Secretaries  
 ICSI Unique Code: S2011RJ149500

Jaipur, August 13, 2022  
 UDIN: F007972D000792173

Manish Sancheti  
 Proprietor  
 (Membership No.: FCS 7972)  
 (Certificate of Practice No.: 8997)  
 PR 834/2020

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

PG FOILS LIMITED

6, Neptune Tower, Ashram Road

Ahmedabad, Gujarat – 380009

Our report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to PG FOILS LIMITED (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Jaipur, August 13, 2022  
UDIN: F007972D000792173

For M Sancheti & Associates  
Company Secretaries  
ICSI Unique Code: S2011RJ149500

Manish Sancheti  
Proprietor  
(Membership No.: FCS 7972)  
(Certificate of Practice No.: 8997)  
Peer Review Cert. No.: 834/2020

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**The management of PG Foils Limited presents the analysis of performance of the Company for the year 2021-22 and its outlook for the future. Though the outlook is based on assessment of the current business environment, it may vary due to future economic and other developments.**

## Industry scenario

Aluminium plays a major role in the modern world through its innumerable applications, right from kitchenware to electric conductors and from railway wagons to spacecrafts. Because of its intrinsic and versatile properties of lightness, strength-to-weight ratio, corrosion-resistance, electrical and thermal conductivity, non-toxicity, etc., a wide range of uses has opened up for this metal. Aluminium as a packaging material is unmatched owing to its lightweight, hygiene and non-contamination properties, which eventually results in longer shelf-life of end products.

Aluminium foil is a thin sheet of metal. As such, it is an absolute barrier to moisture, gases, odors, bacteria and moulds. Further, the high reflectivity of aluminium ensures good protection against radiant heat, whilst its opacity is important in preventing deterioration of a large range of foods and beverages, which are affected by light. It is used for packaging and non-packaging applications. The growth of the industry has been strong in the recent past owing to the growing application of foil in a variety of products.

India is one of the key producers of aluminium foil, with over 70% of it used in packaging applications in such industries as pharmaceuticals, beverages, personal care and food and non-food products. Semi-rigid containers and house foil are the principal applications of aluminium foil in India in the packaging sector. With strong projected GDP growth and rise in per capita and disposable income, the prospects of the aluminium industry are bright.

## Future outlook

Aluminium faces a unique supply-demand equation, with stable demand and supply that is in excess of demand. Demand for aluminum in India is estimated to grow at 6-8% per annum in view of the low per capita consumption in India and expansive application of aluminium. Competition is primarily based on quality and price, as aluminium being a commodity, differentiation is difficult. However, the recent spate of industry consolidation has somewhat reduced competitive pressure. Further, increasing value addition of aluminum products has helped some companies protect themselves from high volatility and ensure stability in prices and profitability.

## Operational performance

During the year, your Company achieved a gross turnover excluding trading turnover of Rs. 339.54 crores, vs. Rs. 239.05 crores in the previous year. Further, production for the year stood at 8,348.963 MT, as against 7,284.41 MT in 2020-21.

## Financial performance

Your Company achieved a profit before tax of Rs. 62.80 crores in 2021-22, as compared to a profit of Rs. 19.38 crores in the previous year, mainly due to rise in volumes as well as stability in prices.

## Resources and liquidity

Your Company continues to maintain a conservative financial profile. The Company has sufficient working capital limits of Rs. 115 crores from its banking consortium at concessional and competitive rates. Presently, your Company is not availing of any cash credit facility due to ample liquidity. Cash flow of the last two years is sufficient to extinguish the Company's entire debt. This was achieved in part due to the Company making the most of local purchases on cash basis at discounted rates, but overseas purchases on credit via cheaper interest rates under buyer's credit facility.



## Opportunities and outlook

Your Company has the opportunity to increase production and sales turnover due to acceptance of product by most of the major pharma companies in its key markets of India and abroad and closure of a few foil manufacturers in the country. Your Company also sees opportunity in margin profile improvement due to the possibility of imposition of anti-dumping duty.

## Threats

Due to the decline in metal and granule rates with the softening of commodity prices, some customers may ask for rate reduction. Furthermore, increasing import activity from China and other countries at lower rates is a threat to the domestic industry in the absence of anti-dumping duty imposed by the government.

## Risks and concerns

The robust risk management framework of your Company ensures regular review by the management to proactively identify emerging risks, engage in thorough risk evaluation and risk prioritization along with development of risk mitigation plans and actions to minimise the impact of the risk. The framework requires that our Risk Management Committee be periodically inform about risk minimisation procedures adopted by your Company. These processes are also periodically reviewed by the management. The various risks, including risks related to the economy, regulation, competition, technology, etc., are well-documented, monitored and managed efficiently.

Your Company faces risk similar to those faced by companies operating in the non-ferrous metal sector. Volatility of the primary metal comprising LME-linked prices on account of fluctuation in USD and LME continues to be a key issue and success or failure is linked to how effectively companies are able to manage their purchase to tide over these critical periods. The Company is also exposed to risk from fluctuations in foreign exchange, as nearly 95% of foil stock purchase is linked to the USD rate. Profitability may also be affected due to competition from existing and prospective manufactures of the same products and cheap imports from China.

## Exports

The Company's contribution to foreign exchange earnings amounted to Rs. 2,865.48 lacs during the year under review and total foreign exchange utilised by the Company amounted to Rs. 9,647.71 lacs, the details of which are provided in annexure to the Director's Report. The Company is presently exporting to various countries and further trying to increase exports to developed countries. The Company has already appointed a senior professional for development of the export market and is concentrating on the Bangladeshi foil market and expects to achieve almost two-thirds of foil market share in the coming years.

## Human resources

The human resource philosophy and strategy of your Company is to attract and retain the best talent, be an employer of choice and create a holistic workplace environment where employees get the opportunity to realise their potential. Companies are judged on career growth prospects, rewards, work-life balance, performance evaluation and stability. Considering the long-term business goals, your Company has thus ensured that its human resources strategy is in line with and complementary to the business strategy. Moreover, your Company has followed a conscious policy of providing training to the management staff through in-house and external programmes for upgrading their personal and technical skills in relevant areas of functional disciplines.

It is your Company's belief that people are at the heart of the business and constitute the primary source of sustainable competitive advantage. The thrust of your Company's human resource development efforts therefore is to create a responsive and market-driven organisation that is geared to meet corporate goals and objectives. Your Company continues its focus on strengthening its competitiveness in all its business activities. Thus, with a strong, able and loyal manpower base, your Directors look forward to the future with confidence and optimism.

## Internal control system

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. The internal controls cover operations, financial reporting, compliance with applicable laws and regulations, safeguarding assets from unauthorised use and ensure compliance. The Audit Committee of the Board of Directors also

periodically reviews audit plans, 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, projections, estimates, expectations may constitute a "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

# Corporate Governance Report

## Company's Philosophy of Corporate Governance

The PG Group is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices are a product of self-desire reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. At a macro level, our governance philosophy rests on five basic tenets viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as superior transparency and timely disclosures. The Company, as a continuous process, strengthens the quality of disclosures, on the Board composition and its functioning, remunerations paid and level of compliance with various Corporate Governance Codes.

## 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 Board has identified the following skill set with reference to its business and industry, which are available with the Board:

| Name of the Director   | Skill/Expertise/Competence   |
|--|--|
| Shri Pankaj P Shah<br>(Managing Director)                    | Qualification: MBA degree in Finance from IIM – Ahmedabad<br>Shri Pankaj P Shah is the Promoter of the Company. He has rich experience in various business activities, ranging from manufacturing, fabrication, trading and distribution of aluminum foils and its allied products.  |
| Shri Sahil P Shah<br>(Whole-Time Director)                   | Qualification: MBA degree in Marketing from Seneca College of Business, Canada<br>Shri Sahil P Shah takes care of procurement and production of the Company and provides strategic inputs to the administration for better materials, new designs and development of our products. He also heads the marketing affairs related export of products. |
| Smt. Sakshi S Shah (Director)                                | Qualification: MBA degree in Management from Amity University, Jaipur<br>Smt. Sakshi S Shah is actively engaged in the administrative and operational affairs of the Company and responsible for business development of the Company.  |
| Shri Vimal Chand Dhadda<br>(Independent Director)            | Shri Vimal Chand Dhadda possesses about 21 years of experience in the field of management and customer relations.  |
| Shri Amit Aggarwal<br>(Independent Director)                 | Shri Amit Aggarwal has about 11 years of experience in the field of marketing.   |
| Shri Narendra Kumar Ambalal Porwal<br>(Independent Director) | Shri Narendra Kumar Ambalal Porwal has about 11 years of experience in the field of investment and financial management.   |

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 10 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 15th September, 2021, and also the number of directorship in other committees is as follows:

| Name of the Director               | Category                                | No. of Board Meetings attended During the year | AGM Attended | No. of directorship in other companies in India | No. of Committee positions in other companies* |        |
|------------------------------------|---|--|--------------|---|--|--------|
|                                    |   |  |              |   | Chairman                                       | Member |
| Shri Pankaj P Shah                 | Promoter & Managing Director            | 5  | Attended     | 6   | NIL  | NIL    |
| Shri Sahil P Shah                  | Executive & Whole-Time Director         | 5  | Attended     | 7   | NIL  | NIL    |
| Shri Vimal Chand Dhadda            | Independent & Non-Executive Director    | 5  | Attended     | 1   | NIL  | NIL    |
| Smt. Sakshi S Shah                 | Non Executive, Non Independent Director | 5  | Attended     | 1   | NIL  | NIL    |
| Shri Narendra Kumar Ambalal Porwal | Independent & Non-Executive Director    | 5  | Attended     | NIL   | NIL  | NIL    |
| Shri Amit Aggarwal                 | Independent & Non-Executive Director    | 5  | Attended     | 1   | 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 do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management and associates, which may affect the 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

Five Board Meetings were held during the Financial Year ended 31st March, 2022, on 30th June, 2021, 13th August 2021, 15th November 2021, 12th February 2022 and 05th March 2022.

The maximum gap between any two Board meetings was less than 120 days.

Shri Pankaj P Shah, Shri Sahil P Shah, Shri Narendra Kumar Porwal, Shri Vimal Chand Dhadda and Shri Amit Aggarwal attended the last Annual General Meeting of the Company held on 15th September 2021.

## AUDIT COMMITTEE

The Audit Committee has been mandated with the same terms of reference as specified in Regulation 18(1) of Listing Regulation. The terms of reference also conform to the requirements of Section 177 of the Companies Act, 2013.

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.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

| Sl. No. | Name of Members         | Capacity | No. of meetings attended |
|---------|-------------------------|----------|--------------------------|
| 1.      | Shri Vimal Chand Dhadda | Chairman | 4                        |
| 2.      | Shri Amit Aggarwal      | Member   | 4                        |
| 3.      | Shri Sahil P Shah       | Member   | 4                        |

The Committee met four times during the financial year ended 31st March, 2022, on 30th June, 2021, 13th August 2021, 15th November 2021 and 12th February 2022.

All Members of the Audit Committee are financially literate.

The Chairman of the Audit Committee, Shri Amit Aggarwal and Shri Sahil P Shah attended the last Annual General Meeting ("AGM") held on 15th September, 2021.

## 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 three Non-Executive Independent Directors. The Committee meet one time on 17th January 2022 during the year and the attendance of members at the meeting was as follows:

| Sl. No. | Name of Members                   | Capacity | No. of meetings attended |
|---------|-----------------------------------|----------|--------------------------|
| 1.      | Shri Vimal Chand Dhadda           | Chairman | 1                        |
| 2.      | Shri Amit Aggarwal                | Member   | 1                        |
| 3.      | Shri Narendra Kumar Ambala Porwal | Member   | 1                        |

### Details of remuneration paid to Directors for the year 2021-22:

| Sl. No. | Name of Members    | Salary        | Perquisite |
|---------|--------------------|---------------|------------|
| 1.      | Shri Pankaj P Shah | 1,05,000/- PM | Nil        |
| 2.      | Shri Sahil P Shah  | 1,00,000/- PM | Nil        |
| 3.      | Smt Sakshi S Shah  | 50,000/- PM   | Nil        |



## SHAREHOLDERS'/INVESTORS' GREIVANCE COMMITTEE

The committee consists of four members:

| Sl. No. | Name of Members         | Capacity | No. of meetings attended |
|---------|-------------------------|----------|--------------------------|
| 1.      | Shri Vimal Chand Dhadda | Chairman | 4                        |
| 2.      | Shri Pankaj P Shah      | Member   | 4                        |
| 3.      | Shri Amit Aggarwal      | Member   | 4                        |
| 4.      | Smt. Sakshi S Shah      | Member   | 4                        |

The committee looks into matters relating to investor grievance, 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 four times during financial year ended 31st March, 2022, on 30th June, 2021, 13th August 2021, 15th November 2021 and 12th February 2022. Number of shareholders' complaint received and resolved during the year was nil and no complaint was outstanding as on 31st March, 2022.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013 (the Act), the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee (CSR Committee) comprising of the following Directors as its members:

| Sl. No. | Name of Members         | Capacity | No. of meetings attended |
|---------|-------------------------|----------|--------------------------|
| 1.      | Shri Pankaj P Shah      | Chairman | 1                        |
| 2.      | Shri Vimal Chand Dhadda | Member   | 1                        |
| 3.      | Shri Sahil P. Shah      | Member   | 1                        |

The committee met on one time on 17th January 2022 during the year.

### Terms of reference:

The committee was formed to maximize the Company's overall impact on the society and all the stakeholders. The Company has spent an adequate amount towards good health of the people by spending the amount in improving hospital facilities for proper treatment of people as CSR activity, as per the provision of the new Companies Act, 2013.

## INDEPENDENT DIRECTORS MEETING

The Independent Directors meet on January 17th, 2022 inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors. Audit Committee members and the Board of Directors as a whole;
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the other independent Directors of the Company were present for this Meeting.

## GENERAL BODY MEETINGS

Details of last three AGMs & EGMs

| Year | AGM/EGM  | Location  | Date                            | Time    |
|------|----------|---|---------------------------------|---------|
| 2019 | 40th AGM | The Orient Club, Kavi Nhanalal Marg, Ellisbridge, Ahmedabad – 380 006 | 27 <sup>th</sup> September 2019 | 11 A.M. |
| 2020 | 41st AGM | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)    | 16 <sup>th</sup> December, 2020 | 11 A.M. |

|      |          |  |                                  |            |
|------|----------|--|----------------------------------|------------|
| 2021 | 42nd AGM | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) | 15 <sup>th</sup> September, 2021 | 11:30 A.M. |
| 2022 | EGM      | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) | 11 <sup>th</sup> March, 2022     | 11:00 A.M. |

### Special Resolutions passed in the previous three AGMs

- AGM on 27<sup>th</sup> September, 2019: One Special Resolution was proposed and approved
- AGM on 16<sup>th</sup> December, 2020 : No Special Resolution passed
- AGM on 15<sup>th</sup> September, 2021: One Special Resolution was proposed and approved
- EGM on 11<sup>th</sup> March, 2022: Four Special Resolutions were proposed and approved

No Special Resolution is proposed to be conducted through E-voting or Other audio video mode at the forthcoming AGM.

### AFFIRMATIONS AND DISCLOSURES:

#### 1. Compliance with Governance Framework:

The Company is in compliance with all mandatory requirements under the Listing Regulation.

#### 2. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during last year.

The Company has complied with all requirements of the Listing Agreements entered into with the Stock Exchange as well as the regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory Authority for non-compliance of any matter related to the capital markets during the last three financial years.

#### 3. Disclosure of Accounting Treatment

In the preparation of the Financial Statement, the Company has followed the Accounting Standards referred to in section 133 of the Companies Act, 2013. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

#### 4. Non-mandatory requirements

Adoption of non-mandatory requirements of Listing Regulation is being reviewed by the Board from time-to-time.

#### 5. Commodity price risks/Foreign Exchange Risk and Commodity hedging activities

The raw material of the Company is imported regularly, as per purchase guidelines of the Company. The Company's performance may get impacted in case of substantial change in prices of raw material or foreign exchange rate fluctuations. The Company does not undertake commodity hedging activities. Therefore, there is no disclosure to offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018.

#### 6. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – in accordance with offer letter or Pass-4.

#### 7. A certificate from a Company Secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

The certificate of Company Secretary in practice is annexed herewith as a part of the report.

#### 8. Where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the relevant financial year.

Not Applicable

**9. Total fees of all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.**

Details relating to fees paid to the Statutory Auditors are given in Note 34 to the Standalone Financial Statements.

**10. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 is given in the Director's Report.

## DETAILS OF NON-MANDATORY (DISCRETIONARY) REQUIREMENTS

Non-mandatory (discretionary) requirements under Regulation 27 of the Listing Regulations

The status of compliance with the non-mandatory requirements of the Listing Regulations is provided below:

- The Board**

The requirement relating to maintenance of office and reimbursement of expenses of Non-Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.

- Shareholders' rights**

The Company has not adopted the practice of sending out half-yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to Stock Exchange and updated on the website of the Company.

- Modified opinion(s) in Audit Report**

There are no modified opinions in audit report.

- Reporting of Internal Auditor**

In accordance with the provisions of section 138 of the Companies Act, 2013, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly Internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.

## THE DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46(2)

| Sr. No. | Particulars        | Regulations | Brief Descriptions of the Regulations  | Compliance Status (Yes/No/N.A.) |
|---------|--------------------|-------------|--|---------------------------------|
| 1.      | Board of Directors | 17(1)       | Composition of Board   | Yes                             |
|         |                    | 17(2)       | Meeting of Board of Directors  | Yes                             |
|         |                    | 17(3)       | Review of Compliance Reports   | N.A.                            |
|         |                    | 17(4)       | Plans for orderly succession for appointments  | Yes                             |
|         |                    | 17(5)       | Code of Conduct  | Yes                             |
|         |                    | 17(6)       | Fees/Compensation  | Yes                             |
|         |                    | 17(7)       | Minimum information to be placed before the Board  | Yes                             |
|         |                    | 17(8)       | Compliance Certificate   | Yes                             |
|         |                    | 17(9)       | Risk Assessment & Management   | N.A.                            |
|         |                    | 17(10)      | Performance Evaluation   | Yes                             |
| 2.      | Audit Committee    | 18(1)       | Composition of Audit Committee & Presence of the chairman of the Committee at the Annual General Meeting | Yes                             |
|         |                    | 18(2)       | Meeting of Audit Committee   | Yes                             |
|         |                    | 18(3)       | Role of Committee and Review of information by the Committee   | Yes                             |

|     |   |                            |   |                         |
|-----|---|----------------------------|---|-------------------------|
| 3.  | Nomination and Remuneration Committee                       | 19(1) & (2)                | Composition of Nomination and Remuneration Committee  | Yes                     |
|     |   | 19(3)                      | Presence of the Chairman of the Committee at the Annual General Meeting   | Yes                     |
|     |   | 19(4)                      | Role of the Committee   | Yes                     |
| 4.  | Stakeholders' Relationship Committee                        | 20(1), (2) & (3)           | Composition of Stakeholder Relationship Committee   | Yes                     |
|     |   | 20(4)                      | Role of the Committee   | Yes                     |
| 5.  | Risk Management Committee                                   | 21(1), (2) & (3)           | Composition of Risk Management Committee  | N.A.                    |
|     |   | 21(4)                      | Role of the Committee   | N.A.                    |
| 6.  | Vigil Mechanism   | 22                         | Formulation of Vigil Mechanism for Directors and Employees  | Yes                     |
| 7.  | Related Party Transaction                                   | 23(1), (5), (6), (7) & (8) | Policy for Related Party Transaction  | Yes                     |
|     |   | 23(2) & (3)                | Approval including omnibus approval of Audit Committee for all Related Party Transaction and review of transaction by the Committee | No material transaction |
|     |   | 23(4)                      | Approval for Material Related Party Transaction   | No material transaction |
| 8.  | Subsidiaries of the Company                                 | 24(1)                      | Composition of Board of Directors of Unlisted Material Subsidiary   | N.A.                    |
|     |   | 24(2), (3), (4), (5) & (6) | Other Corporate Governance requirements with respect to Subsidiary including Material Subsidiary of listed entity                   | N.A.                    |
| 9.  | Obligations with respect to Independent Directors           | 25(1) & (2)                | Maximum Directorship and tenure   | Yes                     |
|     |   | 25(3)                      | Meeting of Independent Directors  | Yes                     |
|     |   | 25(4)                      | Review of Performance by the Independent Directors  | Yes                     |
|     |   | 25(7)                      | Familiarization of Independent Directors  | Yes                     |
| 10. | Obligations with respect to Directors and Senior Management | 26(1) & (2)                | Memberships and Chairmanship in Committees  | Yes                     |
|     |   | 26(3)                      | Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel                   | Yes                     |
|     |   | 26(4)                      | Disclosure of shareholding by Non-executive Directors   | Yes                     |
|     |   | 26(5)                      | Disclosure by Senior Management about potential conflicts of interest   | Yes                     |
| 11  | Other Corporate Governance Requirements                     | 27(1)                      | Compliance of Discretionary Requirements  | Yes                     |
|     |   | 27(2)                      | Filing of Quarterly Compliance Report on Corporate Governance   | Yes                     |

|     |                                      |          |   |     |
|-----|--------------------------------------|----------|---|-----|
| 12. | Disclosure on Website of the Company | 46(2)(b) | Terms and condition of appointment of Independent Directors             | No  |
|     |                                      | 46(2)(c) | Composition of various committees of Board of Directors                 | No  |
|     |                                      | 46(2)(d) | Code of conduct of Board of Directors and Senior Management Personnel   | Yes |
|     |                                      | 46(2)(e) | Details of establishment of Vigil Mechanism/ Whistle Blower Policy      | No  |
|     |                                      | 46(2)(f) | Criteria of making payments to Non-executive Directors                  | No  |
|     |                                      | 46(2)(g) | Policy on dealing with Related Party transactions                       | No  |
|     |                                      | 46(2)(h) | Policy for determining Material Subsidiaries                            | No  |
|     |                                      | 46(2)(i) | Details of familiarisation programmes imparted to Independent Directors | No  |

## DISCLOSURES

### Materially significant related party transactions

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.

### Statutory compliance, penalties and strictures

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.

### Familiarization Programme for Independent Directors

The details of the Familiarisation Programme for Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company at [www.pgfoils.in](http://www.pgfoils.in).

### Performance Evaluation

The Committee shall carry out evaluation of performance of every Director (on yearly basis). The Committee shall identify evaluation criteria which will evaluate Directors based on the attendance/preparedness/participation/ performance at board meetings, professional conduct and independence etc. The appointment/re appointment/continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Committee shall oversee the framework for performance evaluation of the Board and Independent Directors.

### 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 a part of this annual report, which is being posted to all shareholders of the company.

### WHISTLE BLOWER POLICY

The Company has in place a Vigil Mechanism/Whistle Blower Policy. The policy provides a channel to the employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct policy. The mechanism provides for adequate safeguards against victimization of employees to avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

## CODE OF CONDUCT

A revised Code of Conduct for the Board Members and Senior Management of the Company has been formulated. Requisite annual affirmations of compliance with the code have been made by the Directors and Senior Management of the Company.

## GENERAL SHAREHOLDER INFORMATION

43rd Annual General Meeting:

|  |   |
|--|---|
| <b>Date</b>  | 29 <sup>th</sup> September, 2022 (Thursday)   |
| <b>Time</b>  | 11:30 A.M.  |
| <b>Venue</b>   | Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)                              |
| <b>Financial Calendar (Tentative)</b>                                    |   |
| a. Results for the first quarter ending 30 <sup>th</sup> June 2022       | By 2 <sup>nd</sup> Week of August, 2022   |
| b. Results for the second quarter ending 30 <sup>th</sup> September 2022 | By 2 <sup>nd</sup> Week of November, 2022   |
| c. Results for the third quarter ending 31 <sup>st</sup> December 2022   | By 2 <sup>nd</sup> Week of February, 2023   |
| d. Results for the fourth quarter ending 31 <sup>st</sup> March 2023     | By end of May, 2023   |
| e. Audited results for the year ended 31 <sup>st</sup> March 2023        | By end of May, 2023   |
| d. Annual General Meeting for the year ending March 2023                 | By end of September, 2023   |
| <b>Date of Book Closure</b>  | From 22 <sup>nd</sup> September, 2022 to 29 <sup>th</sup> September, 2022 (Both days inclusive) |
| <b>Listing on Stock Exchange</b>   | Mumbai  |
| <b>Trade Code</b>  | 526747 of BSE   |
| <b>Demat ISIN No.</b>  | INE 078 D 01012   |
| <b>Depository Connectivity</b>   | National Securities Depository Limited and Central Depository Services (India) Limited          |

## Stock Market Price Data:

### Bombay Stock Exchange (BSE)

| Month  | High (Rs.) | Low (Rs.) |
|--------|------------|-----------|
| Apr-21 | 86.70      | 75.20     |
| May-21 | 109.70     | 79.15     |
| Jun-21 | 165        | 93        |
| Jul-21 | 198        | 135       |
| Aug-21 | 246.15     | 167       |
| Sep-21 | 433.45     | 221.15    |
| Oct-21 | 505        | 355.10    |
| Nov-21 | 505.95     | 380       |
| Dec-21 | 424.45     | 354       |



|        |        |        |
|--------|--------|--------|
| Jan-22 | 421.90 | 357.80 |
| Feb-22 | 406.95 | 327    |
| Mar-22 | 359.90 | 298    |

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.

Distribution of shareholding as on 31st March, 2022:

| Sr. No. | Slab of shareholding | Number of shareholders | % of total holders | No. of shares | % of shareholding |
|---------|----------------------|------------------------|--------------------|---------------|-------------------|
| 1       | Up to 500            | 6,581                  | 92.0548            | 660,652       | 7.2655            |
| 2       | 501 to 1000          | 288                    | 4.0285             | 229,930       | 2.5286            |
| 3       | 1001 to 2000         | 119                    | 1.6646             | 186,276       | 2.0486            |
| 4       | 2001 to 3000         | 39                     | 0.5455             | 98,256        | 1.0806            |
| 5       | 3001 to 4000         | 18                     | 0.2518             | 65,370        | 0.7189            |
| 6       | 4001 to 5000         | 17                     | 0.2378             | 80,538        | 0.8857            |
| 7       | 5001 to 10000        | 37                     | 0.5176             | 275,994       | 3.0352            |
| 8       | 10001 to 9999999999  | 50                     | 0.6994             | 74,95,984     | 82.4369           |
|         | Total                | 7,149                  | 100                | 90,93,000     | 100               |

Shareholding pattern as on 31st March, 2022:

| Category                       | No. of shares | % of holding |
|--------------------------------|---------------|--------------|
| Clearing Member                | 8,338         | 0.0917       |
| Corporate Bodies               | 724,232       | 7.9647       |
| Corporate Bodies (Promoter Co) | 44,07,272     | 48.4688      |
| Foreign Portfolio Investor     | 500           | 0.0055       |
| HUF                            | 100           | 0.0011       |
| IEPF                           | 2,28,427      | 2.5121       |
| Non-Resident Indian            | 68,444        | 0.7527       |
| Promoters                      | 625,753       | 6.8817       |
| Public                         | 28,99,629     | 31.8886      |
| Relative of Director           | 1,30,305      | 1.4330       |
| Total                          | 90,93,000     | 100          |

(\*) 9,83,000 warrants are converted into equity shares on dated 05.03.2022 and the listing approval for the same was under process as on 31.03.2022.

#### Dematerialization of shares:

Over 95.29% of the Company's paid-up equity share capital has been dematerialized up to 31<sup>st</sup> March, 2022.

#### INFORMATION REQUIRED UNDER SEBI (LODR) WITH RESPECT TO DIRECTOR SEEKING REAPPOINTMENT

Shri Sahil P Shah, Whole Time Director is seeking reappointment at the forthcoming Annual General Meeting.

#### PLANT LOCATIONS:

The Company's manufacturing plant is located at P.O. Pipalia Kalan, Dist. Pali- 306307.

## 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 Bigshare Services Private Limited  
A -802, Samudra Complex, Near Klassic Gold Hotel,  
Girish Cold Drink off CG Road  
**Ahmedabad – 380 009.**  
Tel.: 079-40024134  
Fax: 09971542155  
Email: bssahd@bigshareonline.com,  
bssahd1@bigshareonline.com

## 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 1<sup>st</sup> April, 2021 – 31<sup>st</sup> March, 2022 or in case of new joining, from the date of joining to 31<sup>st</sup> March, 2022 in terms of Regulation 17(5) of the LODR (Listing Obligation and Disclosure Requirements) Regulations, 2015 of SEBI.

Registered Office:  
6, Neptune Tower,  
Ashram Road,  
Ahmedabad – 380 009

By Order of the Board  
For P G Foils Limited

Place: Pipalia Kalan  
Date: May 30, 2022

Pankaj Raj Shah  
Managing Director  
DIN 00160558

Sahil P Shah  
Whole Time Director  
DIN 01603118

Certificate in pursuant to Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2022

To

The Board of Directors

PG Foils Limited

We the undersigned hereby certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year 2021-22 and to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by the company during the year 2021-2022 which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:
  - (i) Significant changes in internal control over financial reporting under the year,
  - (ii) Significant changes in accounting policies during the year and the same has been disclosed in the notes to the financial statements, and
  - (iii) Instances of significant fraud, if any, of which we have become aware and the involvement therein of the management or an employee having significant role in the company's internal control system over financial reporting.

**Place: Pipalia Kalan**

**Date: May 30, 2022**

**For P G Foils Limited,  
(Naveen Kumar Jain)  
CFO**

### **Auditors' Certificate on Compliance of Conditions of Corporate Governance**

To the Members of PG Foils Limited

We have examined the compliance of the conditions of Corporate Governance by PG Foils Limited for the year ended 31<sup>st</sup> March 2022, as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('the Regulations').

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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations.

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.

For Sharma Ashok & Associates,  
Chartered Accountants  
(FRN No. – 005848C)

Place: Pipalia Kalan  
Date: May 30, 2022

(CA Harish Agarwal)  
Partner  
Membership No. 403262

# Independent Auditors' Report

## To the members of PG Foils Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **PG FOILS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that these are no key audit matters to be communicated in our report.

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this Auditor report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance

with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

Note No. 48 to the financial statement which describes that FDR investment of Rs. 69.00 cr made by the company with Dhanlaxmi Bank Ltd had been misappropriated by various parties including the officials of the said bank. As represented to us by the management the case is under investigation with Competent Authority/Economic Offence Wing, Mumbai. Seeking to the merit of the case will be in favour of company and it will be able to receive all sum misappropriated. Based on this, the company has not made provision. The final determination of the said investment amount would depend upon the final decision of the appropriate authorities in future. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial (Refer to Notes on Account 37)
  - ii. There are no material foreseeable losses, on long term contracts including derivative contracts requiring provision under applicable law or accounting standard.
  - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividend declared and paid by the company during the year is in accordance with Section 123 of the act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Sharma Ashok Kumar and Associates  
Chartered Accountants  
Firm Registration No.: 005848C

CA Harish Agarwal  
Partner  
Membership No 403262

**UDIN: 22403262AJXEUB7555**

Place: Pipaliya Kallan  
Date: 30/05/2022

## **Annexure - A to the Auditors' Report, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PG FOILS LIMITED** ("the Company") as of 31st March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal financial Controls over financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sharma Ashok Kumar and Associates

Chartered Accountants

Firm Registration No.: 005848C

CA Harish Agarwal

Partner

Membership No 403262

UDIN: 22403262AJXEUB7555

Place: Pipaliya Kallan

Date: 30/05/2022

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of P G FOILS LIMITED of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
  - (B) The company has maintained proper records showing full particulars of intangible assets.
  - (b) According to the information & explanation given to us and on the basis of examination of record of company the company has a program of physical verification of Property, Plant and Equipment and right-of-use of assets so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) Based on our examination of the, registered sale deed/ transfer deed/ conveyance deed and agreement to sell provided to us, we report that, the title in respect of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements included under investment properties are held in the name of the company as at the balance sheet date.
  - (d) The company has not revalued any of its Property, Plant and Equipment (including right-of-use of assets) and intangible assets during the year.
  - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016)" and rules made thereunder.
- ii) (a) According to the information and explanation given to us and on the basis of our examination of the records of the company, physical verification of the inventory has been conducted at reasonable intervals by the management and discrepancies noticed which were not material in nature have been properly dealt with in the books of accounts.
- (b) The Company has been sanctioned working capital limits in excess of Rs.5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets, and quarterly returns or statement of current assets filed by the company with the bank are generally in agreement with the books of accounts of the company. No material discrepancies were noticed on such verification.
- iii) According to the information and explanation given to us, during the year the company has not made investment in, provided in guarantee or security or granted any loans or advances, in the nature of Loan, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3(iii) of the order is not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted during the year in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained, however, we have not made a detailed examination of such cost records.
- vii) In respect of Statutory Dues:
  - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and services tax, provident fund, Employees State insurance, Income tax, Sales Tax, duty of Custom, duty of Excise,

value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Services Tax, provident Fund, Employees State Insurance, Income Tax, sales Tax, Service Tax, duty of custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- b) According to the records of the Company, the dues outstanding of Customs and Income Tax on account of any dispute, are as follows:

| Name                 | Nature of dues             | Period of which relates | Amount (Rs.)  | Interest (Rs.) | Amount deposited (Rs.) | Forum which it is pending  |
|----------------------|----------------------------|-------------------------|---------------|----------------|------------------------|--|
| Custom Act, 1962     | Safeguard Duty & Valuation | 2009-10                 | 1,25,76,869/- |                | 97,44,034/-            | Stay granted in Hon'ble High Court Mumbai and case still pending |
| Income Tax Act, 1961 | Difference of Income Tax   | 2016-17                 | 53,29,282/-   |                | NIL                    | Appeal filed before CIT appeal, Ahmedabad                        |
| Income Tax Act, 1961 | Difference of Income Tax   | 2017-18                 | 21,35,739/-   |                | NIL                    | Appeal filed before CIT appeal, Ahmedabad                        |

- ii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 Of 1961) .
- iii) a) The Company has not defaulted in repayment of loan or borrowing to a financial institution or bank, government.
- b) The Company has not been declared willful defaulter by any bank or financial institution or government or any other authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long- term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year on the pledge of securities held in its wholly owned subsidiary company.
- ii) a) The Company has not raised money by initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of preferential allotment of shares for the purposes for which they were raised. The Company has not made private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- iii) a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year upto the date of this report.
- c) As represented to us by the management there are no whistle blower complaints received by the Company during the year (and upto the date of this report).
- iv) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- v) In our opinion, the Company is in compliance with the Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.



- vi) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- vii) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- viii) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- ix) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- x) There has been no resignation of statutory auditors of the Company during the year.
- xi) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xii) a) There are no unspent amounts towards Corporate Social Responsibility (CSR). Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

For Sharma Ashok Kumar and Associates

Chartered Accountants

Firm Registration No.: 005848C

CA Harish Agarwal

Partner

Membership No 403262

UDIN:22403262AJXEUB7555

Place: Pipaliya Kallan

Date:30/05/2022

# Balance Sheet As at 31st March, 2022

₹ in Lakhs

|   | Note | 31 March 2022    | 31 March 2021    |
|---|------|------------------|------------------|
| <b>ASSETS</b>   |      |                  |                  |
| <b>NON CURRENT ASSETS</b>   |      |                  |                  |
| Property, Plant and Equipment   | 1 a) | 3,256.74         | 3,366.84         |
| Capital Work In Progress  | 1 b) | 68.68            | 222.09           |
| Right to Use Assets   |      | 16.71            | 17.23            |
| Financial Assets  |      |                  |                  |
| i) Investments  | 2    | 2,414.55         | 2,332.74         |
| ii) Other Financial Assets  | 3    | 98.55            | 96.55            |
| Other Non-current Assets  | 5    | 374.55           | 518.27           |
| <b>Total Non Current Assets</b>   |      | <b>6,229.79</b>  | <b>6,553.73</b>  |
| <b>CURRENT ASSETS</b>   |      |                  |                  |
| Inventories   | 6    | 7,171.46         | 5,628.30         |
| Financial Assets  |      |                  |                  |
| i) Investments  | 7    | 20,958.10        | 17,131.63        |
| ii) Trade Receivable  | 8    | 4,691.68         | 5,428.75         |
| iii) Cash and cash equivalents  | 9    | 27.68            | 21.10            |
| iv) Bank Balances other than (iii) above  | 10   | 202.32           | 198.40           |
| v) Other Financial Assets   | 11   | 30.22            | 145.88           |
| Other Current Assets  | 12   | 15,397.87        | 3,201.00         |
| <b>Total Current Assets</b>   |      | <b>48,479.33</b> | <b>31,755.06</b> |
| <b>Total Assets</b>   |      | <b>54,709.11</b> | <b>38,308.79</b> |
| <b>EQUITY AND LIABILITIES</b>   |      |                  |                  |
| <b>Equity</b>   |      |                  |                  |
| Equity Share Capital  | 13   | 909.91           | 811.61           |
| Other Equity  | 14   | 24,832.85        | 17,137.00        |
| <b>Total Equity</b>   |      | <b>25,742.76</b> | <b>17,948.61</b> |
| <b>NON-CURRENT LIABILITIES</b>  |      |                  |                  |
| Financial liabilities   |      |                  |                  |
| i) Borrowings   | 15   | -                | -                |
| ii) Lease Liabilities   |      | 18.53            | 18.44            |
| iii) Other Financial Liabilities  | 16   | 228.82           | 193.27           |
| Deferred Tax Liabilities (Net)  | 4    | 482.16           | 324.94           |
| Long Term Provision   | 17   | 49.89            | 68.25            |
| <b>Total Non Current Liabilities</b>  |      | <b>779.41</b>    | <b>604.90</b>    |
| <b>CURRENT LIABILITIES</b>  |      |                  |                  |
| Financial liabilities   |      |                  |                  |
| i) Borrowings   | 18   | 26,047.60        | 17,524.39        |
| ii) Lease Liabilities   |      | 0.11             | 0.06             |
| iii) Trade Payables   | 19   |                  |                  |
| a) total outstanding dues of micro enterprises and small enterprises                      |      | -                | -                |
| b) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 839.79           | 767.81           |
| iv) Other Current Financial Liabilities   | 20   | 355.18           | 401.45           |
| Other current liabilities   | 21   | 848.34           | 1,044.60         |
| Short Term Provisions   | 22   | 14.52            | 16.96            |
| Current Tax Liabilities ( Net)  |      | 81.40            | -                |
| <b>Total Current Liabilities</b>  |      | <b>28,186.94</b> | <b>19,755.27</b> |
| <b>Total Equity and Liabilities</b>   |      | <b>54,709.11</b> | <b>38,308.79</b> |

## Balance Sheet As at 31st March, 2022

Significant Accounting Policies A-C  
The accompanying notes to the financial statements 1-54  
The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed  
For Sharma Ashok Kumar & Associates  
Chartered Accountants  
Reg. No. 005848C

For and on behalf of the Board of Directors

CA Harish Agarwal  
Partner  
Membership No.403262

Pankaj P Shah  
Managing Director  
DIN- 00160558

Sahil P Shah  
Whole Time Director  
DIN- 01603118

Place : Pipalia Kalan  
Date : 30.05.2022

Bhawana Songara  
Company Secretary  
ACS NO. A54416

Naveen Kumar Jain  
Chief Financial Officer  
FCA NO. 414187

## Statement of Profit and Loss For The Year Ended 31 March 2022

| Particulars  | Note No. | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|--|----------|------------------------------------|------------------------------------|
| <b>I Income</b>  |          |                                    |                                    |
| Revenue from Operations  | 23       | 39,453.60                          | 25,164.90                          |
| Other Income   | 24       | 2,850.92                           | 1,340.59                           |
| <b>Total Income</b>  |          | <b>42,304.52</b>                   | <b>26,505.49</b>                   |
| <b>II Expenses</b>   |          |                                    |                                    |
| Cost of Material Consumed  | 25       | 27,917.26                          | 18,951.02                          |
| Purchase of Stock in Trade   | 27       | 5,268.38                           | 1,171.82                           |
| Changes in inventories of Finished goods and Work in Progress  | 28       | (2,165.18)                         | 563.88                             |
| Employee Benefits Expense  | 29       | 1,982.45                           | 1,505.00                           |
| Finance Cost   | 30       | 572.62                             | 457.05                             |
| Depreciation & Amortization Expenses   | 31       | 415.06                             | 463.69                             |
| Other Expenses   | 32       | 2,033.51                           | 1,454.88                           |
| <b>Total Expenses</b>  |          | <b>36,024.11</b>                   | <b>24,567.34</b>                   |
| <b>III Profit before exceptional items and tax</b>   |          | <b>6,280.41</b>                    | <b>1,938.15</b>                    |
| Exceptional Items (Net) (Refer note no. 27)  | 27       | -                                  | -                                  |
| <b>Profit/(Loss) before tax (V-VI)</b>   |          | <b>6,280.41</b>                    | <b>1,938.15</b>                    |
| <b>IV Tax Expenses</b>   |          |                                    |                                    |
| Current Tax  | 34       | 1,296.52                           | 270.20                             |
| Tax of Earlier Year  |          | 168.56                             | (6.53)                             |
| Deferred Tax   |          | 158.87                             | 145.89                             |
| <b>V Profit for the Year after Tax</b>   |          | <b>4,656.46</b>                    | <b>1,528.58</b>                    |
| <b>VI Other Comprehensive Income/(Loss)</b>  |          |                                    |                                    |
| Items that will not be reclassified to profit or loss  |          |                                    |                                    |
| Actuarial Gain/(Losses) of defined benefit plans   |          | (6.55)                             | 2.47                               |
| Fair Value of Investment   |          | (0.00)                             | 0.09                               |
| Tax Impact on above  |          | 1.65                               | (0.68)                             |
|  |          | (4.90)                             | 1.89                               |
| <b>VII Total Comprehensive income for the year (Comprising profit and other Comprehensive income for the year)</b> |          | <b>4,651.56</b>                    | <b>1,530.47</b>                    |
| <b>VIII EARNING PER SHARE</b>  |          |                                    |                                    |
| (Nominal value of shares - Rs 10, 31st March'2022- Rs 10)  |          |                                    |                                    |
| Basic  |          | 56.92                              | 18.85                              |
| Dilutive   | 36       | 42.11                              | 18.85                              |
| Significant Accounting Policies  | A-C      |                                    |                                    |
| The accompanying notes to the financial statements   | 1-54     |                                    |                                    |
| The Notes referred to above form an integral part of the Financial Statements                                      |          |                                    |                                    |

Significant Accounting Policies A-C

The accompanying notes to the financial statements 1-54

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date annexed

For Sharma Ashok Kumar & Associates

Chartered Accountants

Reg. No. 005848C

For and on behalf of the Board of Directors

CA Harish Agarwal  
 Partner  
 Membership No.403262

Pankaj P Shah  
 Managing Director  
 DIN- 00160558

Sahil P Shah  
 Whole Time Director  
 DIN- 01603118

Place : Pipalia Kalan  
 Date : 30.05.2022

Bhawana Songara  
 Company Secretary  
 ACS NO. A54416

Naveen Kumar Jain  
 Chief Financial Officer  
 FCA NO. 414187

# Cash Flow Statement

For The Year Ended 31 March 2022

| PARTICULARS   | Year Ended March 31,<br>2022 | Year Ended March 31,<br>2021 |
|---|------------------------------|------------------------------|
| <b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>                               |                              |                              |
| Net Profit before tax   | 6,280.41                     | 1,938.15                     |
| <b>Adjustment for Non-cash Items</b>  |                              |                              |
| Depreciation  | 415.06                       | 463.69                       |
| Dividend Received   | (0.00)                       | -                            |
| Interest Income   | (200.42)                     | (108.86)                     |
| Interest Expense  | 462.99                       | 348.52                       |
| Investment Written Off  | 18.54                        |                              |
| Provision for Diminution in value of Investment                               | 450.00                       |                              |
| (Profit)/Loss on Foreign Fluctuations   | (175.83)                     | 62.65                        |
| (Profit)/Loss on Sale of Investments  | (7.73)                       | -                            |
| (Profit)/Loss on Sale of Fixed Assets   | (19.64)                      | -                            |
| Ind AS Adjustment due to OCI  | (6.55)                       | 2.47                         |
| Ind AS Adjustment due to Fair Valuation of Investment                         | (1,076.77)                   | (1,157.11)                   |
| <b>Operating Profit before Working Capital Changes</b>                        | <b>6,140.07</b>              | <b>1,549.51</b>              |
| Increase(Decrease) in Trade Payables  | 71.98                        | 232.44                       |
| Decrease(Increase) in Inventories   | (1,543.16)                   | (1,697.47)                   |
| Increase(Decrease) in Other Current Liabilities                               | (236.13)                     | (361.99)                     |
| Increase(Decrease) in Other Non-Current Liabilities                           | 35.55                        | 25.19                        |
| Decrease/(Increase) in Trade Receivables                                      | 737.07                       | 266.08                       |
| Decrease(Increase) in Loans & Advances  | (2.00)                       | (0.12)                       |
| Decrease(Increase) in other Non- Current Assets                               | (9.61)                       | (16.06)                      |
| Decrease(Increase) in other Bank Balance                                      | 0.02                         | (0.00)                       |
| Decrease(Increase) in other Current Assets                                    | (12,115.59)                  | (2,760.42)                   |
| Increase(Decrease) in Provisions  | (20.80)                      | 14.94                        |
| <b>Cash Generated from Operations</b>   | <b>(6,942.59)</b>            | <b>(2,747.90)</b>            |
| Direct taxes paid (net of refunds)  | (1,230.35)                   | (419.66)                     |
| <b>Net Cash from Operating Activities</b>                                     | <b>(8,172.94)</b>            | <b>(3,167.56)</b>            |
| <b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>                                |                              |                              |
| (Purchases)/Sale of Fixed Assets  | (131.38)                     | (147.97)                     |
| (Purchases)/Sale of Investments (Net)   | (3,292.33)                   | (1,261.09)                   |
| Interest Received   | 234.81                       | 110.74                       |
| Receipt of Share issue warrant  | 3,304.79                     | -                            |
| Movement in Fixed Deposits  | (3.94)                       | (5.43)                       |
| Dividend Income   | 0.00                         | -                            |
| <b>Net Cash used in Investing Activities</b>                                  | <b>111.95</b>                | <b>(1,303.75)</b>            |
| <b>(C) CASH FLOW FROM FINANCING ACTIVITIES :</b>                              |                              |                              |
| Raising/(Repayment) of Short term Borrowings                                  | 8,523.20                     | 4,875.26                     |
| Repayment of Lease Liabilities and Interest thereon                           | (1.54)                       | (1.54)                       |
| Exchange Fluctuation  | 175.83                       | (62.65)                      |
| Interim Dividend Paid   | (162.20)                     |                              |
| Interest Paid during the year   | (467.72)                     | (339.06)                     |
| <b>Net Cash(used in)/from Financing Activities</b>                            | <b>8,067.57</b>              | <b>4,472.02</b>              |
| <b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>                   | <b>6.59</b>                  | <b>0.72</b>                  |
| <b>Opening Balance of Cash and Cash Equivalents</b>                           | <b>21.10</b>                 | <b>20.38</b>                 |
| <b>Closing Balance of Cash and Cash Equivalents</b>                           | <b>27.68</b>                 | <b>21.10</b>                 |
| <b>A) RECONCILIATION STATEMENT OF CASH AND BANK BALANCES</b>                  | <b>As at 31.03.2022</b>      | <b>As at 31.03.2021</b>      |
| Cash and cash equivalents at the end of the year as per above                 | 27.68                        | 21.10                        |
| Add: Deposits with more than 3 months but less than 12 months maturity period | 202.32                       | 198.40                       |
| Cash and bank balance as per balance sheet (refer note 10 & 11)               | 230.00                       | 219.50                       |

# Cash Flow Statement For The Year Ended 31 March 2022

## B) DISCLOSURE AS REQUIRED BY IND AS 7

### Reconciliation of liabilities arising from financing activities

| 31st March, 2022              | Opening Balance  | Cash Flows      | Non Cash Changes | Closing Balances |
|-------------------------------|------------------|-----------------|------------------|------------------|
| Short term secured borrowings | 17,524.38        | 8,523.20        | -                | 26,047.60        |
| Long term secured borrowings  | -                | -               | -                | -                |
| <b>Total</b>                  | <b>17,524.38</b> | <b>8,523.20</b> | <b>-</b>         | <b>26,047.60</b> |
| 31st March, 2021              | Opening Balance  | Cash Flows      | Non Cash Changes | Closing Balances |
| Short term secured borrowings | 12,649.12        | 4,875.26        | -                | 17,524.38        |
| Long term secured borrowings  | -                | -               | -                | -                |
| <b>Total</b>                  | <b>12,649.12</b> | <b>4,875.26</b> | <b>-</b>         | <b>17,524.38</b> |

This is the Cash Flow Statement referred to in our report of even date.

#### For Sharma Ashok Kumar & Associates

Chartered Accountants  
 Reg. No. 005848C

**CA Harish Agarwal**  
 Partner  
 Membership No.403262

Place : Pipalia Kalan  
 Date : 30.05.2022

#### For and on behalf of the Board of Directors

**Pankaj P Shah**  
 Managing Director  
 DIN- 00160558

**Bhawana Songara**  
 Company Secretary  
 ACS NO. A54416

**Sahil P Shah**  
 Whole Time Director  
 DIN- 01603118

**Naveen Kumar Jain**  
 Chief Financial Officer  
 FCA NO. 414187



## Statement of Changes in Equity for the year ended 31 march 2022

| A                                 | Equity Share Capital             | Balance as at<br>01.04.2020 | Changes in equity share<br>capital due to prior<br>period errors |                    |                      | Reinstated<br>Balance as at<br>01.04.2020 | Changes in Equity<br>share capital during<br>the year        | Balance as at<br>31.03.2021            |   |                       |
|-----------------------------------|----------------------------------|-----------------------------|--|--------------------|----------------------|---|--|--|---|-----------------------|
|                                   | For the year<br>ended 31.03.2021 | 811.61                      | -  |                    |                      | 811.61                                    | -  | 811.61                                 |   |                       |
|                                   |                                  | Balance as at<br>01.04.2021 | Changes in equity share<br>capital due to prior<br>period errors |                    |                      | Reinstated<br>Balance as at<br>01.04.2021 | Changes in Equity<br>share capital during<br>the year        | Balance as at<br>31.03.2022            |   |                       |
|                                   | For the year<br>ended 31.03.2022 | 811.61                      | -  |                    |                      | 811.61                                    | 98.30  | 909.91                                 |   |                       |
| B Other Equity                    |                                  |                             |  |                    |                      |   |  |  |   |                       |
| Particulars                       |                                  | Reserves and surplus        |  |                    |                      |   |  |  |   |                       |
|                                   |                                  | Securities<br>Premium       | Capital<br>Reserve   | General<br>Reserve | Retained<br>Earnings | Fair Value of<br>Investment               | Remeasurement<br>(Losses)/Gain on<br>defined benefit<br>plan | Total Other<br>Comprehensive<br>Income | Money<br>Received<br>against Share<br>Warrant | Total Other<br>Equity |
| Balance as at 01.04.2020          |                                  | 1,944.47                    | 58.03  | 1,272.49           | 12,330.27            | 0.08                                      | 1.20   | 1.28                                   | -   | 15,606.54             |
| Profit/(Loss) for the year        |                                  | -                           |  | -                  | 1,528.58             | 0.04                                      | 1.85   | 1.89                                   |   | 1,530.47              |
| Interim Dividend and Tax there on |                                  |                             |  |                    | -                    |   |  | -                                      |   | -                     |
| Balance as at 31.03.2021          |                                  | 1,944.47                    | 58.03  | 1,272.49           | 13,858.85            | 0.12                                      | 3.05   | 3.17                                   | -   | 17,137.00             |
| Balance as at 01.04.2021          |                                  | 1,944.47                    | 58.03  | 1,272.49           | 13,858.85            | 0.12                                      | 3.05   | 3.17                                   | -   | 17,137.00             |
| Profit/(Loss) for the year        |                                  | 1,808.72                    |  | -                  | 4,656.46             | (0.00)                                    | (4.90)   | (4.90)                                 | 1,397.77                                      | 7,858.05              |
| Interim Dividend and Tax there on |                                  |                             |  |                    | (162.20)             |   |  |  |   | (162.20)              |
| Balance as at 31.03.2022          |                                  | 3,753.19                    | 58.03  | 1,272.49           | 18,353.12            | 0.12                                      | (1.85)   | (1.73)                                 | 1,397.77                                      | 24,832.85             |

### Note:-

- General Reserve has been created by transfer out of profit generated by the company and is available for distribution to shareholders.
- Retained Earnings includes Rs 2273919 On account of fair value of certain class of property, plant & Equipment and is not available for distribution as dividend to shareholders.(i.e. Revaluation Reserve)
- During the year ended 31st March, 2022, 9,83,000 (Nine Lacs Eighty Three Thousand only) Equity Shares of Rs.10/- each have been allotted at a premium of Rs.184/- each out of the money received against share warrants to promoters and others on preferential / private placement basis.

Significant Accounting Policies

A-C

The accompanying notes to the financial statements

1-54

The Notes referred to above form an integral part of the Financial Statements

**For Sharma Ashok Kumar & Associates**

Chartered Accountants

Reg. No. 005848C

**CA Harish Agarwal**

Partner

Membership No.403262

Place : Pipalia Kalan

Date : 30.05.2022

**For and on behalf of the Board of Directors**

**Pankaj P Shah**

Managing Director

DIN- 00160558

**Bhawana Songara**

Company Secretary

ACS NO. A54416

**Sahil P Shah**

Whole Time Director

DIN- 01603118

**Naveen Kumar Jain**

Chief Financial Officer

FCA NO. 414187

# Note to Financial Statements For The Year Ended 31 March 2022

## A. CORPORATE AND GENERAL INFORMATION

PG Foils Limited ("the Company") is domiciled and incorporated in India and its equity shares are listed at Bombay Stock Exchange(BSE). The registered office of Company is Situated at 6, Neptune Tower, Ashram Road, Ahmedabad-380 009 (Gujarat). The Company is a leading manufacturer/producer of Aluminium Foil in the various form. The financial statements of the company for the year ended 31st March 2022 were approved and authorized for issue by board of directors in their meeting held on 30.05.2022"

## B. SIGNIFICANT ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

The Financial Statements have been prepared in accordance with Companies Act 2013, Indian Accounting Standard and complies with other requirements of law and were authorised for issue in accordance with a resolution of the Board of Directors of the company passed on 30.05.2022

## C. BASIS OF PREPARATION

a) The financial statements of the company are consistently prepared and presented under historical cost convention on an accrual basis in accordance with Ind AS except for certain financial assets and liabilities that are measured at fair values. The company's functional currency and presentation currency is Indian Rupees (INR). All amounts disclosed in the financial statements and notes are in INR and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise indicated.

### b) Classification of Assets and Liabilities into current and Non-Current

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification.

As asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets including Deferred tax assets are classified as non-current.

A liability is treated as current when :

- it is expected to be settled in normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities including Deferred tax liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the company has ascertained its operating cycle being a period within twelve months for the purpose of current and non-current classification of assets and liabilities.

### c) Use of judgements, estimates and assumptions

The preparation of the company's financial statements required management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment in the future periods in the carrying amount of assets or liabilities affected.

The following are the key assumptions concerning the future, and other other key sources of estimation uncertainty at the end of reporting period that may have significant risk of causing material adjustments to the carrying amounts of assets and liabilities with in :-

#### i) Estimation of uncertainty related to Global Health Pandemic from COVID-19

The Company has considered the possible effects that may result from pandemic relating to COVID-19 on the carrying amount of financial assets including Trade Receivables. In developing the assumptions relating to the possible future uncertainties in global economic conditions because of the pandemic, the Company as at the date of approval of these financial statement has used internal and external source of information, on the expected future performance of the company and based on estimates the company expects that the carrying amount of financial assets will be recovered and the company do not expect any significant impact of COVID-19 on the company's financial statement as at the date of approval of these Financial Statements.

## Note to Financial Statements For The Year Ended 31 March 2022

- ii) Lease: The Company evaluates if an arrangement qualifies to be a lease as per the requirements of IND AS 116. Identification of a lease requires significant judgement. The company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The company determines the lease term as the non-cancellable period of lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the company is reasonably certain not to exercise that option. In exercising whether the company is reasonably certain to exercise an option to extend a lease or to exercise an option to terminate the lease, it considers all relevant facts and circumstances that create an economic incentive for the company to exercise the option to extend the lease or to exercise the option to terminate the lease. The company revises lease term, if there is change in non-cancellable period of lease. The discount rate used is generally based on incremental borrowing rate.

- iii) Useful life of property, plant and equipment and intangible assets: The company has estimated useful life of the Property, Plant and Equipment as specified in Schedule II to Companies Act 2013. However, the actual useful life for individual equipments could turn out to be different, there could be technology changes, breakdown, unexpected failure leading to impairment or complete discard. Alternately, the equipment may continue to provide useful service well beyond the useful assumed.
- iv) Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities cannot be measured based on quoted process in active market, the fair value is measured using valuation techniques including book value and discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not possible, a degree of judgement is required in establishing fair values.
- v) Impairment of financial and non-financial assets: The impairment provisions for the financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the input for the impairment calculations, based on Company's past history, existing market conditions, technology, economic developments as well as forward looking estimates at the end of each reporting period.
- vi) Taxes: Taxes have been paid / provided, exemptions availed, allowances considered etc. are based on the extent laws and the company's interpretation of the same based on the legal advice received wherever required. These could differ in the view taken by the authorities, clarifications issued subsequently by the government and court, amendments to statutes by the government etc.
- vii) Defined benefit plans: Gratuity payable to employees is provided on the basis of premium paid under group gratuity scheme with Life Insurance Corporation of India.
- viii) Provisions:
- (1) Provision for Leave encashment has been made on accrual basis on leave un-availed as on 31.03.2022.
  - (2) Service awards have been adjusted/accounted on the basis of completed months of service provided by employees.
- ix) Contingencies: A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligations at the end of the reporting period. However, the actual liability could be considerably different.

### d) Property, Plant and Equipment

- (i) Property, plant and equipment situated in India comprising land other assets namely Building, Plant & Machinery, Office equipment etc, the company has elected to continue with the carrying value as its deemed cost on 1.4.2016 measured as per previous GAAP and use that carrying value as its deemed cost as on the transition date. The cost of Tangible assets comprises its purchase price, borrowing cost, any other cost directly attributable to bringing the assets into present location and condition necessary for it to be capable of operating in the manner intended by the Management, initial estimation of any de - commissioning obligations and finance cost.
- (ii) Depreciation  
Depreciation on Fixed Assets is provided on Straight Line Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013.  
Depreciation on Fixed Assets is provided on Written Down Value Method over their useful lives and in the manner specified in Schedule II of the Companies Act, 2013. Property, Plant & Equipment which are added/disposed off during the year the depreciation is provided on pro rata basis with reference to month of addition/deletion.
- (iii) Component Accounting  
When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise,

## Note to Financial Statements For The Year Ended 31 March 2022

when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

- (iv) Expenditure during construction/erection period is included under Capital Work-in-Progress and is allocated to the respective fixed assets on completion of construction/ erection.
- (v) Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in the case of retirement of Property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in Statement of Profit and Loss in the year of occurrence.
- (vi) The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

### e) Investment properties:

Investment properties consists of investments in land and buildings that are held to earn rental income or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. Investment property is stated at cost less accumulated depreciation and impairment losses. Depreciation on building is provided over the estimated useful lives as specified in Schedule II to Companies Act, 2013. The Residual Life, useful lives and depreciation method of investment properties are reviewed, and adjusted on Prospective basis as appropriate, at each financial year end. The effects of any revision are included in the Statement of Profit and Loss when the changes arise.

### f) Intangible assets:

- (i) Intangibles assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible Assets are stated at cost which includes any directly attributable expenditure on making the asset ready for its intended use. Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis over a period of 10 years.
- (ii) Software:- Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in the period in which the expenditure is incurred. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Intangibles assets with indefinite useful lives (like goodwill, brands), if any are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite life is made on prospective basis.

### g) Research and development cost:

#### 1) Research Cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

#### 2) Development Cost:

Development expenditure on new product is capitalised as intangible asset, if technical and commercial feasibility as per IND AS 38 is demonstrated.

### h) Inventories:

- i) Raw materials, Packing materials, Stores and Spares and fuel are valued at lower of cost (on first in first out basis) and net realisable value.
- ii) Stock in process is valued at lower of cost (on first in first out basis) and net realisable value.
- iii) Finished goods and stock in trade are valued at lower of cost and net realisable value.
- iv) Scrap is valued at estimated realisable value.
- v) Export Goods in transit valued at sales value including freight thereof.
- vi) Stock in transit valued at purchase price including clearing expenses, custom duty paid and incidental expenses thereto.
- vii) Cost for this purpose includes direct material, direct labor, other variable cost and manufacturing overhead based on normal operating capacity
- viii) Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses

# Note to Financial Statements For The Year Ended 31 March 2022

## i) Cash and cash equivalents:

Cash and cash equivalents are financial assets. Cash and cash equivalents consist of cash and short-term highly liquid investments that are readily convertible to cash with original maturities of three months or less at the time of purchase and are carried at cost plus accrued interest.

## ii) Cash Flow Statement

Cash Flow are reported using indirect method, whereby profit for the year is adjusted for effects of transactions of non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing, and financing activities of the company are segregated.

## iii) Bank Balances Other than above

Dividend Escrow account balance, deposit more than 3 months but not more than 12 months with bank, deposit with bank as margin money for guarantees issued by bank, deposits kept as security deposit for statutory authorities are accounted as bank balance other than cash and cash equivalent.

## j) Financial instruments:

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the company becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set-off exists at that time and settlement on a net basis is intended.

## 1) Financial assets:

Financial assets include trade receivable, cash and cash equivalents, derivative financial assets and also the equity / debt instruments held. Initially all financial assets are recognised at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for those financial assets and their contractual cash flow characteristics. Subsequently, based on initial recognition/ classification, where assets are measured at fair value, gain and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

### (a) Trade receivables:

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost less credit loss/impairment allowances.

Receivables that do not bear interest or bear below market interest rates and have an expected term of more than one year are discounted with the discount subsequently amortized to interest income over the term of the receivable.

Impairment is made on the expected credit losses, which are the present value of the cash deficits over the expected life of receivables. The estimated impairment losses are recognised in the Statement of Profit and Loss. Subsequent changes in assessment of impairment are recognized in the Statement of Profit and Loss as changes in estimates.

### (b) Loans, Debts & other financial assets

Loans and other financial assets are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and other financial assets are measured at amortized cost using the effective interest method, less any impairment losses.

### (c) Investment in equity shares and mutual funds:

Investment in equity securities and mutual funds are initially measured at fair value. Any subsequent fair value gain or loss for investments held for investment is recognized through Other Comprehensive Income. Any subsequent gain or loss for investment held for trading are recognized through Statement of Profit and Loss.

### (d) Investment in associates, joint venture and subsidiaries:

The Company's investment in subsidiaries and associates, joint venture are carried at cost except where impairment loss recognised.

## 2) Financial liabilities:

Financial liabilities such as loans and borrowings and other payables are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual terms of the instrument. Financial liabilities other than fair valued through profit and loss are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Transaction costs of financial liability carried

# Note to Financial Statements For The Year Ended 31 March 2022

at fair value through profit or loss is expensed in profit or loss. The Company derecognizes a financial liability when its contractual obligations are settled or cancelled or expired.

**a) Financial liabilities at fair value through profit or loss:**

It include financial liabilities held for trading and are designated such at initial recognition. Financial liabilities are held for trading if they are incurred for the purpose of repurchasing in near term and also include Derivatives that are not part of an effective hedge accounting in accordance with IND AS 109 , classified as "held for trading" and carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are measured at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.

**b) Financial liabilities measured at amortised cost**

Post recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

**c) Loans and Borrowings**

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

**d) Financial guarantee contracts:**

As per IND AS -109 "Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument."

**e) Initial recognition**

The date the company becomes a party to the irrevocable commitment is considered to be the date of initial recognition and Financial guarantee contracts are recognised as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

**f) Trade and other payables:**

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the liabilities' carrying amounts unless they have already been settled in the period in which they were incurred.

**k) Impairment of non-financial assets:**

At each reporting date, the company assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the recoverable amount of the non-financial asset is estimated in order to determine the extent of the impairment loss, if any.

**Recoverable amount is determined:**

- In the case of an individual asset, at the higher of the Fair Value less cost to sell and the value in use: and
- In the case of cash generating unit (a group of assets that generates identified, independent cash flows) at the higher of cash generating unit's fair value less cost to sell and the value in use.

Where it is not possible to estimate the recoverable amount of an individual non-financial asset, the company estimates the recoverable amount of the smallest cash generating unit to which the non-financial asset belongs. The recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of a non-financial asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the non-financial asset or cash generating unit is reduced to its recoverable amount. Impairment losses are recognized immediately in the statement of Profit and Loss. Where an impairment loss subsequently reverses, the carrying amount of the non-financial asset or cash generating unit is increased to the revised estimate of its recoverable amount. However, this increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for that non-financial asset or cash generating unit in prior periods. A reversal of an impairment loss is recognized immediately in the statement of Profit and Loss.



# Note to Financial Statements For The Year Ended 31 March 2022

## l) Foreign currency transactions:

### i) Functional and presentation Currency

The functional and reporting currency of company is INR.

### ii) Transaction and Balances

- 1) Currency Transactions denominated in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions.
- 2) Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing on the balance sheet date.
- 3) Profits and losses arising on exchange are included in the net profit or loss for the period. Pursuant to exemption given under IND AS 101 the company has continued the policy for accounting for amortization of exchange differences arising from translation of long-term foreign currency monetary items over the tenure of loan.
- 4) Non-Monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference."

## m) Revenue recognition:

### i) Sale of product and services:

- 1) The company derives revenue from sale of manufactured goods and traded goods. In accordance with Ind AS 115, the company recognise revenue from sale of products and services at a time when performance obligation is satisfied and upon transfer of control of promised products or services to customer in an amount that reflects the consideration the company expect to receive in exchange for their products or services. The company disaggregates the revenue based on nature of products/Geography."
- 2) Amount disclosed as revenue are inclusive of Excise duty and net of Goods and Service Tax (GST), returns, discounts, rebates.
- 3) Export sales are accounted for, on the basis of exchange rate of LEO Date (Let Export Order) of transactions and recognized as and when Risk & Rewards are transferred

- ii) Revenue from other activities: is recognized based on the nature of activity, when consideration can be reasonably measured. • Revenue is measured at the fair value (excluding Goods and Services Tax) of the consideration received or receivable, taking into account contractually defined terms of payment.

### iii) Dividend income:

Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

### iv) Interest income:

- 1) For all Financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in statement of profit and loss.
- 2) Interest reeivable from Trade Receivables are accounted on receipt basis.
- v) Export incentive: Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.
- vi) 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 on accrual basis.

### n) Government Grant

- i) Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company has complied with all attached conditions.
- ii) Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.
- iii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.
- iv) In respect of Property, Plant and Equipment purchased under Export Promotion Capital Goods (EPCG) scheme of Government of India, exemption of custom duty under the scheme is treated as, Government Grant and is recognized in Statement of Profit and Loss on fulfillment of associated export obligations.

# Note to Financial Statements For The Year Ended 31 March 2022

## o) Employees Benefits:

### i) Short term employee Benefit:

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

### ii) Defined Contribution Plan:

Contributions to the Employees' Provident Fund and Employee's State Insurance are recognized as Defined Contribution Plan and charged as expenses in the year in which the employees render the services.

### iii) Defined Benefit Plan:

The Leave Encashment and Gratuity are defined benefit plans. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at each balance sheet date, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. Re-measurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not classified to the statement of profit and loss in subsequent periods. Past Service cost is recognised in the statement of profit and loss in the period of plan amendment. Net Interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss.

- Service costs comprising current service costs, gains and losses on curtailments and non-routine Settlements.
- Net interest income or expense.

### iv) Long term Employee Benefit:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the balance sheet date.

### v) Termination benefits:

Termination benefits are recognised as an expense in the period in which they are incurred.

The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) when the entity can no longer withdraw the offer of those benefits; and
- (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

### p) Borrowing costs:

i) Borrowing costs that are specifically attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

ii) All other borrowing costs are recognised as expense in the period in which they are incurred.

### q) Leases:

In accordance with IND AS 116, the Company recognises right of use assets representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payment made at or before commencement date less any lease incentive received plus any initial direct cost incurred and an estimate of cost to be incurred by lessee in dismantling and removing underlying asset or restoring the underlying asset or site on which it is located. The right of use asset is subsequently measured at cost less accumulated depreciation, accumulated impairment loss, if any, and adjusted for any remeasurement of lease liability. The right of use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If

## Note to Financial Statements For The Year Ended 31 March 2022

that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised- in-substance fixed lease payments, the company recognises amount of remeasurement of lease liability due to modification as an adjustment to right of use assets and statement of profit and loss depending upon the nature of modification. Where the carrying amount of right of use assets is reduced to zero and there is further reduction in measurement of lease liability, the Company recognises any remaining amount of the remeasurement in statement of profit and loss.

The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of twelve month or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on straight line basis over lease term.

### r) Taxes on income:

Income Tax expenses comprise current tax expenses and the net change in the deferred tax asset or liabilities during the year. Current and Deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

#### i) Current Tax

The Company provides current tax based on the provisions of the Income Tax Act, 1961 applicable to the Company.

#### ii) Deferred Tax

Deferred tax is recognised using the Balance Sheet approach. Deferred tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority."

### s) Provisions, Contingent liabilities, Contingent assets and Commitments:

#### i) Provisions:

The Company recognizes provisions for liabilities and probable losses that have been incurred when it has a present legal or constructive obligation as a result of past events and it is probable that the Company will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a financing cost.

#### ii) Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation:
- A present obligation arising from past events, when no reliable estimate is possible:
- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

#### iii) Other Litigation claims:

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

#### iv) Onerous contracts:

Provisions for onerous contracts are recorded in the statements of operations when it becomes known that the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received.

# Note to Financial Statements For The Year Ended 31 March 2022

**v) Contingent Assets :** Contingent Assets are not recognised but disclosed in the financial statements when an inflow of economic is probable

**t) Exceptional Items:**

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company is such that its disclosure improves the understanding of the performance of the company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**u) Earnings per share:**

Basic Earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. In case there are any dilutive securities during the period presented, the impact of same is given to arrive at diluted earning per share.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

**v) Segment accounting:**

The company's business falls within a primary business segment viz "Manufacturing and Trading of Aluminium Foil in various forms".

**w) Financial statement classification:**

Certain line items on the balance sheet and in the statement of Profit and Loss have been combined. These items are disclosed separately in the Notes to the financial statements. Certain reclassifications have been made to the prior year presentation to conform to that of the current year. In general the company classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date.

**x) Fair value measurement:**

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability. Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non- financial asset takes in to account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Note to Financial Statements For The Year Ended 31 March 2022

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### Recent Accounting Pnouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under companies (Indian Accounting Standards) Rules as issued from time to time on 23rd March, 2022. MCA amended the companies (Indian Accounting Standards) Amendment Rules, 2022, as below

Ind AS 16- Property Plant and equipment- The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing. If any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1st April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets- The amendment specifies that the "cost of fulfilling" a contract comprises the 'costs that relate directly to the contract', Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 01st April, 2022, although early adoption is permitted, The company has evaluated the amendment and there is no impact on the financial statement.

# Note to Financial Statements For The Year Ended 31 March 2022

## 1. a) Property, Plant and Equipments

| Particulars                               | Agricultural Land | Buildings (Other Than Factory Building) | Buildings (Factory Building) | Plant & Machinery |                 |            |           | Furniture & Fixtures | Vehicles | Office Equipment/ Computer | Total Tangible |           |
|---|-------------------|---|------------------------------|-------------------|-----------------|------------|-----------|----------------------|----------|----------------------------|----------------|-----------|
|   |                   |   |                              | Unit No.1         | Loading Machine | Unit No. 2 | Wind Mill |                      |          |                            |                | Unit No.3 |
| Gross Carrying Value as on 01.04.2020     | 5.78              | 2,277.03                                | 337.28                       | 3,330.69          | 21.92           | 779.71     | 1,193.92  | 1,339.73             | 95.51    | 490.11                     | 121.66         | 9,993.34  |
| Additions                                 |                   |   |                              | 2.78              |                 |            |           |                      | 12.81    | 112.83                     | 14.97          | 143.39    |
| Deletions                                 |                   |   |                              |                   |                 |            |           |                      |          |                            |                |           |
| Gross Carrying Value as on 31.03.2021     | 5.78              | 2,277.03                                | 337.28                       | 3,333.47          | 21.92           | 779.71     | 1,193.92  | 1,339.73             | 108.32   | 602.94                     | 136.63         | 10,136.73 |
| Accumulated Depreciation as on 01.04.2020 | -                 | 427.34                                  | 248.39                       | 2,535.34          | 20.96           | 611.33     | 907.37    | 1,068.65             | 88.96    | 301.67                     | 96.71          | 6,306.72  |
| Depreciation for the period               |                   | 115.73                                  | 7.38                         | 141.85            |                 | 29.71      | 35.49     | 35.21                | 1.71     | 84.91                      | 11.18          | 463.17    |
| Deductions/Adjustments                    |                   |   |                              |                   |                 |            |           |                      |          |                            |                | -         |
| Accumulated Depreciation as on 31.03.2021 | -                 | 543.07                                  | 255.77                       | 2,677.19          | 20.96           | 641.04     | 942.86    | 1,103.86             | 90.66    | 386.58                     | 107.89         | 6,769.89  |
| Gross Carrying Value as on 01.04.2021     | 5.78              | 2,277.03                                | 337.28                       | 3,333.47          | 21.92           | 779.71     | 1,193.92  | 1,339.73             | 108.32   | 602.94                     | 136.63         | 10,136.73 |
| Additions                                 | -                 | 229.62                                  | -                            | 14.29             | -               | -          | -         | -                    | 18.24    | 19.32                      | 23.34          | 304.80    |
| Deletions                                 |                   |   |                              | 0.31              | -               | 0.05       |           |                      |          |                            |                | 0.36      |
| Gross Carrying Value as on 31.03.2022     | 5.78              | 2,506.65                                | 337.28                       | 3,347.46          | 21.92           | 779.66     | 1,193.92  | 1,339.73             | 126.56   | 622.26                     | 159.97         | 10,441.17 |
| Accumulated Depreciation as on 01.04.2021 | -                 | 543.07                                  | 255.77                       | 2,677.19          | 20.96           | 641.04     | 942.86    | 1,103.86             | 90.66    | 386.58                     | 107.89         | 6,769.89  |
| Depreciation for the period               | -                 | 109.31                                  | 6.78                         | 116.18            | -               | 23.39      | 30.82     | 28.83                | 6.61     | 76.92                      | 15.67          | 414.54    |
| Deductions/Adjustments                    |                   |   |                              |                   |                 |            |           |                      |          |                            |                | -         |
| Accumulated Depreciation as on 31.03.2022 | -                 | 652.38                                  | 262.55                       | 2,793.38          | 20.96           | 664.43     | 973.69    | 1,132.69             | 97.28    | 463.51                     | 123.56         | 7,184.43  |
| Net Carrying Value as on 31.03.2022       | 5.78              | 1,854.27                                | 74.72                        | 554.08            | 0.97            | 115.23     | 220.23    | 207.04               | 29.28    | 158.75                     | 36.40          | 3,256.74  |
| Net Carrying Value as on 31.03.2021       | 5.78              | 1,733.96                                | 81.51                        | 656.28            | 0.97            | 138.67     | 251.05    | 235.87               | 17.66    | 216.36                     | 28.74          | 3,366.84  |

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## Note to Financial Statements For The Year Ended 31 March 2022

### b) Capital work-in-progress includes :-

| Particulars  | Opening<br>01.04.2021 | Addition     | Capitalised   | Closing<br>31.03.2022 |
|--------------|-----------------------|--------------|---------------|-----------------------|
|              | 222.09                | 73.84        | 227.25        | 68.68                 |
| <b>Total</b> | <b>222.09</b>         | <b>73.84</b> | <b>227.25</b> | <b>68.68</b>          |

### (c) Capital work-in-progress

Ageing for Capital work-in-progress as at 31st March, 2022 is as follows

| Capital work in progress   | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years |
|--|------------------|----------|----------|-------------------|
| Projects in progress   | 68.68            | -        | -        | -                 |
| Ageing for Capital work-in-progress as at 31st March, 2021 is as follows |                  |          |          |                   |
| Capital work in progress   | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years |
| Projects in progress   | 4.58             | 73.95    | 90.67    | 52.89             |

#### Note:

- The company has elected to fair value certain class of property, plant & Equipment at transition date 01.04.2016 and resulting impact have been recognised on 01.04.2016.
- On Transition date i.e. 01.04.2016, the gross block of tangible assets was Rs 779956189, accumulated depreciation was Rs 497269747 and net book value was Rs. 282686442
- Security : Refer Note no. 15 & 18 for details of Assets Mortgaged

# Note to Financial Statements For The Year Ended 31 March 2022

| <b>2.Non Current Investments</b>   |                         | Amount (In Lacs)        |  |
|--|-------------------------|-------------------------|--|
| <b>Particulars</b>   | <b>As at 31.03.2022</b> | <b>As at 31.03.2021</b> |  |
| <b>a) Unquoted - At Amortised Cost</b>   |                         |                         |  |
| 440250 Units of ICICI Prudential Venture Capital Fund Real Estate Scheme 1st                       | 38.35                   | 44.03                   |  |
| 940 Units of Indo Star Credit Fund   | -                       | 20.05                   |  |
| M/s. Earthcon Infracon Pvt.Ltd. NCD [ Refer to Note No. 45]  | 900.00                  | 900.00                  |  |
| 862,539 Units Walton Street Blacksoil Real Estate (Trust)  | 493.37                  | 862.54                  |  |
| 50 Units Bank of Baroda Perpetual Bonds 2026 @ 8.15% P.A.  | 502.67                  | 502.67                  |  |
| UPPCL NCD 20.1.2026 @ 10.15% P.A.  | 207.12                  | -                       |  |
| UPPCL NCD 9.75% P.A. 20.1.2026   | 719.59                  | -                       |  |
| Less: Provision for Diminution in Value of Investment  | (450.00)                | -                       |  |
| <b>b) Unquoted - At Fair Value</b>   |                         |                         |  |
| 22,500 Equity shares of Bikaner builders Private Ltd. Face value Rs.10/- each (PY - 22,500 Shares) | 3.09                    | 3.09                    |  |
| <b>c) Quoted - At Fair Value</b>   |                         |                         |  |
| 50 Nos.Dhan Laxmi Bank Ltd. Equity Shares  | 0.01                    | 0.01                    |  |
| 20 Nos. Kotak Mahendra Bank Equity Shares  | 0.35                    | 0.35                    |  |
| <b>TOTAL INVESTMENT</b>  | <b>2,414.55</b>         | <b>2,332.74</b>         |  |
| Aggregate value of Unquoted Shares/Debt at amortised cost  | 2,411.10                | 2,329.29                |  |
| Aggregate value of Unquoted Shares/Debt at Fair Value  | 3.09                    | 3.09                    |  |
| Aggregate value of quoted Shares/Debt at Fair Value  | 0.36                    | 0.36                    |  |
| <b>Total Non- Current Investment</b>   | <b>2,414.55</b>         | <b>2,332.74</b>         |  |

## 2.1 Movement in Provision for diminution in value of investment

| <b>Particulars</b>               | <b>As at 31.03.2022</b> | <b>As at 31.03.2021</b> |
|----------------------------------|-------------------------|-------------------------|
| Balance at beginning of the year | -                       | -                       |
| Addition                         | 450.00                  |                         |
| Deletion                         | -                       |                         |
| Balance at end of the year       | 450.00                  | -                       |

## 3. Other Non Current Financial Assets (Unsecured considered good unless otherwise specified)

| <b>Particulars</b>                                   | <b>As at 31.03.2022</b> | <b>As at 31.03.2021</b> |
|--|-------------------------|-------------------------|
| Security Deposits (Refer to below note)              | 93.88                   | 93.88                   |
| Earnest money deposit                                | 4.67                    | 2.67                    |
| <b>Total</b>   | <b>98.55</b>            | <b>96.55</b>            |
| Breakup of Security details                          |                         |                         |
| Loans considered good - Secured                      | -                       | -                       |
| Loans considered good - Un Secured                   | 98.55                   | 96.55                   |
| Loans which have significant increase in credit risk | -                       | -                       |
| Loans - Credit impaired                              | -                       | -                       |
| <b>Total</b>   | <b>98.55</b>            | <b>96.55</b>            |
| Less: Loss Allowance                                 | -                       | -                       |
| <b>Total</b>   | <b>98.55</b>            | <b>96.55</b>            |

Company has taken a flat in Mumbai for a period of 99 years lease from M/S MEC International Pvt. Ltd. (Lessor) on monthly lease rent of Rs.2500/- which will be increased by 10% after the expiry of every 36 months from the date of agreement and company has deposited Rs.95,00,000/- as interest free security deposit with right to purchase the property on further payment of Rs.5,00,000/-. In the year 2018-19 the Lessor has sold above mentioned lease property to Mr. Shahil P Shah. Company has executed a new lease agreement for unexpired period of lease with Sahil P Shah at same terms and conditions of as mentioned old lease agreement. This lease agreement has not been registered. The unexpired period to said lease is 82 years.

# Note to Financial Statements For The Year Ended 31 March 2022

## 4 Deferred Tax Liability/ (Assets)

Amount (In Lacs)

| As at 31 March 2022                                   |                            |                                |                   |                  |                        |                     |
|---|----------------------------|--------------------------------|-------------------|------------------|------------------------|---------------------|
| Particulars   | Balance as at April 1 2021 | Recognised in profit or (Loss) | Recognised in OCI | Net Deferred Tax | Deferred Tax Liability | Deferred Tax Assets |
| Property, plant and equipment and intangible assets   | 103.25                     | 27.71                          | -                 | 75.53            | 75.53                  |                     |
| Provision for defined benefit plan - P&L              | (21.45)                    | (5.23)                         | -                 | (16.21)          |                        | (16.21)             |
| Provision for defined benefit plan & Investment - OCI | 5.02                       | -                              | (1.65)            | 3.37             | 3.37                   |                     |
| Fair Value Gain on Investment & Others                | 238.44                     | (286.35)                       | -                 | 524.79           | 524.79                 |                     |
| Provision for Diminution in value of Investment       | -                          | 104.84                         |                   | (104.84)         |                        | (104.84)            |
| On Impact of ROU as per Ind AS 116                    | (0.32)                     | 0.16                           |                   | (0.49)           |                        | (0.49)              |
| Deferred Tax (Assets) / Liabilities                   | 324.94                     | (158.87)                       | (1.65)            | 482.16           | 603.70                 | (121.54)            |
| As at 31 March 2021                                   |                            |                                |                   |                  |                        |                     |
| Particulars   | Balance as at April 1 2020 | Recognised in profit or (Loss) | Recognised in OCI | Net Deferred Tax | Deferred Tax Liability | Deferred Tax Assets |
| Property, plant and equipment and intangible assets   | (49.16)                    | (152.40)                       | -                 | 103.25           | 103.25                 | -                   |
| Provision for defined benefit plan - P&L              | (3.47)                     | 17.97                          | -                 | (21.45)          |                        | (21.45)             |
| Provision for defined benefit plan & Investment - OCI | 4.35                       | -                              | 0.68              | 5.02             | 5.02                   |                     |
| Fair Value Gain on Investment & Others                | 226.66                     | (11.78)                        | -                 | 238.44           | 238.44                 |                     |
| On Impact of ROU as per Ind AS 116                    | -                          | 0.32                           |                   | (0.32)           |                        | (0.32)              |
| Deferred Tax (Assets) / Liabilities                   | 178.37                     | (145.89)                       | 0.68              | 324.94           | 346.71                 | (21.77)             |

Movement on the deferred tax account is as follows:

| Amount (In Lacs)                                     |                  |                  |
|--|------------------|------------------|
| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
| Balance at the beginning of the year                 | 324.94           | 178.37           |
| (Credit)/ Charge to the statement of profit and loss | 158.87           | 145.89           |
| (Credit)/ Charge to other comprehensive income       | (1.65)           | 0.68             |
| Balance at the end of the year                       | 482.16           | 324.94           |

### (a) Tax Expense

| Amount (In Lacs)                     |                  |                  |
|--------------------------------------|------------------|------------------|
| Particulars                          | As at 31.03.2022 | As at 31.03.2021 |
| Current Tax                          |                  |                  |
| Current Tax for the year             | 1,296.52         | 270.20           |
| Adjustments for earlier year Taxes   | 168.56           | (6.53)           |
| Total current tax expense            | 1,465.08         | 263.68           |
| Deferred tax                         |                  |                  |
| Movement in Deferred Tax             | 158.87           | 145.89           |
| Total deferred tax expense/(benefit) | 158.87           | 145.89           |
| Tax Expense                          | 1,623.95         | 409.57           |

### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

| Tax Reconciliation  | 31.03.2022 | 31.03.2021 |
|---|------------|------------|
| Profit before Tax   | 6,280.41   | 1,938.15   |
| Amount of Tax on applicable Tax rate @ 25.168% Including Special Tax Rate (PY-25.168%)  | 1,580.65   | 487.79     |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | 246.72     | 145.03     |
| Adjustments for earlier year Taxes  | 168.56     | (6.53)     |
| Other temporary changes in recognised deductible differences                            | 158.87     | 145.89     |
| Tax effect of amounts which are deductible (non taxable) in calculating taxable income: | (549.20)   | (363.13)   |
| Current Tax   | 1,605.61   | 409.05     |
| Current Tax at Special Rate   | 18.34      | 0.52       |
| Income Tax Expense reported in the statement of Profit & Loss                           | 1,623.95   | 409.57     |

## Note to Financial Statements For The Year Ended 31 March 2022

### 5 Other Non-current Assets (Unsecured considered good unless otherwise specified)

| <b>Tax Reconciliation</b>   | <b>31.03.2022</b> | <b>31.03.2021</b> |
|---|-------------------|-------------------|
| Prepaid expenses  | 94.32             | 93.36             |
| Balances with government authorities [Refer note (i) below]           | 6.25              | 6.25              |
| Advance Tax/tax deducted at source/ FBT Refundable (net of provision) | 177.11            | 330.43            |
| Gratuity Fund   | 96.87             | 88.23             |
| <b>Total</b>  | <b>374.55</b>     | <b>518.27</b>     |

(i) Balances with government includes a sum of Rs.6,00,000/- 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 Rs.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. Matter is still pending.

### 6 Inventories

| <b>Particulars</b>                       | <b>As at 31.03.2022</b> | <b>As at 31.03.2021</b> |
|--|-------------------------|-------------------------|
| (a) Raw Materials & Production Stores    |                         |                         |
| With Jobber                              | -                       | -                       |
| At Plant                                 | 3,502.93                | 4,311.23                |
| Goods In Transit (Import Goods)          | -                       | -                       |
| (b) Work-in-progress                     | 273.46                  | 357.53                  |
| (c) Finished goods(Other than traded)    |                         |                         |
| At Plant                                 | 794.24                  | 740.10                  |
| Goods In Transit (Export Goods)          | 1,033.93                | 37.88                   |
| With Jobber                              | -                       | -                       |
| (d) Packing Material & Consumables store | 329.95                  | 143.67                  |
| (e) Scrap                                | 1,236.96                | 37.89                   |
| (f) Ingot                                | -                       | -                       |
| <b>Total</b>                             | <b>7,171.46</b>         | <b>5,628.30</b>         |

- (i) The company does not have any stock which is expected to be sold in more than 12 months  
 (ii) Carrying amount of inventories (included above) hpothecated. (Reffer to note 18)  
 (iii) For mode of valuation of Inventory please reffer to note C(h)

### 7 Current Investments

| <b>Particulars</b>                                 | <b>As at 31.03.2022</b> | <b>As at 31.03.2021</b> |
|--|-------------------------|-------------------------|
| Quoted-At Fair Value                               |                         |                         |
| HDFC Credit Risk Debt Fund Direct - Growth         | -                       | 603.22                  |
| ICICI Prudential Credit Risk Fund Growth           | 1,211.05                | 1,134.87                |
| IDFC Banking & PSU Debt Fund Regular Plan Growth   | 1,198.04                | 1,151.05                |
| Kotak Banking & Psu Debt Fund Growth               | 1,186.57                | 1,130.84                |
| L & T Triple ACE Bond Fund                         | 598.42                  | 569.69                  |
| SBI Magnum Medium Duration Fund Growth             | 3,462.55                | 3,301.42                |
| Axis Banking & PSU Debt Fund Regular Plan - Growth | 1,735.50                | 1,669.58                |
| Investment in Equity Mutal Funds                   | 1,376.62                | 221.82                  |
| Aditya Birla Sunlife Banking & PSU Debt Fund (R) G | 559.56                  | 534.51                  |
| HDFC Corporate Bond Fund Regular (Growth)          | 1,914.75                | 1,826.45                |
| HDFC Credit Risk Debt Fund - Regular Growth        | 2,648.29                | 1,503.00                |
| IDFC Corporate Bond Fund - Growth                  | 556.41                  | 531.24                  |
| Kotak Floating Rate Fund                           | -                       | 199.48                  |
| L&T Banking and PSU Debt Fund                      | 987.42                  | 948.52                  |
| SBI Magnum Ultra Short Duration Fund               | 2,417.56                | 1,805.95                |

## Note to Financial Statements For The Year Ended 31 March 2022

|   |                  |                  |
|---|------------------|------------------|
| SBI Credit Risk Fund Regular Growth                       | 1,036.34         | -                |
| Investment in Equity Share (Titagan Wagan)                | 69.02            | -                |
| <b>Total</b>  | <b>20,958.10</b> | <b>17,131.63</b> |
| <b>Aggregate Value of Quoted Investment at Fair Value</b> | <b>20,958.10</b> | <b>17,131.63</b> |

(i) Carrying amount of investments (included above) pledged. (Refer to note 18)

| 8 Trade Receivable - Unsecured Considered Good                               | Amount (In Lacs) |                  |
|--|------------------|------------------|
| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
| (Unsecured - Considered Good)  |                  |                  |
| Trade Receivable   | 4,691.68         | 5,428.75         |
| <b>Total</b>   | <b>4,691.68</b>  | <b>5,428.75</b>  |
| Above includes: Receivables from related parties, unsecured, considered good | 1.24             | 1.08             |
| Breakup of Security details  |                  |                  |
| Trade Receivables considered good - Secured                                  | -                | -                |
| Trade Receivables considered good - Un Secured                               | 4,691.68         | 5,428.75         |
| Trade Receivables which have significant increase in credit risk             | -                | -                |
| Trade Receivables- Credit impaired   | -                | -                |
| <b>Total</b>   | <b>4,691.68</b>  | <b>5,428.75</b>  |
| Less: Loss Allowance   | -                | -                |
| <b>Total</b>   | <b>4,691.68</b>  | <b>5,428.75</b>  |

- (i) Trade Receivables with a carrying value of Rs. 4691.68 Lacs and Rs. 5428.75 Lacs have been given as collateral towards borrowings as at 31st March 2022 and 31st March 2021 respectively (refer note 18 on borrowings)
- (ii) The Credit period given to customers range from 30 Days to 100 Days. For the existing customers based on their past records, the company fixes the credit limit as well as credit period. For new Customers, company generally supplies the good against advances.

| Ageing of Trade Receivable as at 31st March 2022                            |  |                  |             |              |                   | Amount (In Lacs) |
|---|--|------------------|-------------|--------------|-------------------|------------------|
| Particular  | Outstanding for following periods from the date of transaction |                  |             |              |                   | Total            |
|   | Less than 6 Months   | 6 Months- 1 Year | 1-2 Years   | 2-3 Years    | More than 3 Years |                  |
| Trade Receivable-Billed   |  |                  |             |              |                   | -                |
| Undisputed Trade Receivable- Considered Good                                | 4,575.44   | -                | 0.09        | 1.24         | -                 | 4,576.76         |
| Undisputed Trade Receivable- which have significant increase in credit risk |  |                  |             |              | -                 | -                |
| Undisputed Trade Receivable- credit impaired                                |  |                  |             |              |                   | -                |
| Disputed Trade Receivable- Considered Good                                  |  |                  |             | 31.87        | 83.05             | 114.92           |
| Disputed Trade Receivable- which have significant increase in credit risk   |  |                  |             | -            |                   | -                |
| Disputed Trade Receivable- credit impaired                                  |  |                  |             |              |                   | -                |
| <b>Total</b>  | <b>4,575.44</b>  | <b>-</b>         | <b>0.09</b> | <b>33.11</b> | <b>83.05</b>      | <b>4,691.68</b>  |

### Ageing of Trade Receivable as at 31st March 2021

| Particular  | Outstanding for following periods from the date of transaction |                  |           |           |                   | Total    |
|---|--|------------------|-----------|-----------|-------------------|----------|
|   | Less than 6 Months   | 6 Months- 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |          |
| <b>Trade Receivable-Billed</b>  |  |                  |           |           |                   | -        |
| Undisputed Trade Receivable- Considered Good                                | 5,314.31   | -                | 2.46      | -         |                   | 5,316.77 |
| Undisputed Trade Receivable- which have significant increase in credit risk |  |                  |           | -         |                   | -        |
| Undisputed Trade Receivable- credit impaired                                |  |                  |           |           |                   | -        |
| Disputed Trade Receivable- Considered Good                                  |  |                  |           | 111.98    |                   | 111.98   |

# Note to Financial Statements For The Year Ended 31 March 2022

|   |                 |          |             |               |          |                 |
|---|-----------------|----------|-------------|---------------|----------|-----------------|
| Disputed Trade Receivable- which have significant increase in credit risk |                 |          |             |               |          | -               |
| Disputed Trade Receivable- credit impaired                                |                 |          |             |               |          | -               |
| <b>Total</b>  | <b>5,314.31</b> | <b>-</b> | <b>2.46</b> | <b>111.98</b> | <b>-</b> | <b>5,428.75</b> |

## 9 Cash & Cash Equivalents Amount (In Lacs)

| Particulars                                      | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Balances with banks in current accounts          | 23.66            | 15.55            |
| Fixed deposits with banks                        |                  |                  |
| -Held with maturity period of less than 3 months |                  |                  |
| Cash on hand                                     | 4.02             | 5.55             |
| <b>Total</b>                                     | <b>27.68</b>     | <b>21.10</b>     |

## 10 Other Bank Balance - Current Amount (In Lacs)

| Particulars   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Fixed Deposits including accrued interest thereon* (Refer note no 48) | 186.43           | 182.49           |
| Unpaid Dividend account   | 15.89            | 15.91            |
| <b>Total</b>  | <b>202.32</b>    | <b>198.40</b>    |

(i) \*STDR of Rs. 7015192/- (Previous Year Rs. 7014820/-) pledged as security of Over Draft account)

(ii) There are no amounts due and outstanding to be credited to the Investor Education and Protection fund as on 31.03.2022

## 11 Other Current Financial Assets (Unsecured considered good unless otherwise specified)

| Particulars                          | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------------|------------------|------------------|
| Interest Income Receivables          | 3.00             | 37.39            |
| Forward Exchange Contract Receivable | 13.37            | 97.22            |
| Rent Receivable                      | -                | -                |
| Income Receivable from Investment    | -                | -                |
| Advance to Employees                 | 13.84            | 11.27            |
| <b>Total</b>                         | <b>30.22</b>     | <b>145.88</b>    |

## 12 Other Current Assets (Unsecured considered good unless otherwise specified)

| Particulars   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Export Entitlement Receivable                                     | 42.96            | 54.40            |
| Other Receivables   | 41.09            | 66.43            |
| Advances to suppliers and others                                  | 14,759.00        | 2,562.28         |
| Prepaid Expenses  | 33.51            | 21.50            |
| Balance with revenue authorities (Refer foot note i to iii below) | 519.85           | 495.03           |
| Stock of Gas Cylinder   | 1.45             | 1.36             |
| <b>Total</b>  | <b>15,397.87</b> | <b>3,201.00</b>  |

(i) Balances with Govt. Authorities includes Rs.97,44,034/- deposited against demand of Rs.1,25,76,869/- for safeguard duty. Liability for the balance amount has not been provided for, as the same has been appealed in Hon'ble High Court, Mumbai. Stay granted by Hon'ble High Court.

(ii) CENVAT/GST Recoverable of Rs 413.85 Lacs (Previous year Rs. 388.72 Lacs) includes in Balance with Govt. Authorities.



# Note to Financial Statements For The Year Ended 31 March 2022

## 13 Equity Share Capital

### (a) Authorised

| Particulars                       | No. of Shares     |                   | Amount In Lacs   |                  |
|-----------------------------------|-------------------|-------------------|------------------|------------------|
|                                   | As at 31.03.2022  | As at 31.03.2021  | As at 31.03.2022 | As at 31.03.2021 |
| Equity Shares of Rs. 10 each      |                   |                   |                  |                  |
| At the beginning of the period    | 15,000,000        | 15,000,000        | 1,500            | 1,500            |
| Add: Additions during the period  | -                 | -                 | -                | -                |
| Less: Reduction during the period | -                 | -                 | -                | -                |
| At the end of the period          | 15,000,000        | 15,000,000        | 1,500            | 1,500            |
| <b>Grand Total</b>                | <b>15,000,000</b> | <b>15,000,000</b> | <b>1,500</b>     | <b>1,500</b>     |

### (b) Issued, Subscribed and Paid up

| Particulars                                  | No. of Shares    |                  | Amount In Lacs   |                  |
|--|------------------|------------------|------------------|------------------|
|  | As at 31.03.2022 | As at 31.03.2021 | As at 31.03.2022 | As at 31.03.2021 |
| Equity Shares of Rs. 10 each fully paid up   |                  |                  |                  |                  |
| At the beginning of the period               | 8,110,000        | 8,110,000        | 811.00           | 811.00           |
| (8110000 shares full paid up out of 8121600) |                  |                  |                  |                  |
| Add: Additions during the period             | 983,000          | -                | 98.30            | -                |
| Less: Reduction during the period            | -                | -                | -                | -                |
| At the end of the period                     | 9,093,000        | 8,110,000        | 909.30           | 811.00           |
| <b>Total</b>                                 | <b>9,093,000</b> | <b>8,110,000</b> | <b>909.30</b>    | <b>811.00</b>    |

(\*) 11600 partly paid up equity shares forfeited amounting to Rs. 61025

### (c) Details of shareholders holding more than 5% shares in the company

| Name of the Shareholder           | No. of Shares |           | Percentage     |       |
|-----------------------------------|---------------|-----------|----------------|-------|
|                                   | No. of Shares | -         | Amount In Lacs | -     |
| 1 Pipalia Calbes & Wires Pvt. Ltd | 1,591,999     | 1,591,999 | 17.51          | 19.63 |
| 2 Foils India Laminates Pvt. Ltd  | 1,401,639     | 1,401,639 | 15.41          | 17.28 |
| 3 Miracales Foils Pvt. Ltd.       | 419,626       | 733,753   | 4.61           | 9.05  |
| 4 Madras Alucon Pvt. Ltd.         | 452,687       | 452,687   | 4.98           | 5.58  |
| 5 Prem Alucon Pvt. Ltd.           | 419,647       | 419,647   | 4.62           | 5.17  |

(\*) NOTE: Percentage of shareholding as on 31st March 2022 is calculated in accordance with new capital structure 9093000.

(\*\*) 983000 warrants was converted into equity shares on dated 05th March 2022.

The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding, as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

#### 13.1 Terms/rights attached to paid up equity shares

The company has only one class of equity shares having a par value of Rs 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 13.2 The Company has not allotted any fully paid up equity shares pursuant to contracts without payment being received in cash during the period of five years immediately preceding the balance sheet date.

# Note to Financial Statements For The Year Ended 31 March 2022

## 13.3 Disclosure of Promoters Shareholding

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

|   | Shares held by promoters |                   |                      |                   | % Change during the year |
|---|--------------------------|-------------------|----------------------|-------------------|--------------------------|
| Promoter name                               | As at March 31, 2022     |                   | As at March 31, 2021 |                   |                          |
|   | No. of shares            | % of total shares | No. of shares        | % of total shares |                          |
| NEETAL P SHAH                               | 15000                    | 0.16              | 15000                | 0.18              | -                        |
| PALAK P SHAH                                | 14000                    | 0.15              | 14000                | 0.17              | -                        |
| MANJU PANKAJRAJ SHAH                        | 501305                   | 5.51              | 101305               | 1.25              | 4.26                     |
| PANKAJ P SHAH                               | 225053                   | 2.48              | 225053               | 2.78              | -                        |
| SAHIL P SHAH                                | 700                      | 0.01              | 700                  | 0.01              | -                        |
| FOILS INDIA LAMINATES (P) LTD               | 1401639                  | 15.41             | 1401639              | 17.28             | -                        |
| PIPALIA CABLES AND WIRES PVT LTD            | 1591999                  | 17.51             | 1591999              | 19.63             | -                        |
| JINENDRA COMMERCIAL COMPANY PRIVATE LIMITED | 188300                   | 2.07              | 188300               | 2.32              | -                        |
| PREM FOILS LIMITED                          | 353000                   | 3.88              | 353000               | 4.35              | -                        |
| MADRAS ALUCON PRIVATE LTD                   | 452687                   | 4.98              | 452687               | 5.58              | -                        |
| PREM ALUCON PRIVATE LTD                     | 419647                   | 4.62              | 419647               | 5.17              | -                        |
| TOTAL                                       | 5163330                  | 56.78             | 4763330              | 58.73             |                          |

(\*) NOTE: Percentage of shareholding as on 31st March 2022 is calculated in accordance with new capital structure 9093000.

(\*\*) 983000 warrants was converted into equity shares on dated 05th March 2022.

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

| Shares held by promoters                    |                      |                   |                      |                   |                          |
|---|----------------------|-------------------|----------------------|-------------------|--------------------------|
| Promoter name                               | As at March 31, 2021 |                   | As at March 31, 2020 |                   | % Change during the year |
|   | No. of shares        | % of total shares | No. of shares        | % of total shares |                          |
| NEETAL P SHAH                               | 15000                | 0.18              | 15000                | 0.18              | -                        |
| PALAK P SHAH                                | 14000                | 0.17              | 14000                | 0.17              | -                        |
| MANJU PANKAJRAJ SHAH                        | 101305               | 1.25              | 101305               | 1.25              | -                        |
| PANKAJ P SHAH                               | 225053               | 2.78              | 225053               | 2.78              | -                        |
| SAHIL P SHAH                                | 700                  | 0.01              | 700                  | 0.01              | -                        |
| FOILS INDIA LAMINATES (P) LTD               | 1401639              | 17.28             | 1401639              | 17.28             | -                        |
| PIPALIA CABLES AND WIRES PVT LTD            | 1591999              | 19.63             | 1591999              | 19.63             | -                        |
| JINENDRA COMMERCIAL COMPANY PRIVATE LIMITED | 188300               | 2.32              | 188300               | 2.32              | -                        |
| PREM FOILS LIMITED                          | 353000               | 4.35              | 353000               | 4.35              | -                        |
| MADRAS ALUCON PRIVATE LTD                   | 452687               | 5.58              | 452687               | 5.58              | -                        |
| PREM ALUCON PRIVATE LTD                     | 419647               | 5.17              | 419647               | 5.17              | -                        |
| TOTAL                                       | 4763330              | 58.73             | 4763330              | 58.73             |                          |

## 14 Other Equity

| Particulars                       | As at 31.03.2022 | As at 31.03.2021 |
|-----------------------------------|------------------|------------------|
| <b>Security Premium Reserve</b>   |                  |                  |
| As per last Balance Sheet         | 1,944.47         | 1,944.47         |
| Add: Addition during the year     | 1,808.72         |                  |
| <b>Balance at the end of year</b> | <b>3,753.19</b>  | <b>1,944.47</b>  |
| <b>General Reserve</b>            |                  |                  |
| As per last Balance Sheet         | 1,272.49         | 1,272.49         |

## Note to Financial Statements For The Year Ended 31 March 2022

|   |                  |                  |
|---|------------------|------------------|
| Add: Addition during the year               | -                | -                |
| <b>Balance at the end of year</b>           | <b>1,272.49</b>  | <b>1,272.49</b>  |
| <b>Capital Reserve</b>                      |                  |                  |
| As per last Balance Sheet                   | 58.03            | 58.03            |
| Add: Addition during the year               | -                | -                |
| <b>Balance at the end of year</b>           | <b>58.03</b>     | <b>58.03</b>     |
| <b>Retained Earnings</b>                    |                  |                  |
| As per last Balance Sheet                   | 13,858.85        | 12,330.27        |
| Add: Profit during the year                 | 4,656.46         | 1,528.58         |
| Interim Dividend and Tax there on           | (162.20)         | -                |
| <b>Balance at the end of year</b>           | <b>18,353.12</b> | <b>13,858.85</b> |
| <b>Other Comprehensive Income</b>           |                  |                  |
| As per last Balance Sheet                   | 3.17             | 1.28             |
| Add: Profit during the year                 | (4.90)           | 1.89             |
| <b>Balance at the end of year</b>           | <b>(1.73)</b>    | <b>3.17</b>      |
| <b>Money Received against Share Warrant</b> |                  |                  |
| As per last Balance Sheet                   | -                | -                |
| Add: Addition during the year               | 1,397.77         | -                |
| <b>Balance at the end of year</b>           | <b>1,397.77</b>  | <b>-</b>         |
| <b>Total</b>                                | <b>24,832.85</b> | <b>17,137.00</b> |

### 15 Borrowings - Non Current

Amount (In Lacs)

| Particulars                                | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| <b>SECURED LOANS</b>                       |                  |                  |
| Term Loan from Bank                        | -                | -                |
| Less: Current Maturities of Long Term Debt | -                | -                |
| <b>Total</b>                               | <b>-</b>         | <b>-</b>         |

### 16 Other Financial Liabilities - Non Current

| Particulars                            | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| <b>Death Claim payable</b>             | <b>119.43</b>    | <b>54.52</b>     |
| Service award accrued but not due      | 24.99            | 39.24            |
| Trade / security deposits received     | 56.94            | 72.04            |
| Unpaid Dividend [Refer note (i) below] | 27.46            | 27.46            |
| <b>Total</b>                           | <b>228.82</b>    | <b>193.27</b>    |

(i) Unpaid dividend of Rs 27,37,500/- 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 Ahmedabad till year 2018 and in year 2018-19 court has settled the case and ownership of the shares transferred in favour of M/s. Miracle foils Pvt Ltd. Company will pay above amount when claimed. And Rs. 8,500/- of others has also not been deposited.

### 17 Long Term Provision

Amount (In Lacs)

| Particulars                    | As at 31.03.2022 | As at 31.03.2021 |
|--------------------------------|------------------|------------------|
| Provision for Gratuity         | -                | -                |
| Provision for Leave Encashment | 49.89            | 68.25            |
| <b>Total</b>                   | <b>49.89</b>     | <b>68.25</b>     |

### 18 Borrowings - Current

| Particulars                     | As at 31.03.2022 | As at 31.03.2021 |
|---------------------------------|------------------|------------------|
| (a) Overdraft and Buyers Credit |                  |                  |
| From banks                      |                  |                  |
| Secured                         | 20,074.21        | 12,307.58        |
| (b) Loan Repayable on Demand    |                  |                  |

## Note to Financial Statements For The Year Ended 31 March 2022

|  |                  |                  |
|--|------------------|------------------|
| From Others*                             | 524.00           | 524.00           |
| Unsecured                                |                  |                  |
| (c) Loan From others                     |                  |                  |
| Secured                                  | 2,080.59         | 2,080.59         |
| Unsecured                                | 3,368.80         | 2,612.22         |
| (d) Current Maturities of Long Term Debt | -                | -                |
| <b>Total</b>                             | <b>26,047.60</b> | <b>17,524.39</b> |

\*Non interest bearing Unsecured Loans from Private Limited Companies

Amount (In Lacs)

(i) Details of security for the secured short-term borrowings:

| Particulars  | Nature of security  | As at 31.03.2022 | As at 31.03.2021 |
|--|---|------------------|------------------|
| Overdraft and buyers credit from bank (IDBI)             | Working capital overdraft including buyers credit Secured against First Pari Passu Charge with HDFC Bank on entire current assets and collateral first pari passu charge with HDFC Bank on entire movable assets and equitable mortgage on the factory land & building situated at pipalia kalan, Dist. Pali (Raj), pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds and personal guarantee of the director Mr. Pankaj P Shah And Mr. Sahil P Shah. Interest Charge @ 1 year MCLR + 145 bps p.a. | 2,735.08         | 4,653.33         |
| Working Capital Demand Loan From IDBI Bank Ltd (FCNR)    | Security - Same as above (a) Interest Rate mutually agreed at the time of each disbursement   | 6,672.18         | 1,457.37         |
| Barclays Bank PLC Overdraft Facility Limit in FCNR       | Against pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds/Fixed Deposits and personal guarantee of the director Mr. Pankaj P Shah, Interest charge as mutually agreed at the time of release  | 4,642.94         | 2,118.22         |
| Barclays Bank PLC Overdraft Facility Limit               | Against pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds/Fixed Deposits and personal guarantee of the director Mr. Pankaj P Shah, Interest charge as mutually agreed at the time of release  | (7.87)           | (3.35)           |
| HDFC Bank Ltd Overdraft Facility Limit                   | Working capital overdraft including buyers credit Secured against First Pari Passu Charge with IDBI Bank on entire current assets and collateral Pari Passu charge with IDBI Bank on entire movable assets and equitable mortgage on the factory land & building situated at pipalia kalan, Dist. Pali (Raj), pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds and personal guarantee of the director Mr. Pankaj P Shah And Mr. Sahil P Shah. Interest Charge as mutually agreed                 | 373.56           | (499.81)         |
| HDFC Bank Ltd Overdraft Facility Limit (FCNR)            | Security - Same as above (e) Interest Rate as mutually agreed at the time of each disbursement  | 3,021.84         | 1,930.15         |
| Kotak Mahendra Bank Working Capital Demand Loan (FCNR)   | Against pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds and personal guarantee of the director Mr. Pankaj P Shah, Interest charge as mutually agreed at the time of facility release  | 2,638.36         | 1,772.65         |
| Overdraft against Fixed Deposit From State Bank of India | Against pledge of Fixed deposit, interest charge @ 7.5% per annum   | (1.88)           | 3.63             |
| ICICI Bank (Euro FCNR Loan A/c)                          | Against pledge of liquid investment in the name of company in the form of Mutual Funds/ Bonds and personal guarantee of the director Mr. Pankaj P Shah, Interest charge as mutually agreed at the time of facility release  | -                | 875.39           |
| <b>Total</b>   |   | <b>20,074.20</b> | <b>12,307.58</b> |

# Note to Financial Statements For The Year Ended 31 March 2022

## 19. Trade payables

Amount (In Lacs)

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Total outstanding dues of micro enterprises and small enterprises                      | -                | -                |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 839.79           | 767.81           |
| <b>Total</b>   | <b>839.79</b>    | <b>767.81</b>    |
| Above includes: Payable to related parties   | 1.34             | 1.34             |

The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 (the Act) has been determined to the extent such parties have been identified by the company, on the basis of information and records available with them. This information has been relied upon by the auditors.

|   |   |   |
|---|---|---|
| (a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;   | - | - |
| - Principal Amount  | - | - |
| - Interest due  | - | - |
| (b) the amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;  | - | - |
| (c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;   | - | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and   | - | - |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |

Note: Provision for interest due on outstanding amount to MSME creditors not provided in the books of account as per section 16 of the MSME Act, 2006.

### Aging of Trade Payable outstanding as at 31st March, 2022 is as follows:

| Particular            | Outstanding for followings periods from date of transaction |              |              |                   | Total         |
|-----------------------|---|--------------|--------------|-------------------|---------------|
|                       | Less than 1 Year  | 1-2 Years    | 2-3 Years    | More than 3 Years |               |
| Trade Payables        |   |              |              |                   |               |
| MSME                  |   |              |              |                   | -             |
| Others                | 605.18  | 12.48        | 19.60        | 202.53            | 839.79        |
| Disputed dues- MSME   |   |              |              |                   | -             |
| Disputed dues- Others |   |              |              |                   | -             |
| <b>Total</b>          | <b>605.18</b>   | <b>12.48</b> | <b>19.60</b> | <b>202.53</b>     | <b>839.79</b> |

Credit period of each supplier are different in each case therefore aging has provided from the date of transaction, MSME outstanding are not due for payment as per agreed Terms with MSME Supplier.

### Ageing of Trade Payable outstanding as at 31st March, 2021 is as follows:

| Particular            | Outstanding for followings periods from date of transaction |              |              |                   | Total         |
|-----------------------|---|--------------|--------------|-------------------|---------------|
|                       | Less than 1 Year  | 1-2 Years    | 2-3 Years    | More than 3 Years |               |
| Trade Payables        |   |              |              |                   |               |
| MSME                  |   |              |              |                   | -             |
| Others                | 520.06  | 14.56        | 54.73        | 178.46            | 767.81        |
| Disputed dues- MSME   |   |              |              |                   | -             |
| Disputed dues- Others |   |              |              |                   | -             |
| <b>Total</b>          | <b>520.06</b>   | <b>14.56</b> | <b>54.73</b> | <b>178.46</b>     | <b>767.81</b> |

# Note to Financial Statements For The Year Ended 31 March 2022

## 20. Other Current Financial Liabilities

Amount (In Lacs)

| Particulars   | As at 31.03.2022 | As at 31.03.2021 |
|---|------------------|------------------|
| Interest Accrued but not Due                          | 20.70            | 27.10            |
| Service award due & payable                           | 59.93            | 49.54            |
| Employee Related Laibilities                          | 114.17           | 163.19           |
| Payable for Capital Goods                             | 101.63           | 108.70           |
| Security Deposit Received                             | 37.01            | 37.01            |
| Liability on account of outstanding forward contracts | -                | -                |
| Unclaimed Dividend [Refer note (i) below]             | 21.75            | 15.91            |
| <b>Total</b>  | <b>355.18</b>    | <b>401.45</b>    |

**Note:** Unclaimed dividend includes Rs 412522/- for F.Y. 2015-16, Rs.604390/- for F.Y. 2016-17, Rs 572402/- for F.Y. 2017-18 and Rs. 585652/- for F.Y. 2021-22

## 21. Other Current Liabilities

Amount (In Lacs)

| Particulars            | As at 31.03.2022 | As at 31.03.2021 |
|------------------------|------------------|------------------|
| Advance from Customers | 734.14           | 773.02           |
| Statutory Dues Payable | 114.21           | 271.59           |
| <b>Total</b>           | <b>848.34</b>    | <b>1,044.60</b>  |

**Note: Statutory Dues Payable includes :**

(a) Demand raised under Income Tax Act for AY 2016-17 for Rs. 5329282/- and for AY 2017-18 Rs. 2135739/-, the company had filed an appeal before CIT Appeal against order

## 22. Short Term Provisions

Amount (In Lacs)

| Particulars      | As at 31.03.2022 | As at 31.03.2021 |
|------------------|------------------|------------------|
| Gratuity         | -                | -                |
| Leave Encashment | 14.52            | 16.96            |
| <b>Total</b>     | <b>14.52</b>     | <b>16.96</b>     |

## 23 Revenue from Operations

Amount (In Lacs)

| Particulars                                      | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Sale of products (Refer Note (i) below)          | 37,439.76        | 23,279.98        |
| Other operating revenues (Refer Note (ii) below) | 2,013.84         | 1,884.91         |
| <b>Total</b>                                     | <b>39,453.60</b> | <b>25,164.90</b> |
| Note (i)   |                  |                  |
| <b>A) Sale of products comprises:</b>            |                  |                  |
| <b>Manufactured goods</b>                        |                  |                  |
| -Aluminium Foil                                  | 31,324.31        | 21,317.95        |
| -Glassine Paper                                  | 32.08            | 78.47            |
| -Ingot   | 675.22           | 723.39           |
| -Polythene                                       | 24.96            | 34.76            |
| <b>Total (A)</b>                                 | <b>32,056.57</b> | <b>22,154.58</b> |
| Less : Sales Returns                             | (112.18)         | (67.71)          |
| Discount, Rebate & Shortage                      | (2.33)           | (66.31)          |
| <b>Total - Sale of manufactured goods</b>        | <b>31,942.05</b> | <b>22,020.56</b> |
| <b>B) Traded goods</b>                           |                  |                  |
| -Aluminium Wire Rod & Ingots                     | -                | 441.63           |
| -Grannuals                                       | 329.99           | 739.00           |
| -Camical   | 62.66            | 75.97            |
| -Aluminium Foil                                  | 5,101.82         | -                |
| -Ingot   | -                | -                |



## Note to Financial Statements For The Year Ended 31 March 2022

|   |                  |                  |
|---|------------------|------------------|
| Others                                  | 3.24             | 2.83             |
| <b>Total - Sale of traded goods (B)</b> | <b>5,497.71</b>  | <b>1,259.43</b>  |
| <b>Total - Sale of products (A+B)</b>   | <b>37,439.76</b> | <b>23,279.98</b> |
| Note (ii)                               |                  |                  |
| Other operating revenues comprise:      |                  |                  |
| Export Incentives etc                   | 5.69             | 53.90            |
| Process Scrap Sale                      | 1,890.26         | 1,722.60         |
| Gain on wind power generations          | 117.90           | 108.41           |
| <b>Total - Other operating revenues</b> | <b>2,013.84</b>  | <b>1,884.91</b>  |

### Dissegregation of revenue

#### Revenue based on nature

| Particulars                        | As at 31.03.2022 | As at 31.03.2021 |
|------------------------------------|------------------|------------------|
| Aluminium Foils & Related Products | 37,439.76        | 23,279.98        |
| <b>Total</b>                       | <b>37,439.76</b> | <b>23,279.98</b> |

#### Revenue based on Geography

| Particulars   | As at 31.03.2022 | As at 31.03.2021 |
|---------------|------------------|------------------|
| Within India  | 34,574.28        | 20,176.53        |
| Outside India | 2,865.48         | 3,103.45         |
| <b>Total</b>  | <b>37,439.76</b> | <b>23,279.98</b> |

### Reconciliation of revenue from operations with contract price

| Particulars  | As at 31.03.2022 | As at 31.03.2021 |
|--|------------------|------------------|
| Contract Price   | 37,439.76        | 23,344.06        |
| Less: Variable Components like Discounts etc.                        | -                | 64.08            |
| <b>Revenue from Operations as recognised in financial Statements</b> | <b>37,439.76</b> | <b>23,279.98</b> |

### 24 Other Income

| Particulars  | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|--|------------------------------------|------------------------------------|
| <b>Interest income</b>   |                                    |                                    |
| Interest income  | 200.42                             | 108.86                             |
| Dividend   | 0.00                               | -                                  |
| Employer Employee Maturity Income  | 220.78                             | -                                  |
| Other non-operating income   | 1,137.22                           | 74.53                              |
| Other Gains  |                                    |                                    |
| Foreign Exchange Fluctuation net   | 175.83                             | -                                  |
| Profit on Sale of Fixed Assets   | 19.64                              | -                                  |
| Unrealised gain on valuation of mutual funds measured at fair value through profit or loss | 1,076.77                           | 1,157.21                           |
| Profit on Sale of Equity   | 7.73                               | -                                  |
| Excess Liability Written back  | 12.54                              | -                                  |
| <b>Total</b>   | <b>2,850.92</b>                    | <b>1,340.59</b>                    |

# Note to Financial Statements For The Year Ended 31 March 2022

## 25 Cost of Materials Consumed

| Particulars                       | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|-----------------------------------|------------------------------------|------------------------------------|
| Opening Stock                     | 4,454.90                           | 2,193.55                           |
| Add: Purchase during the year     | 27,366.89                          | 21,283.44                          |
| Total                             | 31,821.79                          | 23,476.99                          |
| Less: Cost Of Sales(Traded Goods) | -                                  | -                                  |
| Less:Purchase return              | (71.65)                            | (71.07)                            |
| Less: Closing stock               | (3,832.88)                         | (4,454.90)                         |
| <b>Total</b>                      | <b>27,917.26</b>                   | <b>18,951.02</b>                   |

## 26 Exceptional Items

| Particulars       | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|-------------------|------------------------------------|------------------------------------|
| Exceptional Items | -                                  | -                                  |
| <b>Total</b>      | <b>-</b>                           | <b>-</b>                           |

## 27 Purchase of Stock-in-Trade

| Particulars                         | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|-------------------------------------|------------------------------------|------------------------------------|
| Purchase of Alu.Wire Rods (Trading) | -                                  | 431.73                             |
| Purchase of Foil Stock (Trading)    | 4,935.67                           | -                                  |
| Purchase of Grannual (Trading)      | 284.66                             | 684.68                             |
| Purchase of Ingots (Trading)        | -                                  | -                                  |
| Purchase of Vinol (Trading)         | 48.05                              | 51.72                              |
| Purchase of Chemical (Traded)       | -                                  | 1.77                               |
| Purchase of Paper (Trading)         | -                                  | 1.37                               |
| Purchase of Polythene Film (Traded) | -                                  | 0.55                               |
| <b>Total</b>                        | <b>5,268.38</b>                    | <b>1,171.82</b>                    |

## 28 (Increase)/Decrease in Stock (Fg,Wip)

| Particulars                    | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|--------------------------------|------------------------------------|------------------------------------|
| Opening Stock                  |                                    |                                    |
| Finished Goods/ Stock in trade | 777.98                             | 850.99                             |
| Work-in-Process                | 357.53                             | 618.37                             |
| Scrap                          | 37.89                              | 267.92                             |
|                                | <b>1,173.40</b>                    | <b>1,737.28</b>                    |
| Closing Stock                  |                                    |                                    |
| Finished Goods/ Stock in trade | 1,828.16                           | 777.98                             |
| Work-in-Process                | 273.46                             | 357.53                             |
| Scrap                          | 1,236.96                           | 37.89                              |
|                                | <b>3,338.58</b>                    | <b>1,173.40</b>                    |
| <b>Total</b>                   | <b>(2,165.18)</b>                  | <b>563.88</b>                      |

## 29 Employee Benefit Expenses

| Particulars                                | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|--|------------------------------------|------------------------------------|
| Salaries & Wages                           | 958.83                             | 948.15                             |
| Contributions to provident and other funds | 109.51                             | 126.99                             |
| Staff Welfare Expenses                     | 914.11                             | 429.87                             |
| <b>Total</b>                               | <b>1,982.45</b>                    | <b>1,505.00</b>                    |

## Note to Financial Statements For The Year Ended 31 March 2022

(i) Staff welfare expenses include Rs. 853.60 Lacs (previous year Rs. 400.00 Lacs) premium paid for life insurance of companies directors and employee under employer employee scheme.

### 30 Finance Cost

| Particulars                 | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|-----------------------------|------------------------------------|------------------------------------|
| Interest Expenses           | 461.32                             | 346.86                             |
| Other borrowing costs       | 1.50                               | 1.40                               |
| Bank Charges                | 107.16                             | 44.48                              |
| Exchange Rate Difference    | -                                  | 62.65                              |
| Interest on Income Tax      | 0.98                               | -                                  |
| Interest on Lease Liability | 1.67                               | 1.66                               |
| Total                       | 572.62                             | 457.05                             |

### 31 Depreciation

| Particulars                  | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|------------------------------|------------------------------------|------------------------------------|
| Depreciation                 | 414.54                             | 463.17                             |
| Depreciation on Right to Use | 0.52                               | 0.52                               |
| Total                        | 415.06                             | 463.69                             |

### 32 Other Expenses

| Particulars   | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|---|------------------------------------|------------------------------------|
| <b>A) Manufacturing Expenses</b>  |                                    |                                    |
| Power & Fuel  | 629.61                             | 573.45                             |
| Freight Inward  | 202.28                             | 156.86                             |
| Repair & Maintenance (Machinery)  | 109.96                             | 116.15                             |
| Processing/Job Charges  | 15.50                              | 17.63                              |
| Other Manufacturing Expenses  | 3.90                               | 7.59                               |
| <b>Total Manufacturing Expenses</b>   | <b>961.26</b>                      | <b>871.68</b>                      |
| <b>B) Administrative Expenses</b>   |                                    |                                    |
| Tax Demands & Payments  | -                                  | -                                  |
| Rent  | 59.88                              | 56.02                              |
| Bad Debts written off   | 0.13                               | 11.52                              |
| Balance Written Off   | 21.62                              | -                                  |
| Legal & Professional Charges  | 22.90                              | 11.90                              |
| Travelling and Conveyance Expenses (Including directors travelling Rs. 1377775/- previous year Rs. 1004373/-) | 33.73                              | 26.87                              |
| Vehicles Running, Repair & Maintenance Expenses   | 11.68                              | 12.08                              |
| Building Repair & Maintenance Expenses  | 29.18                              | 21.88                              |
| Other Repair & Maintenance Expenses   | 15.78                              | 17.38                              |
| Auditors Remuneration {refer to note below (35) }   | 3.63                               | 3.93                               |
| Postage, Telephone & Fax Expenses   | 5.91                               | 7.47                               |
| Other Administrative expenses   | 49.63                              | 55.82                              |
| Interest Paid Under Various Act   | 2.09                               | 2.81                               |
| Rates & Taxes   | 1.88                               | 5.05                               |
| Printing & Stationery Expenses  | 8.17                               | 7.27                               |
| Fines & Penalties   | 1.30                               | -                                  |
| Licence Fees & Expenses   | 3.20                               | 2.61                               |
| CSR Expenses  | 38.10                              | 36.00                              |
| Donation  | 23.50                              | 21.00                              |
| <b>Total Administrative Expenses</b>  | <b>332.31</b>                      | <b>299.61</b>                      |
| <b>C) Selling And Distribution Expenses</b>   |                                    |                                    |
| Advertisement   | 12.11                              | 7.51                               |

## Note to Financial Statements For The Year Ended 31 March 2022

|  |                 |                 |
|--|-----------------|-----------------|
| Freight outward, Octroi & Insurance              | 245.37          | 208.66          |
| Commission to selling agents                     | -               | 63.53           |
| Sales Promotion Expenses                         | 13.92           | 3.89            |
| <b>Total Selling And Distribution Expense</b>    | <b>271.40</b>   | <b>283.59</b>   |
| Investment Written Off                           | 18.54           | -               |
| Provision for Diminution in Value of Invest Exp. | 450.00          | -               |
| <b>Total</b>                                     | <b>2,033.51</b> | <b>1,454.88</b> |

### 33 Tax Expenses

| Particulars                             | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|---|------------------------------------|------------------------------------|
| Current Tax                             | 1,296.52                           | 270.20                             |
| Tax Adjustment related to Earlier Years | 168.56                             | (6.53)                             |
| Deferred Tax                            | 158.87                             | 145.89                             |
| <b>Total</b>                            | <b>1,623.95</b>                    | <b>409.57</b>                      |

### 34 Payment to Auditors

| Particulars                   | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|-------------------------------|------------------------------------|------------------------------------|
| As auditors - statutory audit | 2.50                               | 2.50                               |
| For taxation matters          | 0.50                               | 0.50                               |
| For Certification             | 0.20                               | 0.50                               |
| Reimbursement of expenses     | 0.43                               | 0.43                               |
| <b>Total</b>                  | <b>3.63</b>                        | <b>3.93</b>                        |

### 35 Earning Per Share (EPS)

| Particulars   | For the year ended 31st March'2022 | For the year ended 31st March'2021 |
|---|------------------------------------|------------------------------------|
| Basic and Diluted Earnings Per Share                              |                                    |                                    |
| Profit/(Loss) after tax as per profit & loss account (In Rs.) (A) | 4,656.46                           | 1,528.58                           |
| Weighted Average No. of equity shares (B)                         | 81,80,022                          | 81,10,000                          |
| Basic and Diluted Earning Per Share (Rs.) (A/B)                   | 56.92                              | 18.85                              |
| Weighted Average No. of equity shares for Diluted EPS (C)         | 1,10,57,022                        | 81,10,000                          |
| Diluted Earning Per Share (Rs.) (A/C)                             | 42.11                              | 18.85                              |

### 37 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

#### CONTINGENT LIABILITIES:

- Guarantees/ TCBG given by bank in favour of buyers/suppliers, & Central Excise for Rs. 2812.69 Lac (previous Year Rs. 69.55 Lac)
- Letter of Credit of Rs. 4026.98 Lac (previous Year Rs. 184.14 Lac) opened in favour of Raw Material Suppliers
- Personal Guarantee by the Managing Director and Whole Time Director have been given to IDBI bank Limited, HDFC Bank Ltd., Barclays Bank PLC, ICICI Bank Ltd. and Kotak Bank Ltd. against Credit facilities sanctioned to company.
- Uncompleted/reopened assessments of sales tax, Excise, GST and income tax etc.
- Suit filed by NECLO for Sum of Rs. 227085/- against which a sum of Rs.25,000/- has been deposited in the city Civil Court Ahmedabad.

\*Matter pending since more than 20 years and company does not expect any liability.

- Bonus Liability for the year 2014-15 as per new amendment issued by Ministry of Labour on which stay granted by Hon'ble High Court in company favour.

## Note to Financial Statements For The Year Ended 31 March 2022

- (g) Total penalty of Rs. 25,00,000/- is raised on Shri Pankaj P Shah (Managing Director) and Shri Ashok P Shah (Ex. Director) of the company by custom department and company has paid Rs. 6,00,000/- as per direction of Custom Excise & Gold (control) Appellate, New Delhi through order dated 03.02.2003 and company has filled appeal before Hon'ble High Court.
- (h) Total Demand of Rs. 12576869/- for safeguard duty is raised by custom department and the same has been pending Hon'ble High Court, Mumbai. Stay granted by Hon'ble High Court. Company has paid Rs. 9744034/- against this demand.
- (i) LER - Loan Equivalent Risk of Rs. 4039.44 Lacs (Previous Year Rs. 3652.85 Lacs ) given by bank towards potential fluctuation in the contractual currency of foreign exchange transaction.

### COMMITMENTS

- (j) Estimated amount of contracts on Capital Accounts remaining to be executed and not provided for (net of advances) Rs NIL /-(PY- NIL)
- (k) The Company has entered into derivative contracts during the year in the nature of Forward Contracts for hedging currency risk for export made. The Forward Contracts outstanding as on 31st March 2022 amount to Rs. 4039.44 lacs (USD 52.00 Lacs) PY 3652.85 lacs (USD 47.38 Lacs)
- (l) The Company has entered into derivative contracts during the year in the nature of Forward Contracts for hedging currency risk for import. The Forward Contracts outstanding as on 31st March 2022 amount to Rs. NIL (USD Nil & EURO Nil), (PY Rs. Nil (USD Nil & EURO NIL)
- (m) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars                                | As at 31st March, 2022 |                          |             | As at 31st March, 2021 |                          |             |
|--|------------------------|--------------------------|-------------|------------------------|--------------------------|-------------|
|  | Euro<br>(in Lakhs)     | US Dollars<br>(in Lakhs) | Rs. In Lacs | Euro<br>(in Lakhs)     | US Dollars<br>(in Lakhs) | Rs. In Lacs |
| Amount Payable in foreign currency         |                        |                          |             |                        |                          |             |
| Buyers Credit                              | -                      | 36.83                    | 2791.23     | -                      | 56.42                    | 4,125.35    |
| Other FCY Loan                             |                        | 189.17                   | 16975.31    | 95.11                  | -                        | 8153.78     |
| Interest accrued but not due on borrowings | -                      | 0.09                     | 6.83        | -                      | 0.22                     | 15.81       |

### 38 As per IND AS-19 "Employee Benefits"

As per Ind AS - 19 "Employee Benefits", the disclosures are as under:

#### Defined Benefit Plan

The company has formed a employees gratuity trust which is administrated by Life Insurance Corporation of India (LIC). The company makes contribution towards funding the defined benefit plan pertaining to gratuity to LIC. The Leave Encashment liability is not contributed to any fund and is unfunded. The present value of the defined benefit obligation and related current cost are measured using projected unit credit method with actuarial valuation being carried out at balance sheet date. The amount recognised are as under:

#### a) Gratuity (Funded)

##### (i) Present Value of Defined benefit Obligation

(₹ In lacs)

| Particulars                          | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|--------------------------------------|----------------------|----------------------|
| Obligations at year beginning        | 452.37               | 407.81               |
| Service Cost - Current               | 36.01                | 37.12                |
| Service Cost - Past                  | -                    | -                    |
| Interest Cost                        | 30.76                | 28.22                |
| Benefit payments                     | (68.24)              | (17.67)              |
| Acturial (gain) / Loss on PBO        | 4.42                 | (3.11)               |
| Addition due to transfer of employee |                      |                      |
| Obligations at year end              | 455.32               | 452.37               |

# Note to Financial Statements For The Year Ended 31 March 2022

## (ii) Change in plan assets (₹ In lacs)

| Particulars  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|--|-------------------------|-------------------------|
| Fair value of plan assets at the beginning of the period | 540.59                  | 482.46                  |
| Actual return on plan assets                             | 35.68                   | 35.68                   |
| Less- FMC Charges  | (2.93)                  | (2.93)                  |
| Employer contribution                                    | 43.05                   | 43.05                   |
| Benefits paid  | (68.24)                 | (17.67)                 |
| Fair value of plan assets at the end of the period       | 548.14                  | 540.59                  |

## (iii) Assets and Liabilities recognized in the Balance Sheet (₹ In lacs)

| Particulars                                      | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|--|-------------------------|-------------------------|
| Present Value of the defined benefit obligations | 455.32                  | 452.37                  |
| Fair value of the plan assets                    | 548.14                  | 540.59                  |
| Unfunded Liability/ Provision in Balance Sheet   | (92.83)                 | (88.22)                 |

## (iv) Defined benefit obligations cost for the year: (₹ In lacs)

| Particulars  | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|--|-------------------------|-------------------------|
| Net defined benefit obligations at the start of the Period | (88.22)                 | (74.65)                 |
| Service Cost - Current                                     | 36.01                   | 37.12                   |
| Service Cost - Past  |                         |                         |
| Net Interest Cost  | (5.17)                  | (5.17)                  |
| Expected return on plan assets                             |                         |                         |
| Re-measurements  | (2.47)                  | (2.47)                  |
| Contribution paid to the Fund                              | (43.05)                 | (43.05)                 |
| Actuarial (Gain)/Loss                                      |                         |                         |
| Net defined benefit obligations cost                       | (102.90)                | (88.22)                 |

## (v) Amount recognised in Other Comprehensive Income (OCI) (₹ In lacs)

| Particulars   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|---|-------------------------|-------------------------|
| Net cumulative unrecognized actuarial gain/(loss) opening | -                       | -                       |
| Actuarial gain / (loss) for the year on PBO               | (4.42)                  | 3.11                    |
| Actuarial gain / (loss) for the year on Asset             | (0.64)                  | (0.64)                  |
| Unrecognized actuarial gain/(loss) for the year           | (5.06)                  | 2.47                    |

## (vi) Investment details of Plan Assets (₹ In lacs)

| Particulars   | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|---|-------------------------|-------------------------|
| The details of investments of plan assets are as follows: |                         |                         |
| Funds managed by Insurer                                  | 100%                    | 100%                    |
| Total   | 100%                    | 100%                    |

Note: In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

# Note to Financial Statements For The Year Ended 31 March 2022

## (vii) Actuarial assumptions:

(₹ In lacs)

| Particulars             | Year ended<br>31-Mar-22 | Year ended<br>31-Mar-21 |
|-------------------------|-------------------------|-------------------------|
| Discount Rate per annum | 6.80%                   | 6.80%                   |
| Future salary increases | 6.00%                   | 6.00%                   |

**Note:** Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

## (viii) Demographic Assumptions:

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc as provided in the relevant accounting standard.

(₹ In lacs)

| Particulars   | Year ended 31-Mar-22     | Year ended 31-Mar-21     |
|---|--------------------------|--------------------------|
| i) Retirement Age (Years)                                 | 58.00                    | 58.00                    |
| ii) Mortality rates inclusive of provision for disability | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| iii) Attrition at Ages                                    | Withdrawal Rate (%)      | Withdrawal Rate (%)      |
| Up to 30 Years  | 5.00                     | 5.00                     |
| From 31 to 44 years                                       | 3.00                     | 3.00                     |
| Above 44 years  | 2.00                     | 2.00                     |

## (ix) Amount recognized in current year:

(₹ In lacs)

| Particulars                 | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|-----------------------------|----------------------|----------------------|
| Defined benefit obligations | 455.32               | 452.37               |
| Plan assets                 | 548.14               | 540.59               |
| Deficit / (Surplus)         | (92.83)              | (88.22)              |

## (x) Expected Contribution to the Fund in the next year

| Particulars  | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|--|----------------------|----------------------|
| Service Cost   | 35.98                | 35.98                |
| Net Interest Cost                                      | (6.00)               | (6.00)               |
| Expected contribution for next annual reporting period | 29.98                | 29.98                |

## (xi) Sensitivity Analysis

|                         | Change in Assumption | Increase in Assumption |           |           | Decrease in Assumption |           |           |
|-------------------------|----------------------|------------------------|-----------|-----------|------------------------|-----------|-----------|
|                         |                      | Impact                 | 31-Mar-22 | 31-Mar-21 | Impact                 | 31-Mar-22 | 31-Mar-21 |
| Discount Rate per annum | 0.50%                | Increase by            | (12.44)   | (12.44)   | Decrease by            | 13.39     | 13.39     |
| Future salary increases | 0.50%                | Increase by            | 13.43     | 13.43     | Decrease by            | (12.60)   | (12.60)   |

The above sensitivity analysis is based on a change in assumption while holding all the other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in balance sheet.



## Note to Financial Statements For The Year Ended 31 March 2022

### (xii) Maturity Profile of Defined Benefit Obligation

| (₹ In lacs) |                |        |
|-------------|----------------|--------|
| Sr. No.     | Year           | Amount |
| a)          | 0 to 1 Year    | 126.58 |
| b)          | 1 to 2 Year    | 38.61  |
| c)          | 2 to 3 Year    | 53.64  |
| d)          | 3 to 4 Year    | 27.65  |
| e)          | 4 to 5 Year    | 25.19  |
| f)          | 5 to 6 Year    | 14.00  |
| g)          | 6 Year onwards | 166.69 |

### (xiii) Risk exposure

The gratuity scheme is a final salary Defined Benefit Plan that provides for lump sum payment made on exit either by way of retirement, death, disability, voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit. The plan design means the risk commonly affecting the liabilities and the financial results are expected to be:

- A) **Salary Increases:** Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) **Investment Risk:** If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) **Discount Rate:** Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) **Mortality & disability:** Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) **Withdrawals:** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.
- b) **Leave Encashment (Unfunded)**  
 The Leave Encashment liability of ₹ 64.41 lacs form part of long term provision ₹ 49.89 Lacs (PY ₹ 68.25 Lacs) and short term provision ₹ 14.52 Lacs (PY ₹ 16.96 Lacs) and is unfunded and does not require disclosures as mentioned in para 158 of Ind AS 19.
- c) **Provident Fund**  
 An amount of Rs 29.69 Lacs (2020-21 Rs 24.07 Lacs) as contribution towards defined contribution plans is recognized as expenses in statement of Profit & Loss.

# Note to Financial Statements For The Year Ended 31 March 2022

## 39 Financial Instruments: Accounting classification, Fair value measurements

31st March, 2022

| Particulars               | Carrying Value | Classification |        |                | Fair Value |         |         |
|---------------------------|----------------|----------------|--------|----------------|------------|---------|---------|
|                           |                | FVTPL          | FVTOCI | Amortised Cost | Level 1    | Level 2 | Level 3 |
| <b>Financial Assets</b>   | 23,372.65      | 20,958.10      | 3.45   | 2,411.10       | 20,958.10  | 3.45    |         |
| Investments               | 128.77         |                |        | 128.77         |            |         |         |
| Other Financial Assets    | 4,691.68       |                |        | 4,691.68       |            |         |         |
| Trade Receivable          | 27.68          |                |        | 27.68          |            |         |         |
| Cash and cash equivalents | 202.32         |                |        | 202.32         |            |         |         |
| Bank Balances             | 28,423.10      | 20,958.10      | 3.45   | 7,461.55       | 20,958.10  | 3.45    | -       |

| Particulars                  | Carrying Value   | Classification |        |                  | Fair Value |         |         |
|------------------------------|------------------|----------------|--------|------------------|------------|---------|---------|
|                              |                  | FVTPL          | FVTOCI | Amortised Cost   | Level 1    | Level 2 | Level 3 |
| <b>Financial Liabilities</b> |                  |                |        |                  |            |         |         |
| Borrowings                   | 26,047.60        |                |        | 26,047.60        |            |         |         |
| Lease Liabilities            | 18.64            |                |        | 18.64            |            |         |         |
| Trade Payables               | 839.79           |                |        | 839.79           |            |         |         |
| Other Financial Liabilities  | 584.00           | -              |        | 584.00           | -          |         |         |
|                              | <b>27,490.03</b> | -              | -      | <b>27,490.03</b> | -          | -       | -       |

31st March, 2021

| Particulars               | Carrying Value   | Classification   |             |                 | Fair Value       |             |         |
|---------------------------|------------------|------------------|-------------|-----------------|------------------|-------------|---------|
|                           |                  | FVTPL            | FVTOCI      | Amortised Cost  | Level 1          | Level 2     | Level 3 |
| <b>Financial Assets</b>   |                  |                  |             |                 |                  |             |         |
| Investments               | 19,464.37        | 17,131.63        | 3.45        | 2,329.29        | 17,131.63        | 3.45        |         |
| Other Financial Assets    | 242.43           |                  |             | 242.43          | -                |             |         |
| Trade Receivable          | 5,428.75         |                  |             | 5,428.75        |                  |             |         |
| Cash and cash equivalents | 21.10            |                  |             | 21.10           |                  |             |         |
| Bank Balances             | 198.40           |                  |             | 198.40          |                  |             |         |
|                           | <b>25,355.05</b> | <b>17,131.63</b> | <b>3.45</b> | <b>8,219.97</b> | <b>17,131.63</b> | <b>3.45</b> | -       |

| Particulars                  | Carrying Value | Classification |        |                | Fair Value |         |         |
|------------------------------|----------------|----------------|--------|----------------|------------|---------|---------|
|                              |                | FVTPL          | FVTOCI | Amortised Cost | Level 1    | Level 2 | Level 3 |
| <b>Financial Liabilities</b> |                |                |        |                |            |         |         |
| Borrowings                   | 17,524.39      |                |        | 17,524.39      |            |         |         |
| Lease Liabilities            | 18.51          |                |        | 18.51          |            |         |         |
| Trade Payables               | 767.81         |                |        | 767.81         |            |         |         |
| Other Financial Liabilities  | 594.72         | -              |        | 594.72         |            |         |         |
| Bank Balances                | 18,905.42      | -              | -      | 18,905.42      | -          | -       | -       |

## 40 Financial Risk Management

The Companies Activities Expose It to credit risk, liquidity risk and market risk. This note explains the source of risk which the company is exposed to and how the manages the risk and its impact in the financial statement.

| FVTPL          | FVTOCI  | Amortised Cost                    | Amortised Cost   |
|----------------|---|-----------------------------------|--|
| Credit Risk    | Cash & cash equivalent, Financial instrument, Financial assets & Trade Receivable | Credit Rating and ageing analysis | Diversification of counter Parties, Investment Limits, Number of overdue Days        |
| Liquidity Risk | Other Liabilities   | Maturity Analysis                 | Maintenance of sufficient cash and cash equivalent, fixed Deposit & other securities |

## Note to Financial Statements For The Year Ended 31 March 2022

The board of directors provides guiding principle for overall risk management, as well as policies covering specific area i.e.. Foreign exchange risk, credit risk & Investment of Surplus liquidity.

The companies risk management is carried out by finance department, accordingly, this department identifies, evaluation and hedges financial risk

### A) Credit Risk

Credit risk is the risk of financial loss to the company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

### Credit Risk Management

The main source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit Approvals, establishing credit limits and continuously monitoring the creditworthiness of customer to whom credit is extended in normal course of business. The company estimates the expected credit loss on the basis of past Data and experience. Expected credit losses of financial assets receivable in next 12 months are estimated on the basis of historical date provided the company has reasonable and supportable date. On such an assessment the expected losses are nil or negligible.

Review of outstanding trade receivables and financial assets is carried out by management each quarter. The company do not have any doubtful debts hence, no provision for bad and doubtful debts have yet been made in accounts.

**COVID-19:** The Company do not envisage any financial difficulties resulting in additional credit risks higher than usual credit terms due to COVID-19 outbreak.

### B) LIQUIDITY RISK

The companies principle source of liquidity are cash and cash equivalent and cash flows that are generated from operation. The company believes that its working capital is sufficient to meet its current requirement.

The table below summarises the company's liquidity position and its preparedness for likely variations in liquidity.

(Rs. In Lacs)

| Particulars                                 | 31.03.2022       | 31.03.2021       |
|---|------------------|------------------|
| Cash and cash equivalents and Bank Balances | 27.68            | 21.10            |
| Other Bank Balance                          | 202.32           | 198.40           |
| Current investments                         | 20,958.10        | 17,131.63        |
| Trade receivable                            | 4,691.68         | 5,428.75         |
| Bank Balances                               | 202.32           | 198.40           |
| <b>Total</b>                                | <b>26,082.10</b> | <b>22,978.28</b> |

Besides above, the company had access to the following undrawn facilities at the end of reporting period:

| Particulars                      | 31.03.2022 | 31.03.2021 |
|----------------------------------|------------|------------|
| Fixed                            |            |            |
| Cash credit and other facilities | 23,967.01  | 15,443.80  |
| Variable                         |            |            |
| Other facilities                 | -          | -          |

# Note to Financial Statements For The Year Ended 31 March 2022

Contractual maturities of significant financial liabilities are as under :

## Maturities of financial liabilities

| Particulars                 | Less than and equal to one year | Less than and equal to one year | Less than and equal to one year |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>As on 31/03/2022</b>     |                                 |                                 |                                 |
| Borrowings                  | 26,047.60                       | -                               | 26,047.60                       |
| Lease Liability             | 0.11                            | 18.53                           | 18.64                           |
| Trade payable               | 839.79                          | -                               | 839.79                          |
| Other Financial liabilities | 355.18                          | 228.82                          | 584.00                          |
| <b>Total</b>                | <b>27,242.68</b>                | <b>247.35</b>                   | <b>27,490.03</b>                |
| <b>AS ON 31/03/2021</b>     |                                 |                                 |                                 |
| Borrowings                  | 17,524.39                       | -                               | 17,524.39                       |
| Lease Liability             | 0.06                            | 18.44                           | 18.51                           |
| Trade payable               | 767.81                          | -                               | 767.81                          |
| Other Financial liabilities | 401.45                          | 193.27                          | 594.72                          |
| <b>Total</b>                | <b>18,693.71</b>                | <b>211.71</b>                   | <b>18,905.42</b>                |

## C) Market Risk

### COVID-19 related risk

The Company being engaged in manufacture of Aluminium Foil and related items (being essential item) has not witnessed any significant interruptions in the supply and production cycle due to COVID-19 and kept production and despatches on-going during lockdown period.

### Foreign Currency Risk

The company operates significantly in international markets through imports and exports and therefore exposed to foreign exchange risk arising from foreign currency transaction primarily with respect to USD/Euro. The risk is measured through sensitivity analysis. In order to minimize any adverse effect on the financial performance of the company, derivative financial instrument such as foreign exchange forward contracts are used exclusively to mitigate currency risk and not as trading or speculative instrument.

The company uses foreign exchange forward contract to mitigate exposure in foreign currency risk. The foreign exchange forward contract outstanding are as under: -

| Particulars       | Type | Currency      | As on 31 March 2022 | As on 31 March 2021 |
|-------------------|------|---------------|---------------------|---------------------|
| Forward Contracts | Sell | USD:INR       | 5,200,000           | 4,738,142           |
|                   |      | EURO:INR      | -                   | -                   |
|                   |      | INR (IN Lacs) | 4,039.44            | 3,652.85            |
|                   | Buy  | USD:INR       | -                   | -                   |
|                   |      | EURO:INR      | -                   | -                   |
|                   |      | INR (IN Lacs) | -                   | -                   |

Open Exposure-The company's exposure to foreign currency risk at the end of reporting period is as under.

# Note to Financial Statements For The Year Ended 31 March 2022

| Particulars                                | As at 31st March, 2022 |                   |             | As at 31st March, 2021 |            |             | As on 31 March 2018 | As on 31 March 2017 |
|--|------------------------|-------------------|-------------|------------------------|------------|-------------|---------------------|---------------------|
|  | Euro (Lacs)            | US Dollars (Lacs) | Rs. In Lacs | Euro                   | US Dollars | Rs. In Lacs |                     |                     |
| Amount Payable in foreign currency         |                        |                   |             |                        |            |             |                     |                     |
| Buyers Credit                              | -                      | 36.83             | 2791.23     | -                      | 56.42      | 4,125.35    |                     |                     |
| Other FCY Loan                             | 30.9                   | 189.17            | 16975.31    | 95.11                  | -          | 8153.78     |                     |                     |
| Interest accrued but not due on borrowings | -                      | 0.09              | 6.83        | -                      | 0.2161732  | 15.81       |                     |                     |

## Maturity of outstanding foreign exchange forward contracts

| Particulars                                     | Type | Currency | As on 31 March 2022 | As on 31 March 2021 |
|---|------|----------|---------------------|---------------------|
| Not later than 3 months                         | SELL | USD      | 1200000             | 1138142             |
| Later than 3 months and not later than 6 months | SELL | USD      | 1200000             | 1200000             |
| Later than 6 month & not later than one year    | SELL | USD      | 2800000             | 2400000             |

## CAPITAL MANAGEMENT

The company's Capital Risk Management Policy objective is to ensure that at all times it remains a going concern and safeguard interest of shareholders and stakeholders.

| Particulars                     | 31.03.2022 | 31.03.2021 |
|---------------------------------|------------|------------|
| Gross borrowings                | 26047.60   | 17524.39   |
| Less: cash and cash equivalents | 27.68      | 21.10      |
| Adjusted net debt               | 26019.92   | 17503.28   |
| Total Equity                    | 25742.76   | 17948.60   |
| Adjusted net debt to equity     | 101.08%    | 97.52%     |

The Company's total owned funds of Rs 25742.76 Lacs with adjusted net debt of Rs 26019.92 Lacs is considered adequate by the management to meet its business interest and any capital risk it may face in future. Need to ask Tarun ji

## 41 Related party disclosures

Related party disclosures as required by Indian Accounting Standard (Ind AS) -24 is as under:-

### A List of related parties and relationships

#### a) List of related parties

##### i) Key Management Personnel

|                    |                     |
|--------------------|---------------------|
| Shri Pankaj P Shah | Managing Director   |
| Shri Sahil P Shah  | Whole Time Director |
| Smt. Sakshi S Shah | Director            |

##### ii) Enterprises where Key Management Personnel or relatives of Key Management Personnel have significant influence.

1. Prem Cables Pvt. Ltd
2. Prem Nagar Industrial Estate Pvt.Ltd
3. Pipalia Cables & Wires Pvt.Ltd.
4. Miracle Foils Pvt.Ltd.

## Note to Financial Statements For The Year Ended 31 March 2022

5. Foils India Laminates Pvt.Ltd
6. Pipalia Engineering Work Pvt. Ltd
7. Tyagi Cement Pvt. Ltd.

### B Transactions with related parties

Disclosure of Transactions with Related Parties, as required by Ind AS 24 'Related Party Disclosure' is given below :

| Description   | Key Management personnel and their relatives |               | Enterprises controlled by key management personnel and their relatives |               |
|---|--|---------------|--|---------------|
|   | Current Year                                 | Previous Year | Current Year   | Previous Year |
| (i) Sales and Service Charges Received                              |  |               | 319.25   | 727.79        |
| Purchase and Service Charges Paid                                   |  |               | 57.81  | 191.70        |
| Interest Paid   |  |               | 188.14   | 61.99         |
| Lease Rent  |  |               | 1.75   | 1.65          |
| Rent Paid   |  |               | 60.66  | 55.01         |
| (ii) Short Term Employment Benefits                                 |  |               |  |               |
| Remuneration  | 30.60  | 30.60         |  |               |
| Salary to others  | 36.00  | 36.00         |  |               |
| (iii) Director Sitting Fees   | -  | -             | -  | -             |
| (iv) The amount outstanding [(receivable)/ payable] as at year end: |  |               |  |               |
| 1 Prem Cables Pvt. Ltd  |  |               | 0.60   | 0.14          |
| 2 Pipalia Cables & Wires Pvt.Ltd.                                   |  |               | 3,368.80   | 2,608.84      |
| 3 Pipalia Engineering Work Pvt. Ltd                                 |  |               | 1.34   | 1.34          |
| 4 Tyagi Cement Pvt. Ltd.  |  |               | 1.50   | 1.33          |
| 5 Foils India Laminates Pvt Ltd                                     |  |               | 0.14   | -             |
| 6 Prem Nagar Industrial Estate Private Limited                      |  |               | -  | -             |

### 42 The details of right of use asset held by the company is as follows:

The Following is break up of current and non-current lease liabilities as at 31st March 2022

| Particulars                   | As at 31-Mar-22 (In Rs) | As at 31-Mar-21 (In Rs) |
|-------------------------------|-------------------------|-------------------------|
| Current lease liabilities     | 0.11                    | 0.06                    |
| Non-Current lease liabilities | 18.53                   | 18.44                   |
| <b>Total</b>                  | <b>18.64</b>            | <b>18.51</b>            |

The following is movement in lease liabilities during the year ended 31st March 2022

|   | Year ended 31-Mar-22 | Year ended 31-Mar-21 |
|---|----------------------|----------------------|
| Balance at the beginning of the year 1st April,2021   | 18.51                | 18.39                |
| Addition during the year                              | -                    | -                    |
| Finance cost accrued during the year                  | 1.67                 | 1.66                 |
| Deletions   | -                    | -                    |
| Payment of lease liabilities (including interest)     | 1.54                 | 1.54                 |
| <b>Balance at the end of the year 31st March,2022</b> | <b>18.64</b>         | <b>18.51</b>         |

## Note to Financial Statements For The Year Ended 31 March 2022

|          | Net Carrying amount as at<br>31st March 2021" | Additions for the year ended<br>31st March 2022 | Net Carrying amount as at<br>31st March 2022 |
|----------|---|---|--|
| Building | 17.23   | -   | 16.71  |

Depreciation on right of use asset is Rs. 0.52 lacs and Interest on lease liability for year ended 31st March 2022 is Rs. 1.67 lacs. Lease Contracts entered by the company majorly pertains to building taken on lease to conduct the business activities in ordinary course. Impact of Covid 19

The leases that the company has entered with lessors towards properties used as corporate office/ offices are long term in nature and no changes in terms of those leases are expected due to Covid-19

The Table below provides details regarding the contractual maturities of lease liabilities as at 31st March 2022 on an undiscounted basis:

| Particulars:       | As at 31-Mar-22 | As at 31-Mar-21 |
|--------------------|-----------------|-----------------|
| Less than one year | 1.57            | 1.54            |
| Up to five year    | 6.36            | 6.74            |
| More than 5 Years  | 170.60          | 173.41          |

The company do not foresee liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

43 a) The lease deed regarding land at Jaisalmer where Enercon Make wind mill is installed has not been executed.

b) The lease deed regarding land at Pipalia Kalan, where Bunglow in the name of company is in work in progress, has been executed for 35 year and unexpired portion of said lease holds lands is 32 years and the lease deed is not registered

44 Balances of Trade Receivables, Trade Payables, Loans, Amount Received against FDR's & Advances and Unsecured Loans as on 31.3.2022 are subject to reconciliation & confirmation by the parties.

45 Company has invested Rs. 9.00 Crores in NCD of Earthon Infracon Pvt. Ltd. in year 2017-18. As per terms of investment, repayment is to be done by Earthon till December, 2019 but due to recession in realstate sector and Covid-19 pandemic problem the repayment along with interest for the year 2019-20, 2020-21 and 2021-22 not done by the Earthcon. After Commuication with faciliating agent he said that enercon will repay the full amount in comming years, hence looking to that Management has decided to book provision of whole amount in 4 equal installment on quarterly basis and make provision of two quarters in current year and remaing provision will made in next year.

Company has not book interest on these NCD's for the period 01st July, 2019 till 31st March, 2022 due to uncertainty of payment.

46 In 2017-18 company has paid a sum of Rs 500 Lacs to HDFC Life insurance company Ltd towards single premium of policy taken under employee empolyer plan. This policy has been taken for related parties in March 2018 for 10 years. Regarding this the company has taken the undertaking form Life Assured persons who are covered up under this policy for non claiming of end benefits of the policy on maturity.

47 Company has installed one Wind Mill of 0.6 MW capacities at Soda Bandan District Jaisalmer with agreement with Rajastahn Rajya Vidhut Vitran Nigam Limited & other and Enercon Wind Form for wheeling of Energy for captive consumption. During the year 418988 units (Previous year 453938 units) Generated amounting to Rs 3578090/- (Previous Year Rs. 3878573/-). Profit after depreciation earned from above wind mill is Rs. 1790119/-.

Company has installed one Wind Mill of 1.5MW capacities at Aakal, Jaisalmer with agreement with Jodhpur Vidhut Vitran Nigam Limited & Suzlon Suzlon Infrastructure Service Limited for generation power. During the year 2002808 units (Previous Year 1698120 units) generated and sale to Jodhpur Vidhut Vitran Nigam Limited amounting to Rs. 8211513/- (Previous Year Rs. 6962291/-). Profit after depreciation earned from above wind mill is Rs 4764136/-.



## Note to Financial Statements For The Year Ended 31 March 2022

48 a) A Misappropriation / Fraud of FDR Deposit Comes to the knowledge of the Management during Financial Year 2014-15. Company had filed a complaint with Economic Offence Wing, Mumbai and FIR with Police station Nariman Point on 14.07.2014 against various parties including Dhanlaxmi Bank, Mumbai & their officials for Misappropriation of FDR's of Rs. 69 Crores given to Dhanlaxmi Bank Ltd., Goregaon Branch. Company has also filed a legal case with National Consumer Court at Delhi for early justice in the matter due to delay in decision against EOW complaint. Company recovered amount Rs. 68.93Cr. From accused through account of various parties against repayment of FDR's which shown under head Cash & Cash Equivalent against FDR amount.

b) Company has not booked interest on these FDR's for Financial Year 2018-19 due to disputed matter and uncertainty and also not made provision of interest on amount recovered from various parties against maturity value of FDR's.

The matter is pending with competent court for trial.

49 Lease rent in respect of leasehold land for factory building and township are accounted for on accrual basis. The unexpired portion of said lease holds lands are 43 and 44 years respectively.

50 a) Bank balances are subject to bank reconciliations.

b) Balances of Fixed Deposits are subject to verification & reconciliation.

51 There is no agriculture produce from the Agriculture land.

### 52 SEGMENT REPORTING

Description of segment and principal activity. The company is primarily in the business of manufacture and sale of Aluminium Foil in the various form. Operating segments are reported in the manner consistent with internal reporting to Managing director of the company. The company has regular reviews procedures in place and Managing director reviews the operations of the company as a whole, Hence there are no reportable segments as per Ind AS 108 Operating segment.

#### Information about Geographical areas

The following information discloses revenue from customers based on geographical areas.

#### i) Revenue on product group wise (Ind AS 108, Para 32)

| Particulars     | Year ended (Amount in Lacs) |           |
|-----------------|-----------------------------|-----------|
|                 | 31-Mar-22                   | 31-Mar-21 |
| Aluminium Foils | 37,439.76                   | 23,279.98 |

#### ii) Revenue as per geographical area (Ind AS 108, Para 33 (a) )

| Particulars   | Year ended (Amount in Lacs) |           |
|---------------|-----------------------------|-----------|
|               | 31-Mar-22                   | 31-Mar-21 |
| With in India | 34,574.28                   | 20,176.53 |
| Outside India | 2,865.48                    | 3,103.45  |

#### iii) Customers of the company individually account for 10% or more sale

| Particulars | 31-Mar-22        |          | 31-Mar-21        |        |
|-------------|------------------|----------|------------------|--------|
|             | No. of Customers | Amount   | No. of Customers | Amount |
| Revenue     | 1.00             | 4,878.97 | NIL              | NIL    |

# Note to Financial Statements For The Year Ended 31 March 2022

## 53 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The details of expenditure incurred on CSR are as under:

|              |  | Year Ended   |              |
|--------------|--|--------------|--------------|
| S.No         | Particulars  | 3/31/2022    | 3/31/2021    |
| a            | The Gross amount required to be spent by the company during the year as per Section 135 of Companies Act 2013 read with Schedule VII | 38.10        | 36.00        |
| b            | Amount spent during the year on :  | 38.10        | 36.00        |
| i            | Construction / acquisition of any assets   | -            | -            |
| ii           | On purposes other than (i) above   | -            | -            |
| c            | Unspent amount in CSR  |              |              |
| d            | The breakup of expenses included in amount spent are as under:   |              |              |
|              | Particulars  | -            | -            |
|              | Animal protection  | -            | -            |
|              | On food relief activity  | -            | -            |
|              | On promoting education   | -            | -            |
|              | Social welfare   | -            | -            |
|              | On promotion of Healthcare   | 38.10        | 36.00        |
| <b>Total</b> |  | <b>38.10</b> | <b>36.00</b> |

## Additional Regulatory Information

| (i)  |  |  |              |               |   |   |
|--|--|--|--------------|---------------|---|---|
| Ratios                                     | Numerator  | Denominator  | Current Year | Previous Year | Change in ratio as compared to preceding year | Reason for change in ratio by more than 25% as compared to preceding year |
| Current ratio (In times)                   | Total Current Assets   | Total Current Liabilities  | 1.72:1       | 1.61:1        | -98.28  |   |
| Debt Equity Ratio (In times)               | Debt consists of borrowings and lease liabilities  | Total Equity   | 1.01:1       | 0.98:1        | -98.95  |   |
| Debt service coverage ratio (in %)         | Earning for Debt services = Net profit after tax + Non Cash operating Expenses + Interest + other Non Cash Adjustments | Debt service = Interest and lease payments + Principal repayments                  | 62.05        | 45.93         | 35.09   |   |
| Return on equity ratio (in %)              | Profit for the year less Preference Dividend (if any)  | Average total equity   | 5.33         | 2.22          | 139.61  | Due to increase revenue and increase in net profit                        |
| Net Profit ratio (in %)                    | Profit for the year  | Revenue from operations  | 11.80        | 6.07          | 94.30   | Due to increase revenue and increase in net profit                        |
| Return on capital employed (in %)          | Profit before tax and finance cost   | Capital employed = Net Worth + Lease liabilities + Deferred tax liabilities        | 26.11        | 13.09         | 99.43   |   |
| Return on investment (in %)                | Income generated from invested funds   | Average invested funds in treasury investments                                     | 0.01         | 0.02          | (20.12)                                       |   |
| Trade receivable turnover ratio (in times) | Revenue from operations  | Average trade receivables  | 1.94:1       | 1.90:1        | (98.05)                                       |   |
| Trade payable turnover ratio (in times)    | Cost of Salary and other expenses  | Average trade payables   | 10.90:1      | 9.29:1        | (89.10)                                       |   |
| Net capital turnover ratio (in times)      | Revenue from operations  | Average working capital (i.e. total current assets less total current liabilities) | 0.61:1       | 0.55:1        | (99.39)                                       |   |

- (i) Details of Benami property: No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) Utilisation of borrowed funds and share premium: The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

## Note to Financial Statements For The Year Ended 31 March 2022

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(iv) Compliance with number of layers of companies: The Company has complied with the number of layers prescribed under section 2(87) of the Companies Act, 2013 read with companies (Restriction on number of layers) Rules, 2017.

(v) Compliance with approved scheme(s) of arrangements: The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Undisclosed income: There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency: The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Valuation of PP&E, intangible asset and investment property: The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(ix) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any tenure or period of repayment.

(x) There are not charges or satisfaction of charges which are yet to be registered with Registrar of Companies.

(xi) The Company has not entered into any transaction with companies struck off under section 248 of Companies Act, 2013/ Section 560 of Companies Act, 1956.

(xii) The title deeds of immovable properties are held in the name of Company.

(xiii) The Company has not been declared willful defaulter by any bank or financial institution or any other lender.

(xiv) The quarterly return or statement of current assets filed by the company with bank are generally in agreement with book of accounts.

54 Previous year figures have been re-grouped and re-arranged wherever necessary to conform to current year classification.

As per our report of even date

### For Sharma Ashok Kumar & Associates

Chartered Accountants  
Reg. No. 005848C

**CA Harish Agarwal**  
Partner  
Membership No.403262

Place : Pipalia Kalan  
Date : 30.05.2022

### For and on behalf of the Board of Directors

**Pankaj P Shah**  
Managing Director  
DIN- 00160558

**Bhawana Songara**  
Company Secretary  
ACS NO. A54416

**Sahil P Shah**  
Whole Time Director  
DIN- 01603118

**Naveen Kumar Jain**  
Chief Financial Officer  
FCA NO. 414187

# Corporate Information

## BOARD OF DIRECTORS

**Mr. Pankaj Raj Shah**  
MANAGING DIRECTOR

**Mr. Vimal Chand Dhadda**  
INDEPENDENT DIRECTOR

**Mr. Sahil P Shah**  
WHOLE-TIME DIRECTOR

**Mrs. Sakshi Sahil Shah**  
DIRECTOR

**Mr. Narendrakumar Ambalal Porwal**  
INDEPENDENT DIRECTOR

**Mr. Amit Aggarwal**  
INDEPENDENT DIRECTOR

## CHIEF FINANCIAL OFFICER:

**Mr. Naveen Kumar Jain**

## COMPANY SECRETARY & COMPLIANCE OFFICER:

**Ms. Bhawana Songara**

## STATUTORY AUDITORS:

**M/s Sharma Ashok Kumar & Associates,**  
CHARTERED ACCOUNTANTS, PALI

## SECRETARIAL AUDITORS:

**M/s M Sancheti & Associates**  
COMPANY SECRETARIES, JAIPUR

## COST AUDITOR:

**M/s Rajesh Goyal & Company**  
COST ACCOUNTANTS, JAIPUR

## BANKERS:

- IDBI Bank
- State Bank of India
- HDFC Bank

## CIN:

**L27203GJ1979PLC008050**

## REGISTRAR & SHARE TRANSFER AGENT

M/s. Big Share Services Pvt. Ltd, A-802  
Samudra Complex,  
Near Klassic Gold Hotel, Girish Cold Drink  
off CG Road, Ahmedabad – 380 009.

**Tel.:** 079-40024135  
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**Email:** bssahd@bigshareonline.com

## REGISTERED OFFICE

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## WORKS & HEAD OFFICE

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## SALES OFFICES

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## JAIPUR

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## KOLKATA

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