



 **GUJARAT FOILS LTD.**



**23<sup>rd</sup> ANNUAL REPORT 2014-15**



## Corporate Information

### BOARD OF DIRECTORS

Mr. Abhay Lodha  
Chairman, Non-Executive Director  
(w.e.f. 01.08.2014)

Mr. Prasenjit P. Datta  
Executive, Whole Time Director

Mr. Satish Chandra Gupta  
Non-Executive, Independent Director

Mr. Rahul B. Chhajed  
Non-Executive, Independent Director  
(upto 11.08.2015)

Mr. Viresh Mathur  
Non-Executive, Independent Director

Ms. Ankita Singh  
Non-Executive, Independent Director  
(w.e.f. 04.02.2015)

Mr. Jagannath Pandharinath Dange  
Non-Executive, Independent Director  
(w.e.f. 05.03.2015)

Mr. Surender Kumar Tuteja  
Non-Executive, Independent Director  
(upto 29.09.2014)

Mr. Kanchan Murarka  
Non-Executive Director  
(upto 24.11.2014)

### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nikita Pedhdiya (upto 14.10.2014)  
Mr. Dipesh U. Gosar (w.e.f. 11.11.2014)

### AUDITORS

H.R. AGARWAL & ASSOCIATES  
Chartered Accountants, Kolkata

### BANKERS

Allahabad Bank  
Oriental Bank of Commerce  
State Bank of India  
Dena Bank  
IDBI Bank  
Union Bank of India  
Bank of India

### REGISTERED OFFICE

Plot no 3436-3439, Chhatral, G.I.D.C.,  
Phase IV, Taluka-Kalol,  
Dist-Gandhinagar, Gujarat-382729  
Tel: +91-2764-233656  
Fax: +91-2764-233657  
CIN: L28999GJ1992PLC018570

### CORPORATE OFFICE:

Indiabulls Finance Centre, Tower 3  
16<sup>th</sup> Floor, 1601, Senapati Bapat Marg,  
Elphinstone Road (West),  
Mumbai- 400013  
Tel: +91-22-71500500  
Fax: +91-22-71500520  
Email: [secretarial@topworthgroup.com](mailto:secretarial@topworthgroup.com)  
Website: [www.gujaratfoils.com](http://www.gujaratfoils.com)

### REGISTRAR AND SHARE TRANSFER AGENTS:

Link Intime India Private Limited  
303, 3rd Floor, Shoppers Plaza-V,  
Opp. Municipal Market,  
Off. C. G. Road, Navrangpura  
Ahmedabad- 380009  
Tel: +91-079-26465179  
Fax: +91-079-26465179  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

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## Chairman's Letter to Shareholders



Dear Shareholders,

It gives me great pleasure to share with you the Company's financial performance for the financial year ended March 31, 2015. The Board of Directors of your Company has approved the results for this period and I wish to share some of its key highlights with you.

### Financial Highlights

- ❖ Revenue was Rs. 487.76 Crores as against Rs. 429.92 Crores for the previous year, a growth of around 13.45%
- ❖ EBITDA was Rs. 57.41 Crores
- ❖ Profit after tax was Rs. 6.72 Crores

### Operational Highlights

- ❖ Highest and best ever productivity from Achenbach Foil Mill & H & P Laminator
- ❖ Highest ever printing production from Printing Department
- ❖ Best ever recovery at Printing Section.
- ❖ Highest dispatch from Conversion Plant
- ❖ Developed High Heat Resistant Printing on Aluminum Foil
- ❖ Developed both Side-printed and One-side Registered foil
- ❖ Developed Communication foil as an anti-counterfeiting activity

### Business Highlights

During the year, having consolidated and positioned ourselves on the growth path in our industry, we at Gujarat Foils Limited placed a lot of focus on augmenting our capabilities. We have achieved the operational highlights with a strategic focus to shift the business from bare foil to converted foil for better value addition with focus on maximum loading of printed products. Volume and demand is picking up from pharma customers in value added products, i.e., printed foils. Further, we have streamlined and consolidated our customer base and honed our marketing serviceability approach. I feel proud to see that this has yielded positive returns in terms of the strategic progress we have made, especially in the midst of acute global economic uncertainty, which has equally affected the Indian economy and some of the sectors including the metal industries have been faced with demand slowdown that is unlikely to turnaround quickly.

Your Company is delighted to inform you that at our Chhatral plant, we had successfully completed recertification process of Integrated Management System to cover ISO 9001, ISO 14001, OHSAS 18001 from BSCIC. Accreditation of prestigious Good Manufacturing Practice Certification (GMP) with reference to ISO 15378 : 2011 by BSCIC and certification from prestigious U.S.F.D.A has been maintained successfully. This enables your Company to provide packaging materials to Indian as well as Multi National pharmaceutical companies for their final products. In this short span of time your Company has been certified as vendors to the top pharmaceutical companies in India and now broken through in to the top five aluminum based packaging companies in the country. This is no mean task given the exceptional tailor made requirements of customers in the foil packaging business.

Last year due to heavy rainfall in Chhatral, the plant had to be shut down due to flooding for 72 hours. I take pride in saying that due to the massive efforts by the GFL team, the plant operations were restored in seven days and normalcy prevailed and work began in full swing.

Last year we also ventured into a new activity in the consumer segment and commenced manufacturing of Semi-Rigid Containers, which are used mostly by restaurants to supply packaged food to cater to the orders from households. NUTRIWRAP continues to be one of the leading brands in the country today.

Today your Company is enjoying the status of being one among the preferred suppliers to pharma companies because of our orientation towards customer service and product quality. We are confident that we are on the right path and with the impending economic reform your Company will sustain the growth.

For the future, your Company is looking actively at expansion in the aluminum foil plant after the successful commissioning of the projects at Chhatral and Bhiwandi. We are looking to establish ourselves as a prime manufacturer, providing end to end packaging solutions. We also understand the need for backward integration of our facilities and our present activities include preparation feasibility studies for large scale expansion in these areas. As of now we are actively approaching government authorities for allotment of suitable land for the proposed expansion projects.

We are strong believers of value proposition and the requirements of Human Resource, which add comprehensively to the total reserve of the Company. We, in this short period of time, have been able to put together a dedicated team of professionals and been able to retain them at Gujarat Foils Limited.

I would like to take this opportunity to express my gratitude to the Board of Directors, Bankers, Employees, Vendors and Shareholders for their continued support and the confidence reposed on us.

Warm Regards,

**Abhay Lodha**  
Chairman  
DIN: 00052194

Mumbai, 11<sup>th</sup> August, 2015

## Directors' Report

To,  
The Shareholders,

Your Directors have pleasure in presenting to you this 23<sup>rd</sup> Annual Report of your Company together with the Audited Accounts for the Financial Year ended on 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS:

Your Company's financial performance during the year has been encouraging and summarized below:

(Rs. In Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Gross Income from Operations	50,735.07	44,788.69
Less: Excise Duty	2,078.48	1,863.15
Net Income from Operations	48,656.59	42,925.54
Profit before Depreciation, Finance cost and Taxation	5,740.51	5,010.19
Less: Depreciation and Amortization	894.43	1,114.37
Profit before Finance cost and Taxation	4,846.08	3,895.83
Less: Finance Cost	3,423.77	2,609.04
Profit before Taxation	1,422.31	1,286.79
Tax Expense		
- Current Tax	304.80	290.00
- Deferred Tax	445.62	76.20
- Earlier Years	-	-
Profit after Taxation	671.89	920.59

### REVIEW OF OPERATIONS/STATE OF COMPANY'S AFFAIRS:

During the year under review, the Company's Net Income from operations stood at Rs.48,656.59 Lacs as compared to Rs. 42,925.54 Lacs in the previous year, thereby registering a growth of about 13%. Earnings before interest, depreciation, tax & amortization for the year under review stood at Rs.5,740.51 Lacs against Rs.5,010.19 Lacs in the previous year, thereby registering a growth of about 15%. Profit before Tax registered a growth of about 11% and increased from Rs.1,286.79 Lacs to Rs.1,422.31 Lacs.

The Pharma Foils & Food Packaging (FMCG) operations are working on optimum level. The Company commenced commercial operations of Semi-Rigid Containers (SRC) in November 2014, the same is expected to be streamlined and stabilized by the next financial year.

### DIVIDEND:

Keeping in mind the Long Term capital requirement for future growth of the Company and to conserve higher resources for operations of the Company, your Directors have not recommended any dividend for the Financial Year ended 31<sup>st</sup> March, 2015.

### TRANSFER TO RESERVES:

The Board has decided to retain Rs. 6,71,88,885/- in Profit and loss accounts and further, Company has proposed not to transfer any amount to General Reserves.

**NO MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT.**

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186:-

No Loans, Guarantees and Investments covered under section 186 of the Companies Act, 2013 are outstanding as at 31<sup>st</sup> March 2015.



### **PUBLIC DEPOSITS:**

During the year under review, the Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

In line with the requirements of the Companies Act, 2013 and Equity Listing Agreement, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.gujaratfoils.com/investors>. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

No Related Party Transactions were entered during the year under review by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC 2 is not applicable.

### **SUBSIDIARY COMPANY:**

The Company does not have any subsidiary company.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a.) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed and there are no 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 as on 31<sup>st</sup> March, 2015 and of the profit of the Company for that period;
- (c.) They have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d.) They have prepared the annual accounts on a going concern basis;
- (e.) They have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (f.) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **INTERNAL FINANCIAL CONTROLS:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors and the reviews performed by management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's Internal Financial controls were adequate and effective during the financial year 2014-15.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Mr. Abhay Lodha (DIN: 00052194), Chairman & Managing Director of the Company has resigned from the post of Managing Director w.e.f. 1<sup>st</sup> August, 2014 and act as a Non-Executive Chairman on the Board. He is also liable to retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

Mr. Surendra Kumar Tuteja (DIN: 00594076) has retired in last 21<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014. The Members have approved his retirement.

Mr. Kanchan Murarka, Director (DIN:00058823), has resigned from the directorship of the Company due to his pre-occupation w.e.f. 24<sup>th</sup> November 2014. The Board placed on record his invaluable contribution to the deliberations, advice and guidance given by him during his tenure as Director.

Pursuant to the provisions of Section 149 of the Act, Mr. Satish Chandra Gupta (DIN: 00025780), and Mr. Rahul Chhajed (DIN: 01400028) were appointed as Independent Directors at the Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014.

The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

Ms. Ankita Singh (DIN: 07038161) has been appointed as Woman Director w.e.f. 4<sup>th</sup> February, 2015 and Mr. Jagannath Pandharinath Dange (DIN: 01569430) was appointed as Additional Director w.e.f. 5<sup>th</sup> March, 2015, both will hold office up to the date of ensuing Annual General Meeting. Being eligible, they offered themselves to be appointed as the Independent Director of your Company. The Company has received a notice under Section 160 of the Act along with the requisite deposit proposing the appointment of Ms. Singh and Mr. Dange.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Brief resume of the Directors proposed to be appointed / re-appointed as stipulated under clause 49 of the Listing Agreement with the Stock Exchange are given in the notice convening this Annual General Meeting.

The above appointments/re-appointments form part of the notice convening the Annual General Meeting and the resolutions are recommended for your approval.

Pursuant to the provisions of Section 203 of the Act, the appointments, of Mr. Prasenjit Datta, Whole Time Director, Mr. Jagjit Padgaonkar, Chief Financial Officer and Mr. Dipesh U. Gosar, Company Secretary as key managerial personnel of the Company, were formalized.

#### **NUMBER OF MEETINGS OF THE BOARD:**

Four meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

#### **BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under Clause 49 of the Listing Agreements.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

The Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes and independence of a director as well as policy relating to remuneration of Key Managerial Personnel and other employees and other matters provided in Section 178(3) of the Act, is appended as an **Annexure A** to this Report.

#### **AUDIT COMMITTEE AND VIGILANCE MECHANISM:**

The Audit Committee comprises of Mr. Satish Chandra Gupta, Mr. Rahul B. Chhajed and Mr. Viresh Mathur. The other details pertaining to Audit Committee are included in the Corporate Governance Report, which forms part of this report. There has been no instance of non-acceptance of recommendation of audit committee by the Board.

The Board of directors has established vigil mechanism in the form of Whistle Blower Policy to enable Directors, Employees to make written Protected Disclosures (as defined in the policy) to the Vigilance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases for investigation. The policy provides for adequate protection for whistle blowers and victimization of complainants and also provides for initiation of disciplinary or corrective action. This functioning of vigil mechanism is periodically reviewed by the audit committee. Your Company has posted the Vigil Mechanism/ Whistle Blower Policy on its website <http://www.gujaratfoils.com/investors.html>

#### **AUDITORS:**

##### **STATUTORY AUDITORS:**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder M/s H.R. Agarwal & Associates, Chartered Accountants, were appointed as statutory auditors of the Company (having Firm Registration No. 323029E) from the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014 till the conclusion of the 27<sup>th</sup> Annual General Meeting to be held in the year 2019, subject to ratification of their appointment at ensuing AGM.

##### **COST AUDITOR**

Pursuant to Section 148(3) of the Act, the Board of Directors, on the recommendation of the Audit Committee, had appointed



M/s S. K. Agarwal & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2014-2015 for conducting the audit of cost records.

The Board of Directors has re-appointed M/s. S. K. Agarwal & Associates as Cost Auditors for the Financial Year 2015-16 to conduct the audit of cost record and they have confirmed that their appointment, is within the limits of section 141(3)(g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 148(5) read with Section 139 and Section 141(3) of the Companies Act, 2013. Their remuneration approved by the Board, is recommended for ratification by the members at the ensuing AGM

### SECRETARIAL AUDITORS

During the year, Secretarial Audit was carried out by M/s. Umesh Ved & Associates, Company Secretaries, and Secretarial Auditor of the Company for the financial year 2014-15. The detailed reports on the Secretarial Audit are appended as an **Annexure B** to this Report.

### AUDITORS' OBSERVATIONS:

The Statutory Auditors' Report does not contain any qualifications, reservations or adverse remarks.

Secretarial Audit Report as required under the provisions of Section 204 under the Companies Act, 2013 is annexed herewith and the report of the Auditor is self-explanatory.

As regards to the observations of Secretarial Auditor with regard to the late filing of couple of forms the directors hereby confirm that the default made was only of a technical nature and the default has been made good by filing the respective forms with additional filing fees. The same occurred since there was a change in the office of Company Secretary.

### RISK MANAGEMENT

The Company has the risk assessment and mitigation procedures in place and the same have been laid before the Board members from time to time.

### CORPORATE SOCIAL RESPONSIBILITY

The Company has framed a Corporate Social Responsibility (CSR) Policy in compliance with section 135 of the Companies Act, 2013 and the said policy may be accessed on the website of the Company <http://www.gujaratfoils.com/investors.html>. The annual report on the Corporate Social Responsibility (CSR) Policy of the Company as per format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014, is appended as an **Annexure C** to this Report.

### EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in **Annexure D** in the prescribed Form MGT-9, which forms part of this report.

### PARTICULARS OF EMPLOYEES:

The employer employee relations remained cordial throughout the year. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels of the organization.

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure E** to this Report.

During the year under consideration, there were no employees, whose particulars are required to be disclosed under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Management Discussion and Analysis:

Management Discussion and Analysis Report for the year under review, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange, is presented in a separate section forming part of the Annual Report.

### Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement, a detailed report on Corporate Governance duly certified regarding compliances of



its conditions by the Statutory Auditors M/s H.R. Agarwal & Associates, Chartered Accountants, is presented in a separate section forming part of the Annual Report.

#### **Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The particulars required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is appended as **Annexure F** to this Report.

#### **Acknowledgement**

Your Directors wish to place on record their deep sense of appreciation for Investors, Shareholders and Employees of the Company for their continued support towards conduct and operations of the Company.

Your Directors also wish to express their sincere gratitude to the Union Government and the Government of various States, as also to all the Government agencies, Banks, Financial Institutions, Customers, Vendors and other related organizations, who, through their continued support and cooperation, have contributed towards the Company's growth and progress during the year under review.

For and on behalf of the Board  
**Of Gujarat Foils Ltd.**

Place: Mumbai  
Date: 11<sup>th</sup> August 2015

**Abhay Lodha**  
Chairman  
DIN 00052194



### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:**

#### **Introduction:**

In accordance with Section 178 of the Companies Act, 2013 the Company has formulated Remuneration Policy ("the policy").

#### **The objective:**

The policy is to ensure that Executive Directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

#### **Criteria Directors' Appointment**

The following shall be followed/kept in view, to the extent possible and practicable while selecting any person for a position of a Director of the company.

- (a) The appointment of any director should be such as to help maintain/achieve diversity of thought, experience, knowledge, perspective in the Board of Directors.
- (b) A candidate proposed for appointment as a director should possess the highest personal and professional ethics, integrity and values.
- (c) Director must be willing to devote time for the affairs and activities of the board and its committee(s) and otherwise to enable the Board of Directors to discharge its functions and duties effectively;
- (d) Director shall possess appropriate skills, experience and knowledge in fields such as finance and financial advisory, law, management, sales, marketing, administration, corporate governance, taxation, research, regulatory affairs, aluminium/steels & foils, technical operations and any other discipline related to the Company's business.
- (e) A candidate proposed for appointment as independent director shall:
  - (i) be independent of management;
  - (ii) be having no direct or indirect material relationship with the Company or any of its officers, other than as a director or shareholder of the Company.
  - (iii) be such that brings in appropriate balance of skills, experience and knowledge in the Board of Directors;
  - (iv) be satisfy criteria of independence as mentioned in the Companies Act, 2013 and the Listing Agreement from time to time.
- (f) For Independent Directors, requisite professional qualification in the area of expertise is preferred. However, experience and expertise in a given field should be determining factor.
- (g) A candidate proposed for position of executive director may be from the promoter group or outside. Such candidate should have enough experience and be potentially fit for the executive responsibilities.

#### **Remuneration Policy**

##### **Directors**

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole Time Director and other Executive Directors. This will be then approved by the Board and Shareholders. Prior approval of shareholders will be obtained wherever applicable in case of remuneration to non-executive directors.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and variable pay to whole time directors. Salary is paid within the range approved by the Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals / Business Executives. Independent Non-Executive Directors receive sitting fees for attending the meeting of the Board and Board Committees and commission as approved by the Board and Shareholders.

The remuneration by way of commission paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks.

#### **Key Managerial Personnel and Other Employees**

The remuneration of employees largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company Policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

#### **Observance of the Policy:**

Besides the Board of Directors, this Policy will also be followed by the Nomination and Remuneration Committee.

**For and on behalf of the Board  
Of Gujarat Foils Limited**

**Abhay Lodha  
Chairman**



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2015**  
**[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,  
**GUJARAT FOILS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gujarat Foils Limited (hereinafter called the Company). 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, 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 authorized 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 on 31st March, 2015 complied with the 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, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable to the Company during the Audit Period)**
- (v) 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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not Applicable to the Company during the Audit Period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
  - (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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period)**
- (vi) The Export and Import Policy of India;
- (vii) Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974;
- (viii) Petroleum Act, 1934;

- (ix) Food Safety and Standards Act, 2006;
- (x) Legal Metrology Act, 2009;
- (xi) Air (Prevention and Control of Pollution) Act, 1981;
- (xii) Water (Prevention and Control of Pollution) Act, 1974.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- The Company filed Form MR-1 with the Registrar of Company after the statutory time period as specified under the provisions of Section 196 under the Companies Act, 2013 in respect of the return of appointment of two Company Secretaries and a Chief Financial Officer.
- The Company filed Form MGT-14 with the Registrar of Company after the statutory time period as specified under the provisions of Section 179 under the Companies Act, 2013 in respect of appointment of secretarial auditor, internal auditor, approval of unaudited quarterly financial result and approval of board's report.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**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.

**Place:** Ahmedabad  
**Date:** 7<sup>th</sup> August, 2015

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**



## Directors' Report

To,  
The Members,  
Gujarat Foils Limited.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place:** Ahmedabad  
**Date:** 7<sup>th</sup> August, 2015

**Umesh Ved**  
**Umesh Ved & Associates**  
**Company Secretaries**  
**FCS No.: 4411**  
**C.P. No.: 2924**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	<p>CSR is a management concept, whereby Company strive to integrate social and environmental concerns in our business operations</p> <p>The policy provides for undertaking any activity prescribed under Schedule VII to the Companies Act, 2013 to attain the goal of sustainable and overall development of the society wherein the Company is carrying out its business operations.</p> <p>Such projects/activities will be undertaken either by direct involvement of Abhay Lodha Foundation or through external agencies.</p>
2.	The Composition of the CSR Committee	<p>Mr. Viresh Mathur - Chairman</p> <p>Mr. Prasenjit Datta - Member</p> <p>Mr. Rahul B. Chhajed - Member</p> <p>Ms. Ankita Singh - Member</p>
3.	Average net profit of the company for last three financial years	Rs.8,85,76,603
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Rs. 17,71,532
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year; (b) Amount unspent, if any; (c) Manner in which the amount spent during the financial year.	<p>Nil</p> <p>Rs. 17,71,532</p> <p>-</p>
6.	Reasons for not spending the amount.	The Company intends to spend on Education & Health care facilities of the Rural Population for which Abhay Lodha Foundation are under process of implementation of appropriate and effective CSR plan.
7.	A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.	<p>The Company believes that no business can be done in isolation from society. Society permits business to exist and grow and it is on the basis of these social standards that business functioning is to be ultimately judged.</p> <p>We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.</p>

**Mr. Viresh Mathur**  
Chairman, Corporate Social Responsibility Committee

**Mr. Rahul Chajjed**  
Director



**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on March 31, 2015  
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the  
Company (Management & Administration) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L28999GJ1992PLC018570
ii	Registration Date	16 <sup>th</sup> November, 1992
iii	Name of the Company	Gujarat Foils Limited
iv	Category/Sub-category of the Company	Public Company Limited by shares / Indian Non-Government Company
v	Address of the Registered office & contact details	3436-3449, Chhatral G.I.D.C. Phase-IV, Taluka Kalol, Dist. Gandhinagar Gujarat -382729 Tel: 91-2764 233656 / 2764 233657 Fax: 91-2764 233657 <a href="http://www.gujaratfoils.com">www.gujaratfoils.com</a> <a href="mailto:secretarial@topworthgroup.com">secretarial@topworthgroup.com</a>
vi	Whether listed company	Yes on Bombay Stock Exchange Limited
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED 303, 3 <sup>rd</sup> Floor, Shoppers Plaza-V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad – 380 009 Tel: 91-79-26465179 Fax: 91-79-26465179 <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & description of main products/services	NIC Code of the product /service	% to total turnover of the Company
1	Aluminum Foil/Sheet/Strip	76071991	31%
2	Aluminum Coil/Sheet/Strip	76061200	1.42%

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

The Company does not have any subsidiary company.



## IV. (i) SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2014				No. of Shares held at the end of the year i.e 31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	4,041,201	0	4,041,201	49.27	4,041,201	0	4,041,201	49.27	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	792,876	0	792,876	9.67	792,876	0	792,876	9.67	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A)(1)</b>	<b>4,834,077</b>	<b>0</b>	<b>4,834,077</b>	<b>58.94</b>	<b>4,834,077</b>	<b>0</b>	<b>4,834,077</b>	<b>58.94</b>	<b>0.00</b>
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>4,834,077</b>	<b>0</b>	<b>4,834,077</b>	<b>58.94</b>	<b>4,834,077</b>	<b>0</b>	<b>4,834,077</b>	<b>58.94</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
(2) Non Institutions									
a) Bodies corporates									
i) Indian	884,127	0	884,127	10.78	271,286	0	271,286	3.31	-7.47
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	182,889	154,075	336,964	4.11	1,197,866	146,775	1,344,641	16.39	12.29
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2,044,122	94,100	2,138,222	26.07	1,567,486	64,000	1,631,486	19.89	-6.18
c) Others (specify)									
Clearing Member	2,143	0	2,143	0.03	52,367	0	52,367	0.64	0.61
Non Resident Indians ( Repat)	6,200	0	6,200	0.08	49,145	0	49,145	0.60	0.52
Non Resident Indians (Non Repat)	77	0	77	0.00	16,08	0	16,808	0.20	0.20
Hindu Undivided Family Trusts	0	0	0	0.00	0	2,000	2,000	0.02	0.02
<b>SUB TOTAL (B)(2):</b>	<b>3,119,558</b>	<b>248,175</b>	<b>3,367,733</b>	<b>41.06</b>	<b>3,154,958</b>	<b>212,775</b>	<b>3,367,733</b>	<b>41.06</b>	<b>0.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>3,119,558</b>	<b>248,175</b>	<b>3,367,733</b>	<b>41.06</b>	<b>3,154,958</b>	<b>212,775</b>	<b>3,367,733</b>	<b>41.06</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>7,953,635</b>	<b>248,175</b>	<b>8,201,810</b>	<b>100.00</b>	<b>7,989,035</b>	<b>212,775</b>	<b>8,201,810</b>	<b>100.00</b>	<b>0.00</b>



(ii) SHARE HOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year i.e 01.04.2014			Shareholding at the end of the year i.e 31.03.2015			% change in shareholding during the year
		No of shares	% of total shares of the Company	% of shares pledged to total shares	No of shares	% of total shares of the Company	% of shares pledged to total shares	
1	Akshata Realtors Pvt Ltd	792,876	9.67	0	792,876	9.67	0	0.00
2	Abhay Narendra Lodha	3,047,104	37.15	12.61	3,047,104	37.15	12.61	0.00
3	Ashwin Narendra Lodha	703,959	8.58	2.19	703,959	8.58	2.19	0.00
4	Sheela Abhay Lodha	94,388	1.15	0	94,388	1.15	0	0.00
5	Prasanna Champalal Lodha	65,224	0.80	0	65,224	0.80	0	0.00
6	Surendra Champalal Lodha	65,263	0.80	0	65,263	0.80	0	0.00
7	Rajesh Kumar Jain	65,263	0.80	0	65,263	0.80	0	0.00
<b>Total</b>		<b>4,834,077</b>	<b>58.94</b>	<b>14.80</b>	<b>4,834,077</b>	<b>58.94</b>	<b>14.80</b>	

(iii) CHANGE IN PROMOTERS' SHAREHOLDING

Sr. No.	Particulars	Shareholding at the beginning of the Year as on 01.04.2014		Cumulative Shareholding during the year 01.04.2014 to 31.03.2015	
		No. of Shares	% of total shares of the Company	No of shares	% of total shares of the Company
1.	At the beginning of the year	48,34,077	58.94		
2.	Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	During the period under review there is no change in the total shareholding of the Promoters.			
3.	At the end of the year i.e as on 31.03.2015	-	-	<b>48,34,077</b>	<b>58.94</b>

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the end of the beginning of the year 01.04.2014		Cumulative Shareholding at the end of the year 31.03.2015	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Parmod Jain	12,60,204	15.36	8,27,813	10.09
2	Asuti Trading Private Limited	99,500	1.21	99,500	1.21
3	Atul Dinkerray Raval	0	0.00	93,300	1.14
4	Nilesh Shantilal Parekh	80,000	0.98	80,000	0.98
5	Kedar Dattatraya Borgaonkar	0	0.00	64,470	0.79
6	Jayeshbhai Panchabhai Satani	38,216	0.47	56,766	0.69
7	Ranga Rao M	0	0.00	46,436	0.57
8	Superways Investment and Finance Private Limited	38,600	0.47	38,600	0.47
9	Dhaval Sudhirbhai Shah	17,353	0.21	38,250	0.47
10	Devika Anand	0	0.00	37,836	0.46
11	*Rockdude Financial Services Private Limited	7,18,013	8.75	1,372	0.02
12	*Bhavik Kalpesh Shah	3,86,534	4.71	0	0.00
13	*Vimal Kumar Somani / Vandana Somani	92,331	1.13	571	0.01
14	*Abhishek Jain	73,000	0.89	200	0.00
15	*Vidhyaben Bhimraj	35,400	0.43	35,400	0.43

**Notes:**

The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.

\* Top ten Shareholders as on 01.04.2014, who cease to be among top ten shareholders as on 31.03.2015.

## (v.) Shareholding of Directors &amp; KMP

Sr. No	Name of Shareholder	Shareholding at the beginning of the year i.e. 01.04.2014		Date and Reason for change in shareholding	Cumulative Shareholding during the year	
		Number of Shares	% of Total shares of the Company		No. of Shares	% of Total shares of the Company
1	Abhay Lodha	30,47,104	37.15	No Movement during the year	30,47,104	37.15
2	Prasenjit Datta	200	0.00	No Movement during the year	200	0.00
3	Amit Kumar Gupta	5	0.00	No Movement during the year	5	0.00



**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,728.85	3,581.26	-	7,310.11
ii) Interest due but not paid	50.26	-	-	50.26
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,779.11</b>	<b>3,581.26</b>	<b>-</b>	<b>7,360.37</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1000	-	-	1000
Reduction	-721.12	-479.25		-1,200.37
<b>Net Change</b>	<b>278.88</b>	<b>-479.25</b>		<b>-200.37</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,007.73	3,102.02	-	7,109.75
ii) Interest due but not paid	64.18	-	-	64.18
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,071.92</b>	<b>3,102.02</b>	<b>-</b>	<b>7,173.94</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Abhay N. Lodha	Prasenjit Datta	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	80,000	57,59,424	58,39,424
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others (specify)	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	<b>80,000</b>	<b>57,59,424</b>	<b>58,39,424</b>
	<b>Ceiling as per the Act</b>	<b>5% of the Net Profit</b>		

**B. Remuneration to other directors:**

Sr. No	Particulars of Remuneration	(a) Fee for attending board/ committee meetings	(b) Commission	(c ) Others, please specify	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	Satish Chandra Gupta	2,70,000	-	-	2,70,000
	Rahul Babulal Chhajed	3,40,000	-	-	3,40,000
	Viresh Shankar Mathur	90,000	-	-	90,000
	Ankita Umesh Singh	30,000	-	-	30,000
	<b>Total (1)</b>	<b>7,30,000</b>	<b>-</b>	<b>-</b>	<b>7,30,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Abhay Lodha*	#			
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Managerial Remuneration</b>	<b>7,30,000</b>	<b>-</b>	<b>-</b>	<b>7,30,000</b>
	<b>Overall Ceiling as per the Act.</b>	<b>11% of Net Profit</b>			

\* Ceased from the post of Managing Director w.e.f. 01.08.2014.

# Waived Sitting fees for attending Board Meetings held during the year.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	CFO	
1	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	16,52,840	23,14,466	39,67,306
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify			
	<b>Total</b>	<b>16,52,840</b>	<b>23,14,466</b>	<b>39,67,306</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offence during the year ended 31.04.2015



#### STATEMENT OF DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE ACT READ WITH RULE5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES,2014 ARE GIVEN BELOW:

- a. The ratio of the remuneration of each director to the median remuneration of the employees, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year ended March 31, 2015:

Sr. No.	Name of Directors and KMP	Remuneration of Director & KMP for the financial year ended March 31, 2015 (in Rs.)	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration for the financial year ended March 31, 2015 provided for the purpose of section 197 (12) of the Act
1	Abhay N. Lodha <sup>1</sup> , Chairman, Non-Independent, Non-Executive	80,000 <sup>a</sup>	0.26	-67%
2	Prasenjit Promode Datta Whole Time Director – Executive	57,59,424	18.78	14%
3	Satish Chandra Gupta Independent Director	2,70,000 <sup>b</sup>	0.88	69%
4	Rahul Babulal Chhajed Independent Director	3,40,000 <sup>b</sup>	1.11	36%
5	Viresh Shankar Mathur Independent Director	90,000 <sup>b</sup>	0.29	80%
6	Ankita Umesh Singh <sup>2</sup> Independent Director	30,000 <sup>b</sup>	0.10	-
7	Jagannath Pandharinath Dange <sup>3</sup> Independent Director	-		
8	Jagjit Shrikant Padgaonkar <sup>4</sup> Chief Financial Officer		Not Applicable <sup>c</sup>	
9	Dipesh U. Gosar <sup>5</sup> Company Secretary		Not Applicable <sup>c</sup>	

**Note:**

1. w.e.f 01.08.2014, resigned from the post of Managing Director.
  2. w.e.f 04.02.2015, appointed as director.
  3. w.e.f 05.03.2015, appointed as director.
  4. w.e.f 01.08.2014, appointed as CFO.
  5. w.e.f 11.11.2014, appointed as Company Secretary.
- a. Salary for the four months and he forgo sitting fees for Board Meetings.
  - b. Sitting fees
  - c. Since the information is for part of the year, it is not comparable/applicable
- b. There is 32% increase in the median remuneration of employees in the financial year.
- c. The number of permanent employees on the rolls of Company as on 31.03.2015 is 148.

**d. The explanation on the relationship between average increase in remuneration and Company performance:**

On an average, employees received an annual increase of 12%. The individual increments varied from 10% to 15% based on individual performance.

The increase in remuneration is in the line with the market trend. In order to ensure that remuneration reflects company's performance, the performance pay is also linked with organization performance, apart from individual's performance.

**e. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in FY 2014-15 (in Rs.)	97,26,730
Revenue (in Rs.)	4,87,75,72,546
Remuneration of KMPs (as % of revenue)	0.20%
Profit before Tax (PBT) (in Rs.)	14,22,30,845
Remuneration of KMP (as % of PBT)	6.84%

**f. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014	% Change
Market Capitalization(in Rs.)	47,69,35,251	24,60,54,300	93.84%
Price Earnings Ratio	7.1	2.67	165.77%

**g. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around 12%. However, during the course of the year, total increase is approximately 15%, after accounting for promotion and other event based compensation revisions.

Increase in managerial Remuneration for the year was 14%

**h. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

	WTD	CFO	CS
Remuneration in FY 2014-15 (in Rs.)	57,59,424	23,14,466	16,52,840
Revenue (in Rs.)	4,87,75,72,546		
Remuneration (as % of revenue)	0.12%	0.05%	0.034%
Profit before Tax (PBT) (in Rs.)	14,22,30,845		
Remuneration of KMP (as % of PBT)	4.05%	1.63%	1.16%

**i. The key parameters for any variable component of remuneration availed by the directors:**

During the year, No variable component of remuneration was availed by the directors.

**j. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None

**k. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.



**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as per section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the Year ended 31st March 2015.

**A. Conservation of Energy:**

The Company has a strong commitment towards energy conservation for the benefit of the Nation and itself. Efforts to optimize process parameters, modernize & upgrade technology as well as equipments, with the objective of increasing energy productivity are continuous and ongoing. Company ensures optimization of resources and is committed to control wastages and avoid air and water pollution.

It is a fact that conventional source of energy is limited in this universe. In the context it is prime responsibility of all of us to ensure optimum utilisation of energy. There are two fold benefits by ensuring the same:

Every unit of power saved is equivalent to same quantity of power generated without any additional cost & without generating Green House Gases.

Such savings helps us in reducing our cost of production.

<b>A) Power and Fuel Consumption</b>	<b>UOM</b>	<b>2014-2015</b>	<b>2013-2014</b>
<b>1) Electricity</b>			
<b>a) Purchased</b>			
Unit	(KWh)	52,54,909	61,96,120
Total Cost	(Rs. in Lacs)	409.85	472.20
Cost / Unit	(Rs.)	7.80	7.62
<b>b) Own Generation</b>			
i) Through Diesel Generator Unit			
Unit	(Ltr.)	1,356	600
Total Cost	(Rs. in Lacs)	0.28	0.35
Cost/Unit	(Rs.)	20.67	58.13
ii) Through Steam Turbine Generation Units		NIL	NIL
iii) Through Wind Mill			
Unit	(KWh)	8,63,450	9,40,578
Total Cost	(Rs. in Lacs)	13.54	66.38
Cost / Unit	(Rs.)	1.54	7.05
<b>2) Coal</b>			
Quantity	Tones	NIL	NIL
Total Cost	(Rs. in Lacs)	NIL	NIL
Average Rate	(Rs.)	NIL	NIL
<b>3) Furnace Oil</b>			
Quantity	K. Ltrs	NIL	NIL
Total Cost	(Rs. in Lacs)	NIL	NIL
Average Rate	(Rs.)	NIL	NIL
<b>4) Others/Internal Generation</b>			
Quantity	K. Ltrs	NIL	NIL
Total Cost	(Rs. in Lacs)	NIL	NIL
Rate/ Unit	(Rs.)	NIL	NIL



**B. Technology Absorption, Research & Development and resultant benefits:**

It is a fact that high speed foil rolling operations are very prone to fire hazards. However, the Company could stabilize the process parameters in such a way, that we did not encounter even a single instance of fire at our rolling operations. To achieve this milestone your company had taken following corrective actions:

Implementation of additional Heat Exchanger in rolling oil circulation system.

Fundamental redesigning in the Achenbach Mill.

Introduction of Low Voltage, High resolution Audio / Video Camera surveillance system.

As a result of various technological up-gradations, various direct Pharma customers have been added by the Company during the Financial Year 2014-15.

**C. Foreign Exchange Earnings & Outgo****(Rs. in Lacs)**

<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
Foreign exchange earned	156.02	286.76
CIF value of imports	180.48	433.85
Expenditure in foreign currency	-	-

**For and on behalf of the Board  
Of Gujarat Foil Ltd.**

**Place: - Mumbai  
Date: -11<sup>th</sup> August, 2015**

**Abhay Lodha  
Chairman  
DIN 00052194**



## Management Discussion and Analysis

### INDUSTRY STRUCTURE & DEVELOPMENTS

Indian Aluminium Industry is one of the leading industries in the Indian economy. In the previous decade experienced substantial success among the other industries despite of the fact that, globally aluminium industry continued to go through a difficult phase. But the aluminium market in India is still growing at a CAGR of 9% to 10% over the last five years and it is going to remain so in the near future.

This favourable situation is expected mainly due to the government's focus on uniform infrastructure development in rural areas, cultural change resulting in more & more nuclear families with higher disposable income, strong growth in pharma, confectionary & ready-to-eat food sector.

In order to take advantage of favourable situations, Indian aluminium industry is developing fast and the advancement in its technologies is boosting the growth even faster. It has a bright future and it can become one of the largest players in the global aluminium market as in India, the consumptions are fairly low as compared to developed countries.

We are aware that Aluminium Rolled Products i.e. "SHEET & FOIL" are commonly used by Pharma Industry, Food & Beverage Industry, Chocolate, Confectionary & Liquor Industry. As per the report by "Indian Pharma 2015, Unlocking the Potential of the Indian Pharmaceutical Market" from McKinsey & Company, India is projected as 10<sup>th</sup> largest market with turnover of US\$ 20 billion. Further this report states, based on absolute growth between 2005 to 2015, India is placed at no. 3 just behind US & China with an incremental growth of US\$ 14 billion during the period. The above statement clearly places India among the top 5 emerging pharma markets in the world. McKinsey & Company in their report "Indian Pharma 2020" quotes that Indian pharma market is growing at 14.5% on CAGR basis & expected to touch US\$ 55 billion market by 2020.

From the above reports it is evident that Indian pharma market will continue to register a strong double digit growth rate till 2020 & onwards. Based on above report, we assume that current foil requirement by Indian pharma industry is at 24,000 MT / Annum & the same will increase to 66,500 MT / Annum by 2020.

According to the Indian Institute of Packaging (IIP), the turnover of the Indian packaging industry is likely to touch USD 43.7 billion by 2016, from USD 27.6 billion in 2012. India's per capita consumption of packaging is only 4.3 kg per person per annum (approx), as against Germany's 42 kg and China's 20 kg and is thus very low compared to the global standards.

Consumer Products Business Division (CPB) caters to household and HORECA food packaging opportunity. With growing user base for household use and HORECA use this branded category is growing at about 15% per annum.

### OPPORTUNITIES & THREATS

#### Opportunity

Indian Healthcare Industry is believed to be the next big industry after IT and this will result in growth of Indian Pharma Packaging industry. Further due to rapid urbanisation, nuclear family concept & increase in population of higher income groups leads to increase in demand of FMCG products like ready to eat food products, frozen yogurt, packed juices, milk, liquid products, premium chocolates etc.

Aluminium Foil is most preferred packaging material for these Pharma & FMCG products due to its excellent barrier properties. Since Pharma & FMCG industry is growing at very fast pace, this is resulting in continuous increase in demand for aluminium foil industry. Gujarat Foils Limited (GFL) strongly believes that availability of good quality foil in Indian market would also result in increase of demand further.

Presently Aluminium Foil for packaging of Pharma Products & aseptic packaging are controlled by very few companies but in a difficult economy & competitive market place, GFL has established & positioned itself very quickly in the market. The positioning of GFL is evident from its growing direct pharma company client list. Today GFL is perceived as one of the leading supplier of aluminium packaging material to the pharma industry. State of Art Foil Rolling & Converting facility under one roof with strong technical team to provide after sales service gives GFL edge over their competitors in the market.

#### Threats

With the Foil Industry showing signs of growth, new entrants are looking to enter in the market. Cheap import from China is major area of concern. Availability of good quality foil stock & its pricing in local market is also a major area of concern, coupled with competition with unorganized sector. The Company has to cope-up with these threats through a combination of cost reduction, adopting technological innovations to improve productivity & continuous innovation from the technical team and creating end use

sensitivity to quality for thwarting this threat.

### Product wise performance

GFL is presently dealing in Manufacturing and supply of Aluminium Sheet, Foils (Bare, Coated or Laminated & Printed), Strips, Containers for Food, Pharmaceuticals & Packaging Applications.

In our Aluminium Sheet Business, GFL sheet products are positioned as quality products & are comparable with international quality standards. Your Company had taken some measures in order to ensure better services to its customers & improving the realisation from sheet business. The details of corrective measure are as under:

Our industry had witnessed a great deal of metal price fluctuation in F.Y. 2014 - 2015. In order to safeguard the interest of our customers & the Company, GFL had continued with NALCO based pricing policy for sheet business. This policy will ensure the mitigation of risks associated with metal price fluctuation & also have a transparent pricing mechanism.

Your Company is continuously evaluating the product wise sales price realisation in sheet business. Products with lower sales price realisation had been phased out in a systematic manner & they have been substituted with value added options.

In our **Aluminium Foil Business**, during the F.Y. 2014 – 2015, the focus was to maximise the sales of value added products resulting in increase in printed production by 98% & production of Converted product by 21% as compared to production in F.Y. 2013 – 2014.

GFL has a very wide & complete range of products. Also we are among very few companies in the country who have integrated state of art foil rolling & foil converting facility under one roof. Our technical team & after sales service makes GFL an established leader in the market. GFL had set a very stringent quality benchmarks which is complemented with continual improvement. This is the reason why GFL has established itself as a prime player in the market within a very short time. Today GFL is considered as a preferred supplier of Light Gauge Foil, Coated & Laminated Foil. Our Gravure Printing Machines are capable of printing up to 5 colours & are truly state of the art. These Printing Machines are equipped with advance turner bar for reverse printing & also equipped with auto registration system.

Today major pharma companies are in our fold. The list of our major Pharma Customers is given below in alphabetical order only;

AJANTAPHARMA  
 ALKEM LABORATORIES  
 APEX PHARMA  
 AUROBINDO  
 CADILA PHARMA  
 CAPLIN POINT  
 EMZOR PHARMA  
 FAMY CARE  
 FOURTS INDIA  
 HETERO DRUGS  
 IMPACT LABS  
 INTAS PHARMA  
 INVENTIA/ PHAROSE  
 IPCALABS  
 KAPL  
 LUPIN  
 MACLEODS  
 MAYER ORGANICS  
 MSN LABS  
 SANOFIAVENTIS  
 SERDIA CHEMICALS  
 SPARSH BIOTECH  
 SUN PHARMA  
 TORRENT PHARMA  
 WOCKHARDT  
 ZYDUS CADILA



During the F.Y. 2014 – 2015 we have not only retained the existing customers but have also been able to successfully add few more prestigious pharma companies in our clientele. Further in order to improve the profitability from foil business, the Company is continuously monitoring every element of operational cost at micro level. Suitable measures to control the overall operating cost have been taken in various processes which has improved the bottom line of your Company.

As regards CPB business, Nutriwrap as a brand has strengthened itself among the top three brands with national footprint. Sales and distribution, sales team quality, product portfolio enhancement have been strengthened, leading to good growth in both the general trade segment and the modern trade segment. The base building work done provides a good platform for performance in the immediate future.

### RISK AND CONCERNS

Your Company faces risk with similar to those faced by companies operating in the non-ferrous metal sector. The volatility of the primary metal LME linked price on account of fluctuation in \$ and LME continues to be a key issue and the success or failure is linked on how effectively companies are able to manage their purchase to tide over these critical periods. Profitability may also be affected on account of competition from existing and prospective manufactures of the same products and cheaper import from China.

### QUALITY MANAGEMENT:

GFL had been accredited Certificates of Registration for following from renowned agencies:

Certification	System	Certifying Agency
INTEGRATED MANAGEMENT SYSTEM	Management System (ISO 9001)	BSCIC
	Environmental Management System (ISO 14001)	BSCIC
	Occupational Health & Safety Management System (OHSAS 18001)	BSCIC
D.M.F. Type – III	D.M.F. No. Assigned : 25725 for Strip Foil	U.S.F.D.A.
D.M.F. Type – III	D.M.F. No. Assigned : 25585 for blister Foil	U.S.F.D.A.
Good Manufacturing Practice (GMP)	GMP with reference to ISO 15378 : 2011	BSCIC

### SAFETY, HEALTH & WORK ENVIRONMENT

First of all your Company feels proud to announce that there were no major accidents reported during the F.Y. 2014 – 2015. This became possible only because of our continuous focus on safety. Your Company conducts training & counselling sessions for its employees under the umbrella of GMP on regular basis.

Continuation of small group activities & housekeeping competition had improved the motivation levels at shop floor resulting in good work environment at plant level.

### ENERGY

The Company has a strong commitment towards energy conservation for the benefit of the Nation and itself. Efforts to optimize process parameters, modernize & upgrade technology as well as equipments, with the objective of increasing energy productivity are continuous and ongoing. Your Company ensures optimization of resources and is committed to control wastages and avoid air and water pollution.

It is a fact that conventional source of energy is limited in this universe. In the context it is prime responsibility of all of us to ensure optimum utilisation of energy. There are two fold benefits by ensuring the same:

Every unit of power saved is equivalent to same quantity of power generated without any additional cost & without generating Green House Gases.

Such savings help us in reducing our cost of production.

Following actions have been initiated to have continuous mapping on consumptions during the F.Y. 2014 – 2015:

Your Company is continuously monitoring machine wise power consumptions in all the processes. This type of monitoring is helping us to identify machine wise power consumption in form of KWH / MT or NM<sup>3</sup> / MT processed from individual machine centres further enabling us to find out product wise energy consumption. Increased energy consumption / MT of processed

material will clearly indicate us about the health of equipment at very beginning stage. The same can be corrected at appropriate time before machines goes on breakdown.

Your Company feels proud to announce that we at GFL continued to take Credits from Uttar Gujarat Vij Company Ltd. (UGVCL) for consistently maintaining our power factor up to 0.97. We also feel proud to announce that your Company had taken the credit from UGVCL amounting Rs.3,59,589/- in F.Y. 2014 – 2015 on account of maintaining power factor consistently as per the set out regulation.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company views Internal Control as a tool for improving operational performance and ensuring reliability of reporting mechanism. The Company is equipped with adequate internal control systems for its business operations which determine the efficiency of its operational strengths in financial reporting and ensure compliance with applicable laws and regulations. The Company continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes. The Company also assesses opportunities for improvement in business processes, systems and controls; provides recommendations designed to add value to the organization and follows up on the implementation of corrective actions and improvements in business processes after review by the Audit Committee and the Senior Management. The internal control systems are supplemented by extensive audits conducted by internal auditors. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization, and ensuring compliance of corporate policies.

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company understands that employees are vital and valuable assets. Your Company recognizes people as the primary source of its competitiveness and continues to focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. It believes in creating a favorable work environment which can lead to innovative ideas. The Company has an optimum process of recruitment and awarding its human resource which leads to attraction and retention of highly qualified and productive individuals in the organization. The Company believes in promoting and nurturing work environment which is conducive to the development and growth of an individual employee, by employing the best HR practices such as performance management, reward and recognition policy, open work culture and effective employee communication.

The total number of employees in the Company stands at 317 (including employees employed on contract basis).

#### **Financials in Brief 2014-15**

##### **(A) Results of Operations:**

##### **Revenue from operations**

The total revenue from operations of the Company stood at Rs. 48,775.72 Lacs as compared to Rs. 42,992.14 Lacs in the previous year thereby registering a growth of 13%. This was made possible due to excellent demand for our pharma foils and as well as our launching of Semi Rigid Container (SRC) unit.

##### **Employee Benefit Expenses**

Employee benefit expenses rose by about 9% to Rs. 1,207.37 Lacs as compared to Rs. 1,110.67 Lacs in the previous year. This was mainly because of increase in the number of employees appointed, absorption of project employees in operations during the year under review.

##### **Finance Cost**

Finance Cost of the Company stood at Rs.3423.77 Lacs as compared to Rs.2609.03 Lacs in the previous year. This increase was mainly due to increase in the borrowing of the Company towards operations.

##### **Depreciation and Amortization Expenses**

The depreciation for the year under review was Rs.894.43 Lacs as compared to Rs. 1,114.37 Lacs in the previous year.

##### **Profit before Tax**

Profit before tax of the Company stood at Rs. 1,422.31 Lacs as compared to Rs. 1,286.79 Lacs in the previous year, thereby



## Management Discussion and Analysis

registering a growth of 11%. This was possible due to increase in revenue and as well as efficient control on cost.

### Profit after Tax

Profit after tax of the Company stood at Rs. 671.89 Lacs as compared to Rs. 920.59 Lacs in the previous year, thereby registering a downfall of 27.02%.

## (B) Financial Position:

### Share Capital

During the Financial Year under review, the Authorized Share Capital of the Company was Rs. 500,000,000/- (Rupees Fifty Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of Rs.10/-(Rupees Ten Only) each and 2,50,00,000 (Two Crores Fifty Lakh) Preference Shares of Rs.10/-(Rupees Ten Only)each.

### Reserves and Surplus

The Company's reserves and surplus increased to Rs.6,806.52 Lacs as on 31st March, 2015 as compared to Rs. 6,095.03 Lacs as at 31st March, 2014

### Long Term Borrowings

During the year under review, the Company's Long Term Borrowings stood at Rs.6,366.77 Lacs compared to Rs. 6,553.38 Lacs in the previous year.

### Short Term Borrowings

During the year under review, the Company's Short Term Borrowings stood at Rs.11,539.26 Lacs compared to Rs. 10,533.93 Lacs in the previous year. The increase was mainly due to increase in borrowing for working capital requirement of the Company.

### Trade Payable

The Trade payable of the Company Increased to Rs.14,814.02 Lacs from Rs.8,634.63 Lacs in the previous year due to increase in volume of the business and stock piling of Raw Material in anticipation in the increase in aluminium prices.

### Fixed Tangible Assets

During the year under review, the net block of Fixed Tangible Assets increased to Rs.12,073.36 Lacs as compared to Rs. 9,356.36 Lacs in the previous year, due to capitalization of SRC unit.

### Capital work-in-progress

During the year under review, the Capital WIP Decreased to Rs. 1,602.36 Lacs as compared to Rs.5,084.30 Lacs in the previous year due to capitalization of SRC unit.

### Inventory

The Company's inventory stood at Rs. 19,574.37 Lacs as on 31st March, 2015 as compared to Rs. 15,327.18 Lacs in the previous year. The increase was mainly to meet the requirements of additional demand of the Company's Product as well as stock piling of Raw Material in anticipation of prices.

### Trade Receivables

The trade receivables of the Company are increased to Rs.17,595.46 Lacs from Rs.10,520.28 Lacs in the previous year due to growth in the business. The tight liquidity position in the overall industry also led to increase in the receivable cycle.

## CAUTIONARY STATEMENT

*Statements in the Management Discussion and Analysis describing the Company's objectives, projections, expectations and estimates regarding future performance may be "forward looking statements" within the meaning of applicable securities laws and regulations and are based on currently available information. The management believes these to be true to the best of its knowledge at the time of preparation of this report. However, these statements are subject to future events and uncertainties, which could cause actual results to differ materially from those that, may be indicated by such statement.*

## Corporate Governance Report for the Financial Year 2014-15

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Gujarat Foils Limited's (GFL) Corporate Governance objective is to create and adhere to a corporate culture of conscience and consciousness, integrity, transparency and accountability and ethical conduct of business for meeting obligation towards shareholders and other stakeholders such as Customers, Vendors, Employees and Financiers and to the society at large. The Company believes in achieving its goals, which result in enhancement of Shareholders' value through transparency, professionalism and nurture these core values in all aspects of its operations.

The entire governance structure is actively supervised by a Board of Directors, who oversee management activities and ensures their effectiveness in delivering member value. To implement this, GFL has always strived to promote an informed Board that functions independently.

### 2. BOARD OF DIRECTORS:

#### Composition:

The composition of the Board is in conformity with Clause 49 of the Listing Agreement, which stipulates that at least 50% of the Board should consist of Independent Directors, if the Chairman of the Board is an Executive Director.

As on March 31, 2015, the Board comprised of Seven Directors. Out of these, 1 (One) is Executive Director and remaining 6 (Six) Directors are Non-Executive Directors with 5 (Five) Directors being Independent Directors. All the Directors possess experience in various fields that encompasses manufacturing, accounts, finance and law. The composition of the Board is in conformity with clause 49 of the Listing Agreement entered into with BSE Limited.

#### Board Procedure:

In advance of each meeting, the Board is provided with relevant information on various matters related to working of the Company. The agenda is prepared in consultation with the Chairman of the Board. The agenda for the meetings of the Board together with the appropriate supporting documents are circulated well in advance of the meeting. Among other matters Board discussions generally relate to Company's business, financial results, review of the reports of the Audit Committee and compliance with their recommendation(s), suggestion(s), non-compliance of any regulation, statutory or Listing requirements etc.

#### Board Meetings:

The Board of Directors met 4(Four) times during the financial year 2014-2015 on 19<sup>th</sup> May, 2014; 12<sup>th</sup> August, 2014; 11<sup>th</sup> November, 2014 and 4<sup>th</sup> February, 2015. As stipulated, the gap between two board meetings did not exceed one hundred twenty days. The necessary quorum was present for all the meetings.

The Board's composition, attendance and their directorship / committee membership, chairmanship in other Companies as on 31<sup>st</sup> March, 2015 is given below:

Name of Director	Category	Attendance at Board Meetings during the year 2014-15	Attendance at Last AGM held on 29.09.2014	Nos. of Directorships in other public companies <sup>(a)</sup>	Nos. of committee positions held in other public companies <sup>(b)</sup>	
					Member	Chairman
Mr. Abhay Lodha <sup>1</sup>	Promoter, Chairman Non-Executive Director	3	Yes	Nil	Nil	Nil
Mr. Prasenjit Datta	Executive, Whole Time Director	4	Yes	Nil	Nil	Nil
Mr. Satish Chandra Gupta	Non-Executive, Independent Director	4	No	8	5	5
Mr. Rahul B. Chhajed	Non-Executive, Independent Director	4	Yes	Nil	Nil	Nil



Name of Director	Category	Attendance at Board Meetings during the year 2014-15	Attendance at Last AGM held on 29.09.2014	Nos. of Directorships in other public companies <sup>(a)</sup>	Nos. of committee positions held in other public companies <sup>(b)</sup>	
					Member	Chairman
Mr. Viresh Mathur	Non-Executive, Independent Director	4	No	2	4	Nil
Ms. Ankita Singh <sup>4</sup>	Non-Executive, Independent Director	1	No	Nil	Nil	Nil
Mr. Jagannath Pandharinath Dange <sup>5</sup>	Non-Executive, Independent Director	N.A	No	3	1	1
Mr. Kanchan Murarka <sup>3</sup>	Non-Executive, Non-Independent Director	1	No	N.A	N.A	N.A
Mr. Surender Kumar Tuteja <sup>2</sup>	Non-Executive, Independent Director	2	Yes	N.A	N.A	N.A

**Notes:**

- Resigned from the post of Managing Director w.e.f. 01.08.2014, but continues to be Director and Chairman of the Company.
- Resigned as Director w.e.f. 29.09.2014
- Resigned as Director w.e.f. 24.11.2014.
- Appointed as an Additional Director and Non-Executive, Independent Director of the Company w.e.f. 04.02.2015.
- Appointed as an Additional Director and Non-Executive, Independent Director of the Company on 05.03.2015.
  - The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign companies, Companies registered under Section 8 of Companies Act, 2013 and Private Companies.
  - Positions in Audit Committee and Stakeholders' Relationship Committee in other public limited companies are considered for the purpose.

The terms and conditions of appointment of the independent directors are disclosed on the website of the Company. (<http://www.gujaratfoils.com/investors.html>). During the year a separate meeting of independent directors was held.

**3. AUDIT COMMITTEE:**

**Composition and attendance:**

The Audit Committee had requisite number of Independent Directors. The Company Secretary acted as Secretary of the Audit Committee. The necessary quorum was present at all the meetings. During the financial year 2014-2015, four (4) Audit Committee meetings were held on 19<sup>th</sup> May, 2014; 12<sup>th</sup> August, 2014; 11<sup>th</sup> November, 2014 and on 4<sup>th</sup> February, 2015. As stipulated, the gap between two committee meetings did not exceed four months.

The composition of the Audit Committee and the Attendance of Directors at its meeting is given hereunder:

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Satish Chandra Gupta <sup>2</sup>	Chairman, Independent Director	4	4
Mr. Rahul B. Chhajed	Member, Independent Director	4	4
Mr. Viresh Mathur <sup>4</sup>	Member, Independent Director	-	-
Mr. Kanchan Murarka <sup>3</sup>	Member, Independent Director	1	Nil
Mr. Surender Kumar Tuteja <sup>1</sup>	Independent Director	2	2



1. Ceased to be chairman & member of Audit Committee w.e.f. 29.9.2014
2. Appointed as chairman of Audit Committee w.e.f. 7.11.2014
3. Appointed as member of Audit Committee w.e.f. 7.11.2014 & Ceased to be member of Audit Committee w.e.f. 24.11.2014.
4. Appointed as member of Audit Committee w.e.f. 4.2.2015.

Mr. Surender Kumar Tuteja, Chairman of Audit Committee, has attended the last Annual General Meeting of the Company held on 29.09.2014.

**Brief description of Terms of reference:**

The terms of reference of Audit Committee includes the matters specified in section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and broadly comprise as under:

1. Review of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommend the appointment/re-appointment/replacement or removal of the Statutory Auditors and the fixation of audit fees and payment for any other services to external auditors;
3. Reviewing with the management, the quarterly/half yearly and annual financial statements before submission to the Board focusing primarily on:
  - Any change in the accounting policies and practices;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of subsection 3 of section 134 of the Companies Act, 2013;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with accounting standards;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
4. Reviewing the Company's financial and risk management policies;
5. Review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency about the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter,
6. Review with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
7. Review of the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
10. Discussion with statutory auditors about the scope of audit including observation of auditors (post-audit) to ascertain any area of concern;
11. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
12. Approval of appointment of Chief Financial Officer (CFO),
13. Establish a vigil mechanism and reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;
14. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.



### Powers of Audit Committee

The Audit Committee has the following powers:

- i. To investigate any activity within its terms of reference;
- ii. To seek any information from any employee;
- iii. To obtain outside legal or other professional advice;
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary

### 4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities, issue of duplicate share certificates and redressal of shareholders'/investors'/securityholders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

#### Terms of Reference of the Committee, inter alia, includes the following:

- Oversee and review all matters connected with the transfer of the Company's securities;
- Approve issue of the Company's duplicate share /debenture certificates;
- Monitor redressal of investors' / shareholders' / security holder's grievances;
- Oversee the performance of the Company's Registrars and Transfer Agents;
- Recommend methods to upgrade the standard of services to investors;
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading;
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

During the financial year 2014-2015, four (4) meetings of the Stakeholders' Relationship Committee were held on 19<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014, 11<sup>th</sup> November, 2014 and 4<sup>th</sup> February, 2015. The Company Secretary acted as secretary of the Stakeholders Relationship Committee.

The composition of the Stakeholders' Relationship Committee is given hereunder:-

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Satish Chandra Gupta <sup>2</sup>	Chairman, Independent Director	-	-
Mr. Rahul B. Chhajed	Member, Independent Director	4	4
Mr. Prasenjit Datta	Member, Independent Director	4	4
Mr. Kanchan Murarka <sup>1</sup>	Non-Executive Director	3	1

1. Ceased to be Director and member of Stakeholders' Relationship Committee w.e.f. 24.11.2014

2. Appointed as member & Chairman of Stakeholders' Relationship Committee w.e.f. 4.2.2015.

Status of Investors' Complaints for the financial year 2014-15:

At the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
Nil	Nil	Nil	Nil

Name, designation and address of Compliance Officer:

Mr. Dipesh U. Gosar (appointed w.e.f. 11.11.2014)  
 Company Secretary and Compliance Officer  
 Gujarat Foils Limited  
 Indiabulls Finance Centre, 1601, 16<sup>th</sup> Floor,  
 Tower-3, Senapati Bapat Marg, Elphinstone Road (West),  
 Mumbai-400 013  
 Tel:+91-22-71500 500  
 Fax: +91-22-71500 520

Ms. Nikita Pedhdiya was Company Secretary and Compliance Officer up to 14.10.2014.

## 5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR):

### Composition

CSR Committee was constituted by the Board on 19<sup>th</sup> May, 2014 considering requirements under Section 135 of the Companies Act, 2013. The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of Corporate Social Responsibility Policy and to suggest remedial measures wherever necessary. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

The composition of the Corporate Social Responsibility Committee is given hereunder:-

Name of the Committee member	Designation
Mr. Viresh Mathur <sup>2</sup>	Chairman, Independent Director
Mr. Prasenjit Datta	Member, Whole - Time Director
Mr. Rahul B. Chhajed	Member, Independent Director
Ms. Ankita Singh <sup>3</sup>	Member, Independent Director
Mr. Kanchan Murarka <sup>1</sup>	Non-Executive Director

1. Ceased to be member of Corporate Social Responsibility Committee w.e.f. 24.11.2014.

2. Appointed as chairman of Corporate Social Responsibility Committee w.e.f. 4.02.2015.

3. Appointed as member of Corporate Social Responsibility Committee w.e.f. 4.02.2015.

During the financial year 2014-2015, No Corporate Social Responsibility Committee meeting was held.

Terms of Reference of the Committee, inter alia, includes the following:

Formulate and recommend to the Board a Corporate Social Responsibility Policy as required under the Companies Act, 2013 and rules made there under;

Recommend the amount of expenditure to be incurred on the activities;

Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

## 6. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been constituted by the Board in accordance with the guidelines laid out by statute and the Listing Agreement with the Stock Exchange.

During the financial year 2014-2015, the Nomination and Remuneration Committee met 3 (Three) times on 19<sup>th</sup> May, 2014, 12<sup>th</sup> August, 2014 and 11<sup>th</sup> November, 2014.

The composition of the Nomination and Remuneration Committee is given hereunder:-



## Corporate Governance Report

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Surender Kumar Tuteja <sup>1</sup>	Independent Director	2	2
Mr. Satish Chandra Gupta <sup>2</sup>	Chairman, Independent Director	3	3
Mr. Rahul B. Chhajed	Member, Independent Director	3	3
Ms. Ankita Singh <sup>3</sup>	Member, Independent Director	N.A	N.A

1. Ceased to be chairman & member of Nomination and Remuneration Committee w.e.f. 29.9.2014.

2. Appointed as chairman of Nomination and Remuneration Committee w.e.f. 4.02.2015.

3. Appointed as member of Nomination and Remuneration Committee w.e.f. 4.02.2015

### Terms of Reference of the Committee, inter alia, includes the following:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

### Remuneration Policy:

The Remuneration Policy of the Company is to remain competitive in the industry to attract and retain talent and appropriately reward them. The Company, while deciding the remuneration package takes into consideration the Financial Position of the Company; Trend in the Industry; Appointee's qualification, experience, past performance, past remuneration etc; The Company's Remuneration policy on Directors and Key Managerial personnel has been disclosed in Directors' Report.

a. Details of remuneration paid to Executive Directors are as follows:

(Rs. in Lacs)

Name	Salary & Perquisites	Commission	Sitting Fees	Total
Mr. Abhay Lodha*	0.80	Nil	N.A	<b>0.80</b>
Mr. Prasenjit Datta	57.59	Nil	N.A	<b>57.59</b>

\*Resigned from the post of Managing Director w.e.f. 01.08.2014, but continues to be Non-Executive Director.

## b. Details of Sitting Fees paid to Non-Executive Directors:

Sr. No.	Name of Director	Sitting Fees*
1.	Mr. Rahul B. Chhajed	3,40,000
2.	Mr. Satish Chandra Gupta	2,70,000
3.	Mr. Surender Kumar Tuteja	1,20,000
4.	Mr. Viresh Mathur	90,000
5.	Mr. Ankita Singh	30,000
5.	Mr. Jagannath Pandharinath Dange	N.A.

\*Sitting fees includes fees for attending Board Meeting, Audit Committee Meeting, Stakeholders Relationship Committee Meeting and Nomination and Remuneration Committee Meeting.

The Company has increased Sitting fees from Rs. 20,000/- to Rs.30,000/- for attending every meeting of Board of Directors and Committee of Board of Directors of Company.

## c. Details of Equity Shares of the Company held by the Directors as on 31st March, 2014:

Name	Designation	No. of shares held
Mr. Abhay Lodha	Chairman	30,47,104
Mr. Kanchan Murarka*	Non- Executive Director	7,500
Mr. Prasenjit P. Datta	Whole Time Director	200

\*Mr. Kanchan Murarka ceased to be Director w.e.f. 24.11.2014.

## 7. GENERAL BODY MEETINGS

## a) The details of last three Annual General Meetings of the Company are as follows:

Year	Date	Time	Venue
2011-12	26 <sup>th</sup> September, 2012	11.30 A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2012-13	27 <sup>th</sup> September, 2013	11.30 A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2013-14	29 <sup>th</sup> September, 2014	11.30 A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729

## b) Details of Special Resolutions passed at the previous Annual General Meetings (AGM) / Extra-ordinary General Meetings (EGM) are as under:

Date	Purpose of Special Resolution
29 <sup>th</sup> September, 2014 (AGM)	<ol style="list-style-type: none"> <li>Revision in the terms of remuneration of Mr. Prasenjit Datta (DIN: 00013414), Whole-Time Director.</li> <li>Adoption of new Articles of Association of the Company</li> <li>Borrowing of monies exceeding aggregate of paid up capital and free reserves under section 180 of Companies Act, 2013.</li> <li>Creation of mortgage/charge on the properties of the company to secure term loans/working capital facilities, inter corporate deposits etc. availed from banks/ financial institutions under section 180 of Companies Act, 2013.</li> </ol>
27 <sup>th</sup> September, 2013 (AGM)	<ol style="list-style-type: none"> <li>Increase in the amount of remuneration paid to Mr. Prasenjit Datta, Whole-time Director.</li> </ol>
26 <sup>th</sup> September, 2012 (AGM)	<ol style="list-style-type: none"> <li>Preferential Allotment of Shares under Sec. 81(1A) of Companies Act, 1956.</li> <li>Alteration in Articles of Association of the Company</li> </ol>



All the Special Resolutions placed before the shareholders at the above meetings were approved with requisite majority.

During the year under review, No Extra Ordinary General meeting was held.

c) Postal Ballot conducted during the year:

During the period under review, no special resolution has been passed through the exercise of postal ballot.

None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

### 8. DISCLOSURES:

#### Related Party Transaction

During the year under review, besides the transactions reported in Notes to Accounts to the Balance Sheet as at 31<sup>st</sup> March, 2015, there were no other related party transactions with promoters, directors and management that had a potential conflict of interest of the Company at large. The Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.gujaratfoils.com/investors>.

#### Disclosure of Accounting Treatment

The Company has followed all relevant Accounting Standards while preparing the financial statements.

#### Familiarization Programme for Independent Director

To provide insights into the Company to enable the Independent Director understand the Company's business in depth. Company through its Managing Director/Executive Director/Key Managerial Personnel conducts programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company. The programmes/presentations also familiarizes the Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programs.

#### Code of Conduct

The Board of Directors has adopted a Code of Conduct for the Board of Directors and Senior Management Personnel of the Company. The said code of conduct is available on the Company's website <http://www.gujaratfoils.com/investors.html>. All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration by the Chairman of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2015, by the members of the Board and senior management personnel, as applicable to them, is also annexed separately in this Annual Report.

#### Whistle Blower Policy/Vigil mechanism:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has vigil mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to Audit Committee. Employees may also report to the Chairman of Audit Committee. During the year under review, no employee was denied access to Audit Committee. The Company has posted the Vigil Mechanism/ Whistle Blower Policy on its website <http://www.gujaratfoils.com/investors.html>

#### Reconciliation of Share Capital Audit

Umesh Ved & Associates, a Qualified Practicing Company Secretaries, carried out Reconciliation of Capital Audit during the financial year 2014-15 on quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and Listed capital. The Reconciliation of Share Capital Audit Report confirms that the total paid up Share Capital is in agreement with the total number of shares in physical form and the total number of Dematerialized shares held with NSDL and CDSL.

#### Proceeds from Public Issues, Right Issues and Preferential Issues etc.

During the financial year 2014-2015, the Company did not issue or allot any securities to its shareholders.

#### Disclosure of Risk Management

The Company has the risk assessment and mitigation procedures in place and the same have been laid before the Board members from time to time.

**Details of Non-Compliance.**

No penalties and strictures have been imposed by SEBI or the Stock Exchange or any Statutory Authorities on matters relating to capital markets during the last three years.

**CEO/CFO Certification**

A CEO/CFO certification in terms of Clause 49(v) of the Listing Agreement, from Mr. Abhay Lodha, Chairman, Mr. Prasenjit Datta, Director, and Mr. Jagjit Padgaonkar, Chief Finance Officer of the Company heading finance function of the Company, in respect of financial year 2014-2015 was placed before the Board.

**Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements of this Clause.**

The Company has complied with all the mandatory requirements of this clause. As regards the non-mandatory requirements the extent has been stated in this report against each such item.

**9. MEANS OF COMMUNICATION**

The Company's quarterly / half yearly results are published in newspapers viz. "Western Times" in both English and Gujarati. Half yearly reports are not being sent to each of the shareholders. These results are displayed on the Company's website [www.gujaratfoils.com](http://www.gujaratfoils.com) under Investor Section.

Management Discussion and Analysis is forming part of this Annual Report.

**10. GENERAL INFORMATION FOR SHAREHOLDER**

A	<b>Annual General Meeting</b> Date and Time: Venue:	23 <sup>rd</sup> September, 2015 at 11.30 A.M. At Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Taluka-Kalol, Dist-Gandhinagar, Gujarat-382729
B	Financial Calendar Results for : First quarter Second quarter Third quarter Fourth quarter	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016. On or before 14 <sup>th</sup> August 2015 On or before 14 <sup>th</sup> November 2015 On or before 14 <sup>th</sup> February 2016 Annual Audited Results –On or before 30 <sup>th</sup> May 2016.
C	Date of Book Closure	17 <sup>th</sup> September 2015 to 23 <sup>rd</sup> September 2015 (both day inclusive)
D	Listing on Stock Exchanges	BSE Limited, Mumbai (Listing fees, as applicable, has been paid)
E	Registered Office	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Taluka-Kalol, Dist-Gandhinagar, Gujarat-382729
F	Registrar and Transfer Agent	Link Intime India Private Limited 303 , 3rd floor, Shoppers Plaza-V, Opp. Municipal Market, Off. C. G. Road, Navrangpura, Ahmedabad- 380009
G	Stock Code	BSE Script Code 531410
H	ISIN for NSDL and CDSL	INE587F01017
I	Corporate Identification Number (CIN)	L28999GJ1992PLC018570



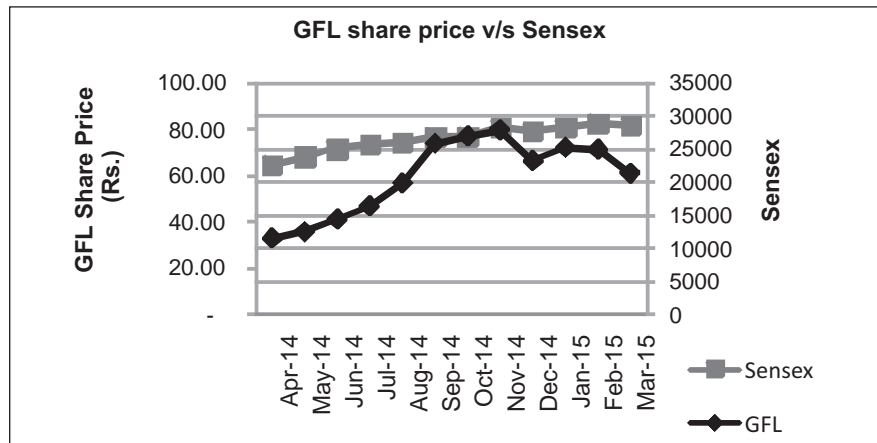
**J. Market Price data**

The table below gives the monthly high and low prices and volumes of the Company's shares traded at BSE Limited during the period from April 2014 to March 2015:

Month	GFL		SENSEX	
	High Price	Low Price	High	Low
Apr-14	36.40	28.60	22,939.31	22,197.51
May-14	40.75	30.10	25,375.63	22,277.04
Jun-14	50.55	30.90	25,725.12	24,270.20
Jul-14	51.90	41.00	26,300.17	24,892.00
Aug-14	71.70	41.15	26,674.38	25,232.82
Sep-14	86.00	61.20	27,354.99	26,220.49
Oct-14	85.80	67.55	27,894.32	25,910.77
Nov-14	94.90	64.20	28,822.37	27,739.56
Dec-14	73.00	59.00	28,809.64	26,469.42
Jan-15	79.00	64.55	29,844.16	26,776.12
Feb-15	78.00	64.00	29,560.32	28,044.49
Mar-15	67.50	54.00	30,024.74	27,248.45

\*Source: www.bseindia.com

**K. The chart herein depicts the comparison of the Company's share price movement viv-a-vis the movement of the BSE Sensex**



\*Source: www.bseindia.com

**L. Shareholding Pattern as on 31<sup>st</sup> March, 2015**

**a) Category of Equity Shareholders as on 31<sup>st</sup> March, 2015**

S. No.	Category	No. of Shareholders	No. of Shares	% of Total Holding
1.	Indian Promoter & Promoter Group	7	48,34,077	58.94
2.	Bodies Corporate	75	2,71,286	3.31
3.	Individuals	2,297	29,76,127	36.29
4.	Non Resident Indians	43	65,953	0.80
5.	Others	37	54,367	0.66
	<b>Total</b>	<b>2,459</b>	<b>82,01,810</b>	<b>100.00</b>



b) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2015.

No of Equity shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares
01-500	1,798	73.09	3,44,612	4.2017
501-1000	302	12.28	2,55,468	3.1148
1001-2000	146	5.94	2,28,866	2.7904
2001-3000	67	2.72	1,67,429	2.0414
3001-4000	39	1.59	1,41,024	1.7194
4001-5000	26	1.06	1,23,057	1.5004
5001-10000	39	1.58	2,86,073	3.4879
10001 and above	42	1.74	66,55,281	81.1441
<b>Total</b>	<b>2,459</b>	<b>100.00</b>	<b>82,01,810</b>	<b>100.00</b>

## M. Share Transfer System

All matters pertaining to transfer of shares are being handled by Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company. The share transfer requests received are processed by them and a Memorandum of Transfer is sent to the Company for approval by the Committee. The average time taken for processing share transfer requests including dispatch of share certificates is seven days, subject to documents being valid and complete in all respect. The Company regularly monitors and supervises the functioning of the systems so as to ensure that there are no delays or lapses in the systems. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with share transfer formalities as required under Clause 47(c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

## N. Dematerialization of shares and liquidity

The Company's shares are compulsorily traded in dematerialized form and 97.41% shares are in dematerialized form as on 31<sup>st</sup> March, 2015.

## O. Investor Correspondence

Share Transfer Agents	For General Queries
Link Intime India Private Limited 303 , 3rd floor, Shoppers Plaza-V, Opp. Municipal Market, Off. C. G. Road, Navrangpura Ahmedabad- 380009 Tel: +91-79-26465179 Fax: +91-79-26465179 Email: ahmedabad@linkintime.co.in	Company Secretary and Compliance Officer Gujarat Foils Limited Indiabulls Finance Centre, 1601, 16th Floor, Tower-3, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013 Tel:+91-22-71500 500 Fax: +91-22-71500 520 Email: secretarial@topworthgroup.com



## Auditors' Compliance Certificate on Corporate Governance

To  
The Members  
Gujarat Foils Limited

We have examined the Compliance of the conditions of Corporate Governance by Gujarat Foils Limited for the year ended on 31st March, 2015 as stipulated in clause 49 of the Listing Agreement of the said company entered into with the BSE Limited.

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

In our opinion and based on the information and explanations given to us and the representations made by management and to the best of our knowledge and belief, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of said Listing Agreement.

We state that in respect of Investors' Grievances received, generally no Investors' Grievances are pending for a period exceeding one month against the company as per records maintained by the Investors' Grievance Committee.

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 H.R. AGARWAL & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No.:- 323029E

**CA Hari Ram Agarwal**  
Partner  
M. No.: FCA 057625

Place: Mumbai  
Date: 11<sup>th</sup> August, 2015

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## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT:

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel. These Codes are available on the Company's website.

We confirm that the Company has in respect of the year ended March 31, 2015, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Executive Vice President Cadre and the Company Secretary as on March 31, 2015.

**For GUJARAT FOILS LIMITED**

Date: 11<sup>th</sup> August, 2015  
Place: Mumbai

**Prasenjit Datta**  
Whole Time Director  
DIN: 00013414

**Abhay Lodha**  
Director  
DIN: 00052194

# Financial Report



# Independent Auditor's Report to the Members of GUJARAT FOILS LIMITED

To the Members of  
GUJARAT FOILS LIMITED

## Report on the Financial Statements

We have audited the accompanying financial statements of **GUJARAT FOILS LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of the financial statements that gives a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2015;
- ii. in the case of the statement of profit and loss, of the profit of the Company for the year ended on that date; and
- iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms

of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

- a. we have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014, as amended;
- e. on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and
- f. 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, 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 financial statement as stated in Note - 24 to the Financial Statements.
  - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, as required on long term contracts including derivative contracts;
  - iii. No amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

**For H R Agarwal & Associates**  
Chartered Accountants  
Firm's Registration Number: 323029E

**(Hari Ram Agarwal, FCA)**  
Partner  
Membership number: FCA 057625

Place: Mumbai

Date: 29<sup>th</sup> May, 2015



## Annexure to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2015. We report that:

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- (b) Fixed Assets have been physically verified by the management in the phased periodical manner, which in our opinion is reasonable having regard to the size of the company and the nature of its Assets. No material discrepancies were noticed on such verification.
- ii) (a) The Inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- (b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such verification.
- iii) The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in pursuance to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Records & Audit) Rules, 2014 as amended, prescribed by the Central Government u/s 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales tax, wealth-tax, custom duty, excise duty, value added tax, cess, service tax and other material statutory dues applicable to it, except income tax during the year.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, wealth-tax, sales tax, custom duty, excise duty or value added tax and cess were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable except income tax which are due for more than six months amounting Rs. 2,90,00,000/- for the financial year 2013-2014.
- b) There is a demand of Rs. 8,48,91,363/- on account of VAT & CST assessment for the financial years 2007-08 to 2010-11 which are pending with Appellate authority. However Rs. 23,75,000/- has already been paid against the same;
- c) No amount is required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- viii) The company does not have accumulated losses at the end of financial year 2014-15 and the company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) According to records of the company, the company has not defaulted in repayment of dues to financial institutions or banks or debenture holders till 31<sup>st</sup> March, 2015.
- x) According to the records of the company and the information and explanations provided by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.

- xi) The term loans obtained by the company have been applied for the purposes for which they were raised.
- xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For H R Agarwal & Associates**  
Chartered Accountants  
Firm's Registration Number: 323029E

**(Hari Ram Agarwal, FCA)**  
Partner  
Membership number: FCA 057625

Place: Mumbai  
Date: 29<sup>th</sup> May, 2015



## Balance Sheet as on 31<sup>st</sup> March 2015

(in ₹)

	Particulars	Note	As on 31-03-2015	As on 31-03-2014
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(a) Share Capital	2	332,018,100	332,018,100
	(b) Reserves And Surplus	3	680,651,709	609,503,182
<b>2</b>	<b>Non-current Liabilities</b>			
	(a) Long-Term Borrowings	4	636,677,536	655,338,370
	(b) Deferred Tax Liabilities (Net)	5	119,892,971	75,331,100
	(c) Other Long Term Liabilities	6	760,013,558	452,596,954
<b>3</b>	<b>Current Liabilities</b>			
	(a) Short-Term Borrowings	7	1,153,925,527	1,053,392,863
	(b) Trade Payables	8	1,481,402,115	863,462,574
	(c) Other Current Liabilities	9	134,412,051	128,321,845
	(d) Short-Term Provisions	10	40,167,727	5,753,162
	<b>TOTAL</b>		<b><u>5,339,161,294</u></b>	<b><u>4,175,718,150</u></b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(a) Fixed Assets	11		
	-Tangible assets		1,207,336,681	935,635,838
	-Capital work-in-progress		160,236,725	508,430,339
<b>2</b>	<b>Current Assets</b>			
	(a) Inventories	12	1,957,437,070	1,532,718,287
	(b) Trade Receivables	13	1,759,546,303	1,052,027,944
	(c) Cash And Cash Equivalents	14	196,436,859	110,738,697
	(d) Other Current Assets	15	58,167,656	36,167,045
	<b>TOTAL</b>		<b><u>5,339,161,294</u></b>	<b><u>4,175,718,150</u></b>
	Significant Accounting Policies	1		

The accompanying notes are integral part of financial statements.

As per our report of even date annexed.

**For H.R. Agarwal & Associates**

Chartered Accountants

Firm Regn.No. 323029E

**CA. Hari Ram Agarwal**

Partner

M. No. FCA 057625

Place : Mumbai

Date : 29<sup>th</sup> May 2015

**For and on behalf of the Board  
Of Gujarat Foils Ltd.**

**Abhay Lodha**  
Chairman

**Prasenjit Datta**  
Director

**Jagjit Padgaonkar**  
Chief Financial Officer

**Dipesh U. Gosar**  
Company Secretary



Statement of Profit and Loss statement for the year ended 31<sup>st</sup> March 2015

(in ₹)

	Particulars	Note	Year Ended 31-03-2015	Year Ended 31-03-2014
I.	Revenue from operations	16	5,073,507,385	4,478,868,903
	Less : Excise Duty		(207,848,545)	(186,315,282)
	Revenue from Operations (Net)		4,865,658,840	4,292,553,621
	Other income	17	11,913,706	6,661,203
	<b>Total Revenue</b>		<b>4,877,572,546</b>	<b>4,299,214,824</b>
II.	<b>Expenses:</b>			
	Cost of materials consumed	18	3,994,606,171	3,771,820,251
	Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade	19	(33,967,024)	(306,774,578)
	Employee benefits expenses	20	120,736,876	111,067,592
	Finance costs	21	342,376,862	260,903,555
	Depreciation and amortization expenses		89,443,404	111,436,614
	Other expenses	22	222,145,412	222,082,434
	<b>Total expenses</b>		<b>4,735,341,701</b>	<b>4,170,535,867</b>
III.	<b>Profit before Tax (I-II)</b>		<b>142,230,845</b>	<b>128,678,956</b>
IV.	<b>Tax expense:</b>			
	(1) Current tax		30,480,090	29,000,000
	(2) Deferred tax		44,561,870	7,620,012
			<b>75,041,960</b>	<b>36,620,012</b>
V	<b>Profit (Loss) for the period from continuing operations (III-IV)</b>		<b>67,188,885</b>	<b>92,058,944</b>
VI	<b>Profit for the year (V+VIII)</b>		<b>67,188,885</b>	<b>92,058,944</b>
VII	<b>Earnings per equity share - Basic &amp; Diluted</b>	23	<b>8.19</b>	<b>11.22</b>
	<b>Significant of significant accounting policies</b>	1		

The accompanying notes are integral part of financial statements.

As per our report of even date annexed.

**For H.R. Agarwal & Associates**

Chartered Accountants

Firm Regn.No. 323029E

**CA. Hari Ram Agarwal**

Partner

M. No. FCA 057625

Place : Mumbai

Date : 29<sup>th</sup> May 2015

**For and on behalf of the Board  
Of Gujarat Foils Ltd.**

**Abhay Lodha**

Chairman

**Prasenjit Datta**

Director

**Jagjit Padgaonkar**

Chief Financial Officer

**Dipesh U. Gosar**

Company Secretary



## Cash Flow Statement for the year ended on 31.03.2015

(in ₹)

Particulars	2014-15	2013-14
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax	142,230,845	128,678,956
Adjustment For		
(a) Depreciation / Amortisation	89,443,404	111,436,614
(b) Interest Paid	342,376,862	260,903,555
(c) Loss on Sale of Fixed Assets	2,484,992	-
<b>Operating Profit Before Working Capital Changes</b>	<b>576,536,103</b>	<b>501,019,124</b>
<b>Adjustment For:</b>		
(a) Trade & Other Receivables	(707,518,359)	12,424,773
(b) Inventories	(424,718,783)	(460,563,950)
(c) Trade Payable / Provisions	627,964,222	261,035,834
(d) Other Current Assets	(20,023,690)	(6,882,238)
<b>Cash Generated From Operation</b>	<b>(524,296,610)</b>	<b>(193,985,581)</b>
Direct Tax Paid	(1,976,921)	(464,312)
<b>Cash Flow Before Extraordinary Items</b>	<b>50,262,573</b>	<b>306,569,231</b>
Extraordinary Items	-	-
<b>Net Cash From Operating Activities (A)</b>	<b>50,262,573</b>	<b>306,569,231</b>
<b>B. Cash Flow From Investing Activities</b>		
(a) Purchase Of Fixed Assets (Including Capital Work-In-Progress)	(15,651,984)	(430,581,297)
(b) Sale Of Fixed Assets	4,176,000	-
<b>Net Cash Flow From Investing Activities (B)</b>	<b>(11,475,984)</b>	<b>(430,581,297)</b>
<b>C. Cash Flow From Financing Activities</b>		
(a) Share Capital (Including Premium)	-	66,100,000
(b) Interest Paid	(342,376,862)	(260,903,555)
(c) Increase / (Decrease) In Long Term Borrowing	288,755,770	327,933,380
(d) Increase / (Decrease) In Bank Borrowing	100,532,664	14,042,983
<b>Net Cash Flow From Financing Activities (C)</b>	<b>46,911,573</b>	<b>147,172,808</b>
<b>D. Net Increase /Decrease In Cash And Cash Equivalent (A+B+C)</b>	<b>85,698,161</b>	<b>23,160,742</b>
<b>E. Cash and Cash Equivalent at the begining of the year</b>	<b>110,738,698</b>	<b>87,577,956</b>
<b>F. Cash and Cash Equivalent at the end of the year</b>	<b>196,436,859</b>	<b>110,738,698</b>

See notes attached

As per our report of even date annexed.

**For H.R. Agarwal & Associates**

Chartered Accountants

Firm Regn.No. 323029E

**CA. Hari Ram Agarwal**

Partner

M. No. FCA 057625

Place : Mumbai

Date : 29<sup>th</sup> May 2015

**For and on behalf of the Board  
Of Gujarat Foils Ltd.**

**Abhay Lodha**  
Chairman

**Prasenjit Datta**  
Director

**Jagjit Padgaonkar**  
Chief Financial Officer

**Dipesh U. Gosar**  
Company Secretary

## Notes forming part of the Financial Statements

### Note 1

#### SIGNIFICANT ACCOUNTING POLICIES

##### **I. Accounting Convention**

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention using prudence.

##### **II. Use of Estimates**

The preparation of financial statements in conformity with generally Accepted Accounting principles requires judgments, estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/ materialize.

##### **III. Inventories :**

- Raw Materials are valued at cost on FIFO basis
- Stores and Spares are valued at cost on FIFO basis.
- Finished Goods and Work-in-Process are valued at cost which includes material cost; cost of conversion and other related costs or realizable value whichever is lower.
- Scrap is valued at estimated realisable value.

##### **IV. Fixed Assets**

Tangible Assets are stated at cost, net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

##### **V. Depreciation**

Depreciation on Fixed Assets is provided on Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided on pro-rata basis from the date the asset is put to use.

##### **VI. Revenue Recognition**

###### **(i) Sales**

- a) Sales are recognized when the products leave the premises of the company.
- b) Sales are net of Excise Duty, VAT and CST.

###### **(ii) Other operations**

Time is essence when Interest Income is accounted for.

##### **VII. Retirement benefits**

Retirement benefits have been recognized as per actuarial valuation.



## Notes forming part of the Financial Statements

### VIII. Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. The impairment loss as determined above is expensed off. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### IX. Income Tax

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realize the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### X. Foreign Currency Transaction

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

Monetary assets and liabilities are restated at the year end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Statement.

### XI. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to accounts.

Contingent assets are neither recognised nor disclosed in the financial statements.

### XII. Segment Reporting

The Board of Directors of the company is of the opinion that there are no separate reportable segments as per AS-17 as the entire operations of the company is related to one reportable segment comprising of Aluminum Rolled Products and Foils.

### XIII. Investments

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

## Notes forming part of the Financial Statements

## Note 2

## Share Capital

(in ₹)

Particulars	2014-15	2013-14
<b>Authorised</b>		
2,50,00,000 Equity Shares of ₹10 each	250,000,000	250,000,000
2,50,00,000 10% Non convertible Non Cumulative Reedemable Preference Shares of ₹10 each	250,000,000	250,000,000
<b>Total</b>	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>		
82,01,810 Equity Shares of ₹10 each fully paid	82,018,100	82,018,100
2,50,00,000 10% Non-convertible Non-Cummulative Reedemable Preference Shares of ₹10 each	250,000,000	250,000,000
<b>Total</b>	<b>332,018,100</b>	<b>332,018,100</b>

## Notes

## (A) Reconciliation of the number of Equity shares outstanding at the beginning and at the end of the reporting period

Particulars	2014-15 In Numbers	2013-14 In Numbers
Shares outstanding at the beginning of the year	8,201,810	8,201,810
Shares outstanding at the end of the year	8,201,810	8,201,810

## (B) Equity Shares in the Company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2014-15		2013-14	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Abhay Narendra Lodha	3,047,104	37.15	3,047,104	37.15
Parmod Jain	827,813	10.09	1,260,204	15.36
Akshata Realtors Pvt Ltd	792,876	9.67	792,876	9.67
Ashwin Narendra Lodha	703,959	8.58	703,959	8.58
Rockdude Financial Services Pvt. Ltd.	1,372	0.02	718,013	8.75

## (C) Preference Shares in the Company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2014-15		2013-14	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Abhay Narendra Lodha	20,000,000	80%	20,000,000	80%
Ashwin Narendra Lodha	5,000,000	20%	5,000,000	20%



## Notes forming part of the Financial Statements

### Note 3

#### Reserves and Surplus

(in ₹)

Particulars	2014-15	2013-14
<b>A. Capital Reserves</b>		
Opening Balance	300	300
Closing Balance	<b>300</b>	<b>300</b>
<b>B. Securities Premium Account</b>		
Equity Share Premium Account	97,894,200	97,894,200
	<b>97,894,200</b>	<b>97,894,200</b>
<b>C. Preference Share Premium Account</b>		
Opening Balance	250,000,000	-
(+) Current Year Transfer	-	250,000,000
Closing Balance	<b>250,000,000</b>	<b>250,000,000</b>
<b>D. Surplus</b>		
Opening balance	261,608,682	169,549,739
Add Profit for the year	67,188,885	92,058,943
Add Retained Earning ( Change in Method Of Depreciation )	3,959,642	
Closing Balance	332,757,209	261,608,682
<b>Total</b>	<b>680,651,709</b>	<b>609,503,182</b>

### Note 4

#### Long Term Borrowings

(in ₹)

Particulars	2014-15	2013-14
<b>Secured</b>		
<b>(a) Term loans</b>		
From Banks	326,303,594	296,820,946
<b>(b) Other loans and advances</b>		
(Secured By Hypothecation of Motor Vehicle)	172,083	391,035
	<b>326,475,677</b>	<b>297,211,981</b>
<b>Unsecured</b>		
<b>(a) Other loans and advances</b>		
Other than Bank	310,201,859	358,126,389
	310,201,859	358,126,389
<b>Total</b>	<b>636,677,536</b>	<b>655,338,370</b>

- Term loans from State Bank of India and Dena Bank have been secured by first mortgage / equitable mortgage on pari-passu basis on the Land, Building, Plant & Machinery and other fixed assets of the Company, situated on plot no. 3436 to 3439 and 3442 to 3446 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat and second pari-passu charge on all the Current Assets of the Company (excluding Current Assets relating to Aluminium Pharma Foil Project and Wind Mill).
- Term loan from Bank of India for Aluminium Pharma Foil Project has been secured by mortgage / equitable mortgage on exclusive basis on the Land, Building, Plant & Machinery and other fixed assets of the Company, situated on plot no. 3440 to 3441 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat.
- Corporate Loan from State Bank of India is secured by first pari-passu charge with other Term Lenders on entire Fixed Assets of the Company excluding Wind Mill project, Pharma Division project & Vehicles (pending creation) and extension of second pari-passu charge on the entire Current Asset of the Company.

## Notes forming part of the Financial Statements

- d) Term Loan from IDBI Bank is secured by first pari-passu charge with other Term Lenders on entire Fixed Assets of the Company excluding Wind Mill project, Pharma Division project & Vehicles (pending creation) and extension of second pari-passu charge on the entire Current Asset of the Company.
- e) Car loans have been secured by hypothecation of respective cars.
- f) Unsecured Loans other than bank are free of Interest.

### Note 5

#### Deferred Tax Liabilities (Net)

The components of Deferred Tax Liabilities are as under.

(in ₹)

Particulars	2014-15	2013-14
Opening Balance	75,331,100	67,711,088
Depreciation as per Income Tax	220,546,288	117,220,058
Less : Depreciation as per books	89,443,404	111,436,613
Deferred Tax Liability	131,102,884	5,783,445
Income Tax	44,561,870	1,965,793
Net Deferred Tax	44,561,870	7,620,012
<b>Total</b>	<b>119,892,971</b>	<b>75,331,100</b>

### Note 6

#### Other Long Term Liabilities

(in ₹)

Particulars	2014-15	2013-14
Trade Deposit	760,013,558	452,596,954
<b>Total</b>	<b>760,013,558</b>	<b>452,596,954</b>

### Note 7

#### Short Term Borrowings

(in ₹)

Particulars	2014-15	2013-14
<b>Secured</b>		
<b>Loans repayable on demand</b>		
from banks	1,153,925,527	1,053,392,863
<b>Total</b>	<b>1,153,925,527</b>	<b>1,053,392,863</b>

- A. Working Capital Facilities availed by the Company from the Consortium Lenders (excluding Working Capital limits availed from Bank of India for Aluminium Pharma Foil Project) are secured by way of first pari-passu hypothecation charge on all the Stocks, Receivable, Book Debts and other Current Assets of the Company and second pari-passu charge on the entire Fixed Assets (excluding Aluminium Pharma Foil Project and Wind Mill project) of the Company.
- B. Working Capital Facilities availed by the Company for its Aluminium Pharma Foil division from Bank of India are secured by way of exclusive hypothecation charge on all the Stocks, Receivable, Book Debts and other Current Assets of the Aluminium Pharma Foil Project of the Company and also secured by mortgage / equitable mortgage on exclusive basis on the Land, Building, Plant & Machinery and other fixed assets of the Company situated on plot no 3440 & 3441 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat.



## Notes forming part of the Financial Statements

### Note 8

#### Trade Payables

(in ₹)

Particulars	2014-15	2013-14
Trade Payable others		
For Goods & Services	1,467,961,134	848,169,540
For Others	13,440,980	11,905,621
Trade Payable to Micro, Small & Medium Enterprises	-	3,387,413
<b>Total</b>	<b>1,481,402,115</b>	<b>863,462,574</b>

Balances are subject to confirmations.

### Note 8

#### Other Current Liabilities

(in ₹)

Particulars	2014-15	2013-14
Other Creditors	55,867,459	48,516,844
Current Maturities of long term debts	78,544,593	79,805,000
<b>Total</b>	<b>134,412,051</b>	<b>128,321,845</b>

### Note 10

#### Short Term Provisions

(in ₹)

Particulars	2014-15	2013-14
Salary & Reimbursements	6,070,184	2,590,876
Liabilities for Expenses	33,993	219,939
Contribution to PF	-	408,618
Provision for employee benefits (Gratuity)	2,503,460	1,859,569
Provision for Audit Fees	1,080,000	600,000
(b) Others (Provisions for Taxations)		
Provision for Income Tax	30,480,090	
Provision for Service Tax	-	74,160
<b>Total</b>	<b>40,167,727</b>	<b>5,753,162</b>

The liability of gratuity is funded through a scheme administered through policy taken from Life Insurance Corporation of India and provision is made based on actuarial valuation carried out as at Balance sheet date. (in ₹)

Particulars	2014-15	2013-14
<b>Reconciliation of opening and closing balance of Defined Benefit Obligation</b>		
Present Value of obligations as at 01.04.2014	5,823,742	4,623,742
Current Service Cost	1,452,647	1,200,000
Present Value of obligations as at 31.03.2015	7,276,389	5,823,742
<b>Reconciliation of opening and closing balance of Fair value of Plan Assets</b>		
Fair Value of Plan Assets as at 01.04.2014	4,909,207	3,733,011
Fair Value of Plan Assets as at 31.03.2015	5,956,149	4,909,207
<b>Reconciliation of Fair Value of Assets and Obligations</b>		
Present value of obligations as at 31.03.2015	7,276,389	5,823,742
Fair Value of Plan Assets as at 31.03.2015	5,956,149	4,909,207
<b>Expense recognised during the year</b>		
Current Service Cost	1,452,647	1,200,000
<b>Actuarial Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	7%	8%



## Notes forming part of the Financial Statements

Note 11  
Fixed Assets

(in ₹)

Fixed Assets	Gross Block			Accumulated Depreciation				Net Block		
	Balance as at 1st April 2014	Additions during the Year	Revaluations/ (Impairments)	Disposals during the Year	Balance as at 31st March 2015	Depreciation charge for the year	others	On disposals	Balance as at 31st March 2015	Balance as at 1st April 2014
<b>i</b>										
<b>Tangible Assets</b>										
Land	9,777,511	-	-	-	9,777,511	-	-	-	9,777,511	9,777,511
Buildings	121,447,064	15,039,309	-	-	136,486,373	4,367,180	223,237	-	117,294,668	106,399,302
Non Factory Building	22,327,381	-	-	5,151,315	17,176,066	1,238,759	-	454,018	16,391,325	21,088,622
Plant and Equipment	1,192,768,564	347,447,407	-	-	1,540,215,971	72,583,858	2,236,627	-	1,055,305,470	778,205,295
Furniture & Fixtures	4,098,889	364,575	-	-	4,463,464	314,421	38,673	-	2,522,559	2,433,732
Vehicles	7,658,278	643,612	-	1,509,678	6,792,212	994,240	5,442	684,076	3,955,381	5,126,168
Office Equipment	6,986,444	86,104	-	-	7,072,548	59,231	299,211	-	506,445	180,361
Computers	25,215,412	264,591	-	-	25,480,003	11,124,474	18,358	-	1,583,322	12,424,847
<b>Total (i)</b>	<b>1,390,279,543</b>	<b>363,845,598</b>	<b>-</b>	<b>6,660,993</b>	<b>1,747,464,148</b>	<b>89,443,404</b>	<b>2,821,548</b>	<b>1,138,094</b>	<b>1,207,336,681</b>	<b>935,635,838</b>
<b>Capital Work In Progress</b>	508,430,339	-	-	348,193,614	160,236,725	-	-	-	160,236,725	508,430,339
<b>Total (ii)</b>	508,430,339	-	-	348,193,614	160,236,725	-	-	-	160,236,725	508,430,339
<b>Total (i + ii)</b>	<b>1,898,709,883</b>	<b>363,845,598</b>	<b>-</b>	<b>354,854,607</b>	<b>1,907,700,874</b>	<b>89,443,404</b>	<b>2,821,548</b>	<b>1,138,094</b>	<b>1,367,573,407</b>	<b>1,444,066,178</b>



## Notes forming part of the Financial Statements

### Note 12

#### Inventories

(in ₹)

Particulars	2014-15	2013-14
- Raw Materials (including In-Transit)	1,012,774,079	622,022,320
- Stock-in-process	249,338,043	285,987,191
- Finished Goods	691,112,604	615,272,778
- Stores & spares	4,212,345	9,435,998
<b>Total</b>	<b>1,957,437,070</b>	<b>1,532,718,287</b>

### Note 13

#### Trade Receivables - Unsecured and considered good

(in ₹)

Particulars	2014-15	2013-14
Outstanding for a period less than six months from the date they are due for payment	1,534,546,303	1,031,405,995
Outstanding for a period exceeding six months from the date they are due for payment	225,000,000	20,621,949
<b>Total</b>	<b>1,759,546,303</b>	<b>1,052,027,944</b>

Balances are subject to confirmations.

### Note 14

#### Cash and Cash Equivalents

(in ₹)

Particulars	2014-15	2013-14
a. Balances with Schedule Banks	16,821,214	4,623,136
b. Fixed Deposit With Banks	179,325,946	105,804,273
c. Cash on hand	289,699	311,287
<b>Total</b>	<b>196,436,859</b>	<b>110,738,696</b>

### Note 15

#### Other Current Assets

(in ₹)

Particulars	2014-15	2013-14
Advance Income Tax and TDS Receivable	21,682,188	21,651,961
Less -Provision For Tax	-	29,000,000
<b>Total</b>	<b>21,682,188</b>	<b>(7,348,039)</b>
Deposits	2,751,608	10,389,403
Other advances - Including Advance to Vendors	33,733,860	33,125,680
<b>Total</b>	<b>58,167,656</b>	<b>36,167,045</b>

## Notes forming part of the Financial Statements

## Note 16

## Revenue from operations

(in ₹)

Particulars	2014-15	2013-14
Sale of products	5,066,128,175	4,478,208,593
Other operating revenues	7,379,210	660,310
	<b>5,073,507,385</b>	<b>4,478,868,903</b>
Less: Excise duty	207,848,545	186,315,282
<b>Total</b>	<b>4,865,658,840</b>	<b>4,292,553,621</b>

## Earning in Foreign Currency

(in ₹)

Particulars	2014-15	2013-14
Export of Goods on FOB basis	156,015,464	28,676,025

## Note 17

## Other Income

(in ₹)

Particulars	2014-15	2013-14
Income from Fixed Deposit Interest	11,913,706	6,661,203
<b>Total</b>	<b>11,913,706</b>	<b>6,661,203</b>

## Note 18

## Cost of Materials Consumed

(in ₹)

Particulars	2014-15	2013-14
<b>Raw Material</b>		
Opening Stock	622,022,320	417,651,751
Purchase	4,385,357,930	3,976,190,820
Less : Closing Stock	1,012,774,079	622,022,320
<b>Total</b>	<b>3,994,606,171</b>	<b>3,771,820,251</b>

## Value of Imports on CIF basis

(in ₹)

Particulars	2014-15	2013-14
Raw Material	180,476,267	43,385,434
<b>Total</b>	<b>180,476,267</b>	<b>43,385,434</b>

## Note 19

## Changes in inventories of finished goods work-in-progress and Stock-in-Trade

(in ₹)

Particulars	2014-15	2013-14
<b>Opening Stock :</b>		
Work-in-Process	285,987,191	171,665,891
Finished Goods	624,708,776	432,255,498
<b>Closing Stock :</b>		
Work-in-Process	249,338,043	285,987,191
Finished Goods	695,324,949	624,708,776
<b>Total</b>	<b>(33,967,024)</b>	<b>(306,774,578)</b>



## Notes forming part of the Financial Statements

### Note 20

#### Employee Benefits Expense

(in ₹)

Particulars	2014-15	2013-14
- Salaries and incentives	116,030,174	106,578,718
- Contributions to Provident Fund	4,109,267	2,438,438
- Staff welfare expenses	597,435	2,050,436
<b>Total</b>	<b>120,736,876</b>	<b>111,067,592</b>

### Note 21

#### Finance Costs

(in ₹)

Particulars	2014-15	2013-14
Interest Expense	267,478,916	216,098,102
LC Charges	74,897,946	44,805,453
<b>Total</b>	<b>342,376,862</b>	<b>260,903,555</b>

### Note 22

#### Other Expenses

(in ₹)

Particulars	2014-15	2013-14
Consumption of stores and spare parts.	38,459,131	19,687,714
Power and fuel	48,933,534	47,683,446
Excise Duty on Finished Goods	424,855	384,814
Loss on Sales of Fixed Assets	-	-
Repairs to machinery.	620,304	1,012,566
Selling & Marketing Expenses *	61,479,583	65,606,038
Insurance	1,824,491	1,554,689
Job Work Charges	2,483,469	3,292,408
Packing Expenses	34,378,148	51,503,924
Rent, Rates and taxes, excluding, taxes on income	9,876,190	8,751,338
VAT & CST Demand	3,003,304	3,959,151
Administrative Expenses	19,462,404	17,231,346
Internal Audit Expenses	400,000	650,000
Cost Audit Fees	100,000	100,000
Payment to Auditors		
a. As a auditor	550,000	475,000
b. for taxation matters	150,000	125,000
c. for reimbursement of expenses	-	65,000
<b>Total</b>	<b>222,145,412</b>	<b>222,082,434</b>

**23. Earnings Per Share**

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
1. Net Profit attributable to shareholders	67,188,885	92,058,943
2. Weighted average no. of Equity Shares	82,01,810	82,01,810
3. Basic earnings per share of Rs. 10/- each.	8.19	11.22

The company does not have any outstanding dilutive potential equity shares.

Consequently, the basic and diluted earnings per share of the company remain the same.

**24. Contingent Liability**

a) Sales Tax Department has raised demand against the company. The details are as follows:

Assessment Year	VAT	CST
2008-09	76,26,658	-
2009-10	59,13,351	12,37,950
2010-11	1,33,14,150	2,00,49,677
2011-12	2,06,02,159	1,61,47,418
<b>TOTAL</b>	<b>4,74,56,318</b>	<b>3,74,35,045</b>
<b>GRAND TOTAL</b>	<b>8,48,91,363</b>	

The company has preferred appeals before higher authorities of Sales Tax department & hopeful of getting entire relief. However, a sum of Rs. 23,75,000/- has been paid against the above.

**b) Guarantees**

Guarantees issued by Banks and Counter Guarantee given by Company Rs. 1,29,17,367/-

**25. Related Parties Disclosures**

Related parties disclosures, as stipulated by Accounting Standards – 18

Related Party Disclosures', issued by ICAI, are given below:

**a) List of Related Parties:****i) Key Management Personnel:**

Mr. Abhay Lodha – Chairman  
 Mr. Prasenjit Dutta – Whole Time Director  
 Mr. Dipesh U. Gosar – Company Secretary  
 Mr. Jagjit Padgaonkar – CFO

**ii) Relatives of key Management Personnel**

Mr. Ashwin Lodha  
 Mrs. Mona Lodha  
 Mrs. Sheela Lodha



**b) Transactions with Related Parties:**

Aggregate Related Party Transactions as at and for the year ended on 31st March, 2015

Name	Nature of Transaction	2014-15		2013-14	
		Transaction Value (In ₹)	Outstanding amount carried in the Balance sheet (In ₹)	Transaction Value (In ₹)	Outstanding amount carried in the Balance sheet (In ₹)
Mr. Abhay Lodha	Salary (Including Perquisites)	80,000	751,563	240,000	674,763
Mr. Abhay Lodha	Preference Share Capital	-	-	400,000,000	-
Mr. Abhay Lodha	Share Application Money Refunded	-	-	203,200,000	-
Mr. Abhay Lodha	Unsecured Loan	100,000	3,300,000	3,200,000	3,200,000
Mr. Ashwin Lodha	Preference Share Capital	-	-	100,000,000	-
Mr. Ashwin Lodha	Share Application Money Refunded	-	-	11,800,000	-
Mr. Ashwin Lodha	Unsecured Loan	11,200,000	22,900,000	11,800,000	11,800,000
Mr. Prasenjit Datta	Salary (Including Perquisites)	5,759,424	-	5,049,905	-
Mrs. Mona Lodha	Share Application Money	-	-	250,000	-
Mrs. Mona Lodha	Unsecured Loan	-	250,000	352,250,000	352,250,000
Mrs. Sheela Lodha	Share Application Money Refunded	-	-	53,800,000	-
Mrs. Sheela Lodha	Unsecured Loan	-	53,800,000	126,500,000	126,500,000
Mr. Satish Chandra Gupta	Sitting Fees	270,000	-	160,000	-
Mr. S. K. Tuteja	Sitting Fees	120,000	-	140,000	-
Mr. Viresh Mathur	Sitting Fees	90,000	-	50,000	-
Miss. Ankita Singh	Sitting Fees	30,000	-	-	-
Mr. Rahul Chhajed	Sitting Fees	340,000	-	250,000	-

26. These financial statements have been prepared in the format prescribed by the Revised Schedule III to the Companies Act 2013. Previous year's figures have been regrouped/ rearranged accordingly.
27. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2015. This information as required to be disclosed under the Micro, small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the company.
28. Amount is rounded off to the nearest rupee.

As per our report of even date annexed.

**For H.R. Agarwal & Associates**

Chartered Accountants  
Firm Regn.No. 323029E

**CA. Hari Ram Agarwal**

Partner  
M. No. FCA 057625  
Place : Mumbai  
Date : 29<sup>th</sup> May 2015

**For and on behalf of the Board  
Of Gujarat Foils Ltd.**

**Abhay Lodha**  
Chairman

**Prasenjit Datta**  
Director

**Jagjit Padgaonkar**  
Chief Financial Officer

**Dipesh U. Gosar**  
Company Secretary

## Notice

**NOTICE** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of **GUJARAT FOILS LIMITED** will be held at 3436-3439, Chhatral G.I.D.C Phase- IV, Taluka Kalol, Dist. Gandhinagar, Gujarat- 382729 on **Wednesday, the 23<sup>rd</sup> September, 2015 at 11.30 A.M.** to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2015 and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Abhay Lodha, who retires by rotation and, being eligible offers himself for re-appointment.
3. To ratify the appointment of Statutory Auditor and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s. H. R. Agarwal & Associates, Chartered Accountants, (having Firm Registration No. 323029E) as approved by Members at the 22<sup>nd</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2014, as Statutory Auditors of the Company at such remuneration as may be determined by the Board of Directors of the Company to hold office until the conclusion of 27<sup>th</sup> Annual General Meeting of the Company held thereafter in calendar year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting) be and is hereby ratified and confirmed.”

### SPECIAL BUSINESSES:

4. To approve the remuneration of the Cost Auditor for the Financial year ending 31<sup>st</sup> March, 2016 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:-

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendations of Audit Committee, the Cost Auditors appointed by the Board of Directors of the Company, to conduct audit of cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand only) plus service tax, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and further to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Ms. Ankita Singh (DIN: 07038161) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Ankita Singh (DIN: 07038161), who was appointed as an Additional Director of the Company pursuant to Companies Act, 2013 with effect from 4<sup>th</sup> February, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director not liable to retire by rotation who shall hold office for a term of 3 (Three) consecutive years upto September 30, 2018.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and further to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To appoint Mr. Jagannath Pandharinath Dange (DIN: 01569430) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jagannath Pandharinath Dange (DIN: 01569430), who was appointed as an Additional Director of the Company pursuant to Companies Act, 2013 with effect from 5<sup>th</sup> March, 2015, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director not liable to retire by rotation who shall hold office for a term of 3 (Three) consecutive years upto September 30, 2018.



**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and further to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To Re-appoint Mr. Prasenjit P. Datta (DIN: 00013414) as Whole Time Director of the Company for the period of 5 years with effect from 1<sup>st</sup> March 2016 to 28<sup>th</sup> February 2021 and in this regard and to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:-

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended or re-enacted from time to time), read with Schedule V of the Act, and subject to such approval of the Central Government, if any, or any other statutory authorities, as may be required, Mr. Prasenjit P. Datta be and is hereby appointed as the Whole-time Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> March 2015 to 28<sup>th</sup> February 2021 and other terms and conditions remaining unchanged with authority to the Board of Directors to alter, vary or modify the terms and conditions of appointment of Mr. Prasenjit Datta in such manner as may be required and agreed between the Company and Mr. Prasenjit Datta, as specified below:

**1. Remuneration payable:**

- a) Salary: up to ₹ 48,00,000/- Per annum.
- b) Performance Linked Incentive: up to ₹ 12,00,000/- Per annum.

2. In addition to (1) above, be eligible for the following perquisites in accordance with the Company's policies, practices and procedures:-

Mediclaim Policy, Personal Accident Insurance as per the rules of the Company.

Contribution to Provident Fund, superannuation fund or annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961.

Gratuity payable as per Payment of Gratuity Act and rules made there under.

Encashment of leave at the end of the tenure, as per the Company Policy, if any.

Free use of the Company's car for the business of the Company.

Mobile, telephone and other communication facilities.

3. The Company shall reimburse to the Whole Time Director, expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.
4. In addition to Salary, Benefits, Perquisites and Allowances, the Executive Director would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act.

Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites will be valued at actual cost.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Prasenjit Datta, this remuneration shall be payable as minimum remuneration in terms of Section 197 read with Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to execute requisite agreement with Mr. Prasenjit Datta, with such modifications and alterations as may be mutually agreed and to do all such acts, deeds and things as may be necessary, expedient or desirable to give effect to the above resolution.”

8. To Keep Registers, returns etc., at a place other than the Registered Office and in this regard and to consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:-

“**RESOLVED THAT** pursuant to provisions of Section 94(1) of the Companies Act, 2013 and all other applicable provisions and relevant Rules applicable, if any, consent of the Company be and is hereby accorded to keep the Register of Members and other registers to be maintained under Section 88(1) of the Act and copies of the Annual Returns filed under Section 92 of the Act and other records/documents at the Corporate Office: 16<sup>th</sup> Floor, 1601, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013 (place other than Registered Office where the Registers, returns and other documents are proposed to be kept) and such registers shall remain open for inspection by members during business hours on all working days.



**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and further to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To Increase in the Authorised Share Capital and amendment to the Memorandum of Association of the Company and in this regard and to consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 13(1), read with Section 55, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) Authorised Share Capital of the Company be and is hereby increased from the existing ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹10/- each and 2,50,00,000 (Two Crores Fifty Lakhs) Preference Shares of ₹10/- each to ₹ 100,00,00,000/- (Rupees Hundred Crores only) divided into 2,50,00,000 (Two Crores Fifty Lakhs) Equity Shares of ₹10/- each and 7,50,00,000 (Seven Crores Fifty lakhs) Preference Shares of ₹ 10/- each, by creation of additional 5,00,00,000 (Five Crores) Preference Shares of ₹ 10/- each.

**RESOLVED FURTHER** that the existing Clause V of the Memorandum of Association of the Company be deleted and substituted by the following:

V. The Authorised Share Capital of the Company is Rs. 100,00,00,000 (Rupees Hundred Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lakh) Equity Shares of Rs.10/- (Rupees Ten Only) each and 7,50,00,000 (Seven Crores Fifty Lakhs) Preference Shares of Rs.10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and further to take all steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To Issue and Offer of Convertible/Non-Convertible Non-Cumulative Redeemable Preference Shares on a Private Placement basis and in this regard and to consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** in accordance with the provisions of Section 55 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with the Rules framed there under, (as may be amended from time to time) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, the consent of the Company be and is hereby accorded to the Board to offer or invite to subscribe, issue and allot, in one or more tranches, such number of Preference Shares of the Company of the face value of ₹ 10/- each, for an aggregate value not exceeding ₹ 40 Crores, as Convertible/Non-Convertible Non-Cumulative Redeemable Preference Shares (“Preference Shares”), at par or at premium or at such price or prices, on a private placement basis, to various persons/entities including Promoters / Promoter Group whether or not they are member(s) of the Company, with such rights and privileges and on such terms and conditions including but not limited as to the rate of dividend, the redemption period, manner of redemption, amount of premium, if any, and to modify, alter and re-set all or any of the said terms from time to time, as the Board at its absolute discretion deem appropriate and that such authority shall be continuing authority to the Board to make such further issue(s) of Preference Shares within such limit on appropriate terms and conditions on any subsequent redemption of such and / or outstanding Preference Shares or any part thereof from time-to-time as may be considered fit and proper by the Board.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such deeds, documents and writings, as it may in its absolute discretion deem necessary or incidental, and pay such fees and incur such expenses in relation thereto as it may deem appropriate.”

**By Order of the Board of Directors  
Of Gujarat Foils Limited**

Place: Mumbai  
Date: 11<sup>th</sup> August, 2015

**Dipesh U. Gosar  
Company Secretary & Compliance Officer**

**Registered Office:**  
Plot no 3436-3439, Chhatral, G.I.D.C.,  
Phase IV, Taluka-Kalol, Dist-Gandhinagar,  
Gujarat-382729.



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.  
  
THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THEN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTIONS / AUTHORITY, AS APPLICABLE. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.
5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 17<sup>th</sup> September, 2015 to 23<sup>rd</sup> September, 2015 (both days inclusive) in the terms of the provisions of the Companies Act, 2013 and the Listing Agreement for the purpose of the Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
9. The Annual Reports will also be available on the website of the Company [www.gujaratfoils.com](http://www.gujaratfoils.com) in the investor section.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
11. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's Registrar and Share Transfer Agent. Shareholders whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participant.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime, for consolidation into a single folio.
13. Statutory registers and documents referred to in the notice and explanatory statement are open for inspection at the Registered office of the Company on all working days (except Sunday and Public Holiday) between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
14. Physical copies of the Notice of 23<sup>rd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members in the permitted mode.
15. With the implementation of New Companies Act, 2013, all the Independent Directors shall be re-appointed as Independent Director pursuant to the provisions of Section 149 and Section 152 of the Companies Act, 2013.
  - a. Ms. Ankita Singh (DIN: 07038161) and Mr. Jagannath Pandharinath Dange (DIN: 01569430) is proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office for 3 (Five) consecutive years for a term upto September 30, 2018, not liable to retire by rotation.

- b. The Company has received declarations from all the Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the Independent Directors on the Board of the Company and are also independent of the management.
- 16. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
- 17. The change in the residential status on return to India for permanent settlement.
- 18. The particulars of the NRE Account with a Bank in India, if not furnished earlier.
- 19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime.
- 20. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and the clause 35B of the listing agreement, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, Resolution(s) passed by Members through e-voting is deemed to have been passed as if they have been passed at the AGM.
- 21. **Voting through electronic means**

The Company is pleased to offer e-voting facility for the members to enable them to cast their votes electronically. If a member has opted for e-voting, then he/she should not vote physically and vice-a-versa.

**Instructions for members for e-voting are as under:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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 voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b> .



- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts 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.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (xviii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  1. The e-voting period commences on 20<sup>th</sup> September, 2015 (9:00 am) and ends on 22<sup>nd</sup> September, 2015 (5:00 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 16<sup>th</sup> September, 2015 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  2. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 16<sup>th</sup> September, 2015.
  4. Mr. Umesh Ved, Company Secretary (Membership No.4411) has been appointed as the Scrutinizer to scrutinize the e-

voting process in a fair and transparent manner.

5. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.gujaratfoils.com](http://www.gujaratfoils.com) within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
7. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m (except Sunday and Public Holiday) up to the date of the Annual General Meeting of the Company.

**By Order of the Board of Directors  
Of Gujarat Foils Limited**

Place: Mumbai  
Date: 11<sup>th</sup> August, 2015

**Dipesh U. Gosar  
Company Secretary & Compliance Officer**

**Registered Office:**  
Plot no 3436-3439, Chhatral, G.I.D.C.,  
Phase IV, Taluka-Kalol, Dist-Gandhinagar,  
Gujarat-382729.



**PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT 23<sup>rd</sup> ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:**

Name of Director	Mr. Abhay Narendra Lodha	Ms. Ankita Singh	Mr. Jagannath Pandharinath Dange	Mr. Prasenjit P. Datta
Date of Birth	01-06-1971	28-02-1991	01-06-1951	16-06-1963
Date of initial Appointment	14-07-2008	04-02-2015	05-03-2015	03-01-2011
Expertise in specific functional areas	Entrepreneur, wide 17 years of experience in technical, operational & manufacturing on any Industry	Expert in practice of Corporate Law, Intellectual Property Law, Media & Civil Litigation	40 years of experience at different positions of Government of Maharashtra	30 years of experience of management of Aluminum/foil Business
Qualifications	B.Com, LL.B	LL.B, Masters in Intellectual Property Rights	IAS, LL.B, M.Sc (Diploma).	B. E (Honours) in Metallurgical Engineering
Directorships held in other Public Companies (excluding Foreign Companies, Private Companies and Section 25 Companies).	NIL	NIL	1. Moil Limited 2. Lloyds Metals and Energy Limited 3. Mitcon Consultancy & Engineering Services Limited	NIL
Memberships/ Chairmanships of committees (Audit Committee and Shareholders Grievance Committee) across other Public Companies.	NIL	NIL	2	NIL
Shareholdings in the Company	30,47,104	-	-	200

**Note:-**

The Directorships held by Directors as mentioned above, do not include Directorships of Foreign companies, Section 25 companies and Private Limited Companies. Further, pursuant to Clause 49 of the Listing Agreement, only two committees viz. Audit Committee and Shareholders/Investors Grievance Committee have been considered.

## Annexure to Notice

### 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 appointment of the Cost Auditor at a remuneration of ₹1,50,000/- plus service tax to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016.

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 Auditor 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 Auditor for the financial year ending March 31, 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice. The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

#### **ITEM NO. 5 & 6**

Pursuant to Section 149(10), 152 of the new Companies Act, 2013 (the 'Act') read with Companies (Appointment and Qualification of Directors), Rules 2014, an Independent Director shall be appointed pursuant to the provisions of new Companies Act, 2013.

Ms. Ankita Singh and Mr. Jagannath Pandharinath Dange, Directors have given their consent to act as Independent Directors and also are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013. Further, the Company has received a notice from members proposing the candidature of, Ms. Ankita Singh and Mr. Jagannath Pandharinath Dange for the Office of the Director of the Company.

The Company has received the declarations from the aforesaid Directors that they meet the criteria of Independence as prescribed in Section 149 (6) of the Companies Act, 2013 and the Board is of the opinion that the aforesaid Directors fulfill the conditions for their appointment as Independent Directors.

In view of same, Ms. Ankita Singh and Mr. Jagannath Pandharinath Dange, Independent Directors of the Company are proposed to be re-appointed as Independent Directors not liable to retire by rotation for a term of consecutive 3 (Three) years upto September 30, 2018.

None of the Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 & 6 except Ms. Ankita Singh and Mr. Jagannath Pandharinath Dange, The Board commends the Ordinary Resolution set out at Item No. 5 & 6 of the Notice for approval by the shareholders.

#### **ITEM NO. 7**

Mr. Prasenjit P. Datta was appointed as Whole Time Director of the Company from 1<sup>st</sup> March 2011 to 29<sup>th</sup> February 2016 vide Shareholders resolution at the 19<sup>th</sup> Annual General meeting held on 30<sup>th</sup> September 2011. The tenure will be expired on 29<sup>th</sup> February 2016.

The Board of Directors at their meeting held on 11<sup>th</sup> August 2015, on recommendation of Nomination and Remuneration Committee and Audit Committee, has re-appointed Mr. Prasenjit P. Datta as the Whole Time Director of the Company for a further period of 5 years from 1<sup>st</sup> March 2016 to 28<sup>th</sup> February 2021 as per the following terms and conditions, subject to the approval of the shareholders.

#### **1. Remuneration payable:**

- a) Salary: up to ₹ 48,00,000/- Per annum.
  - b) Performance Linked Incentive: up to ₹ 12,00,000/- Per annum.
2. In addition to (1) above, be eligible for the following perquisites in accordance with the Company's policies, practices and procedures:-
- Mediclaime Policy, Personal Accident Insurance as per the rules of the Company.
  - Contribution to Provident Fund, superannuation fund or annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961.
  - Gratuity payable as per Payment of Gratuity Act and rules made there under.
  - Encashment of leave at the end of the tenure, as per the Company Policy, if any.



Free use of the Company's car for the business of the Company.

Mobile, telephone and other communication facilities.

3. The Company shall reimburse to the Whole Time Director, expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.
4. In addition to Salary, Bene?ts, Perquisites and Allowances, the Executive Director would be paid such remuneration by way of Commission, calculated with reference to the net pro?ts of the Company in a particular ?nancial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act.

Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites will be valued at actual cost.

As per the provisions of section 197 of the Companies Act, 2013, (Act) read with Schedule V to the Act, the remuneration payable to Mr. Prasenjit Datta is not in conformity with overall remuneration which can be paid to managerial personnel. As per the provisions of Section II of Part II of Schedule V to the Act, the remuneration payable to Mr. Prasenjit Datta can be approved only for 3 years at a time by passing special resolution at the general meeting of the Company. Hence, approval of the members for payment of remuneration is sought for 3 years only w.e.f 1<sup>st</sup> March 2016.

**Tenure of Appointment:** 1<sup>st</sup> March 2016 to 29<sup>th</sup> February 2021 (5 Years)

**Tenure for payment of Remuneration:** 1<sup>st</sup> March 2016 to 28<sup>th</sup> February 2019 (3 Years)

The details as required under Section II of Part II of Schedule V to the Act are given below:

#### I. GENERAL INFORMATION:

- (1) **Nature of Industry:** Aluminium and related products.
- (2) **Date or expected date of Commencement of Commercial Production:** The Company is already in operation since 1992
- (3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable as the Company has already commenced the business.
- (4) **Financial Performance based on given indicators:**

(₹ In Lacs)

Particulars	2012-13	2013-14	2014-15
Sales	34,433.18	42,992.14	48,775.72
Profit before Tax	816.72	1,286.78	1,422.30
Profit after Tax	603.64	920.58	671.88
Earnings Per share	7.36	11.22	8.19

- (5) **Foreign investments or collaborators, if any:** NIL

#### II. INFORMATION ABOUT THE APPOINTEE:

- (1) **Background details:** Mr. Prasenjit Datta is a B. E (Honours) in Metallurgical Engineering from the Indian Institute of Technology (IIT), Kharagpur. He has over 30 years of experience in the field of Metallurgical Engineering. He has vast experience in the field of Aluminum Industry.
- (2) **Past remuneration:** Mr. Prasenjit Datta is working with the Company as Whole Time Director of the Company since 1<sup>st</sup> March 2011 and drawing an annual remuneration of around ₹60,00,000 p.a.
- (3) **Job profile and his suitability:** Mr. Prasenjit Datta has over 30 years of experience in the field of Metallurgical Engineering. He has vast experience in the field of Aluminium Industry and has acted on very senior position during his earlier assignments with various corporates engaged in the business of Aluminum and related goods. He had worked with India Foils Limited (part of Sterlite Group) as Chief operating Officer. He has worked with Ess Dee Aluminium Limited as Whole Time Director. His last assignment was with Jindal Polyester Limited as President-Aluminium Division). He is serving your Company since year 2011 as Whole Time Director. His vast experience in the field of Aluminum Industry will help the Company in achieving its future goal.



- 4) **Remuneration proposed:** The proposed overall remuneration payable to Mr. Prasenjit Datta shall not exceed ₹ 60,00,000/- (Rupees Sixty Lacs) p.a. and other perquisites.
- 5) **Comparative remuneration profile:** The proposed remuneration payable to Mr. Prasenjit Datta is at par with the industry standards, in which it operates.
- 6) **Pecuniary relationship:** Mr. Prasenjit Datta has no other pecuniary relationship with the Company except receiving remuneration as Whole-time Director.

### III. OTHER INFORMATION:

- (1) **Reason for loss or inadequate profits and Steps taken or proposed to be taken for improvement:** The Company has started its business activities from 1992, however the actual performance of the Company ramped up in the last three years with its expanded capacity. The Company's sales have improved, substantially during the last three years. However the profit margin could not improve in line with the sales volume, mainly because of higher interest cost and market conditions. The Company is getting new orders and is expected to increase its turnovers in coming years. The higher turnover shall also result in higher profitability.
- (2) **Expected increase in productivity and profits in measurable terms:**

The projected turnover and net profits for the next three financial years are as follows:

(₹ in Lacs)

Year	2015-16	2016-17	2017-18
Sales	56,000.00	57,150.00	58,150.00
Profit	1,747.00	1,788.00	1,822.00

The re-appointment of Mr. Prasenjit Datta as Whole Time Director is in the interest of the Company and the Company expects to gain substantially by his vast experience. His re-appointment will help the Company to achieve its future endeavors.

The Company has received notice along with deposit amount from a member proposing the candidature of Mr. Prasenjit P. Datta for the Office of the Whole Time Director of the Company.

The Board accordingly recommends the resolution as set out in Item No. 7 of the Notice for approval of the members.

None of the Directors other than Mr. Prasenjit Datta / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.7of the Notice. The Board commends the Special Resolution set out at Item No. 7of the Notice for approval by the shareholders.

### **ITEM NO. 8**

The Registered Office of the Company is situated at 3436-3439, Chhatral G.I.D.C Phase- IV, Taluka Kalol, Dist. Gandhinagar, Gujarat- 382729 and Corporate Office is at 16<sup>th</sup> Floor, 1601, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400013, Maharashtra.

Since the Secretarial and Finance Department are functioning from Corporate Office and it is the primary responsibility of these departments to keep the registers and documents as mentioned in the above resolution, it is necessary that all the above referred documents and registers should be maintained and kept at the Corporate Office only instead of keeping the same at the Registered Office. More than 10% of total members reside in Mumbai, Maharashtra. It will be beneficial for the Company without incurring any additional expenses.

The Board recommends to keep the registers maintained under Section 88(1) [i.e. Register of Members etc.] and copies of the annual returns filed under Section 92 of the Act and other documents at the Corporate Office at Mumbai.

In terms of the provisions of Sec. 94(1) of the Companies Act 2013, Registers and copies of the returns as aforesaid may also be kept at any other place in India other than at the Registered Office of the company, in which more than one-tenth of the total number of members entered in the Register of Members reside, by passing a Special Resolution at the general meeting of the Company. The Board commends the resolution as set out at Item No.8 for approval of Members as Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the Resolution.



## ITEM NO. 9

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company and for that purpose, the Memorandum of Association of the Company is proposed to be suitably altered.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase of the Authorised Share Capital and for the alteration of capital clause of the Memorandum of Association of the Company. Accordingly, the Board of Directors recommends the resolutions set out at Item No. 9 of the Notice as Special Resolution for the approval of the Members.

None of the Directors and Key Managerial personnel of the Company or their relatives is/are, in any way, deemed to be concerned or interested in the said resolution, except to the extent of their shareholding, if any, in the Company.

## ITEM NO. 10

The proposed Special Resolution set out at Item No. 10 is an enabling Resolution authorizing the Board of Directors (including any committee thereof for the time being exercising the powers of the Board) to raise resources by issue of Convertible/Non-Convertible Non-Cumulative Redeemable Preference Shares of face value of ₹ 10/- each, for an aggregate value not exceeding ₹ 40 Crores ("Preference Shares") for the purpose of net worth rebuilding and strengthening the long-term resource base of the Company, including meeting the working capital requirements.

The Preference Shares may be issued in one or more tranches to the various person/ entities/persons which may include the Promoters/Promoter Group, whether or not they are member(s), on private placement basis.

Disclosure as per Clause 9 (3) of Companies (Share Capital and Debenture) Rules 2014:

a.	Size of the issue and number of preference shares to be issued and nominal value of each share	Issue of Preference Shares of ₹10/- each, for an aggregate value not exceeding ₹ 40 Crores in one or more tranches to the various person/ entities/persons which may include the Promoters/Promoter Group, whether or not they are member(s).												
b.	Nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, convertible or non - convertible	Convertible/Non-Convertible Non-Cumulative Redeemable Preference shares												
c.	Objectives of the issue	For the purpose of net worth rebuilding and strengthening the long-term resource base of the Company, including meeting the working capital requirements and for other approved general corporate objectives from time to time.												
d.	Manner of issue of shares	Private Placement basis.												
e.	Price at which such shares are proposed to be issued	To be determined by the Board.												
f.	Basis on which the price has been arrived at	Price to be determined on the basis of valuation by a registered valuer in accordance with the extant provisions as applicable.												
g.	Terms of issue, including terms and rate of dividend on each share, premium etc.	Upto 10% per annum.												
h.	Terms of redemption, including the tenure of redemption.	To be redeemed within a period of 20 years.												
i.	Manner and modes of redemption	Out of profit and/or out of fresh issue of capital												
j.	Current shareholding pattern of the Company	Equity Shareholding Pattern as on June 30, 2015*: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Category</th> <th>No. of Shares</th> <th>% to Equity Capital</th> </tr> </thead> <tbody> <tr> <td>Promoter</td> <td>48,34,077</td> <td>58.94</td> </tr> <tr> <td>Public</td> <td>33,67,733</td> <td>41.06</td> </tr> <tr> <td><b>Total</b></td> <td><b>82,01,810</b></td> <td><b>100.00</b></td> </tr> </tbody> </table> <p>*Detailed shareholding pattern as on 30.06.2015 on the website of BSE Ltd and Company's website.</p>	Category	No. of Shares	% to Equity Capital	Promoter	48,34,077	58.94	Public	33,67,733	41.06	<b>Total</b>	<b>82,01,810</b>	<b>100.00</b>
Category	No. of Shares	% to Equity Capital												
Promoter	48,34,077	58.94												
Public	33,67,733	41.06												
<b>Total</b>	<b>82,01,810</b>	<b>100.00</b>												
k.	Expected dilution in equity share capital upon conversion of preference shares	To be determined as applicable.												

The Board of Directors of the Company recommends the resolution set out at Item No. 10 of the Notice as Special Resolution for the approval of the Members.

The Directors, the Managers, Key Managerial Personnel of the Company and their respective relatives do not have any interest, financial or otherwise, in the proposed resolution for issue of Preference Shares, except to the extent of their shareholdings and to the extent of preference shares that may be issued to them.

**By Order of the Board of Directors  
Of Gujarat Foils Limited**

Place: Mumbai  
Date: 11<sup>th</sup> August, 2015

**Dipesh U. Gosar  
Company Secretary & Compliance Officer**

**Registered Office:**  
Plot no 3436-3439, Chhatral, G.I.D.C.,  
Phase IV, Taluka-Kalol, Dist-Gandhinagar,  
Gujarat-382729.





# GUJARAT FOILS LIMITED

**Regd. Office:** 3436-3439, Chhatral, G.I.D.C., Phase-IV, Taluka: Kalol, District: Gandhinagar, Gujarat-382729.  
CIN:L28999GJ1992PLC018570

## ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL  
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
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No. of shares	
---------------	--

### NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **23<sup>RD</sup> ANNUAL GENERAL MEETING** of the Company held on Wednesday, September 23, 2015 at 11:30 a.m. at 3436-3439, Chhatral, G.I.D.C. Phase – IV, Taluka Kalol, Dist. Gandhinagar, Gujarat – 382729.

\_\_\_\_\_  
Signature of Shareholder / proxy

\* Applicable for investors holding shares in electronic form.



# GUJARAT FOILS LIMITED

**Regd. Office:** 3436-3439, Chhatral, G.I.D.C., Phase-IV, Taluka: Kalol, District: Gandhinagar, Gujarat-382729.  
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## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

Name of the member(s): Registered address:		e-mail Id: Folio No/ *Client Id: *DP Id:	
---	--	--	--

I/We, being the member(s) of shares of Gujarat Foils Limited, hereby appoint:

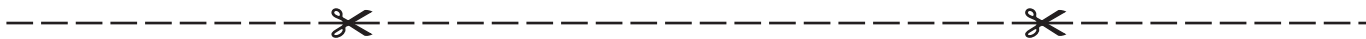
- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **23<sup>rd</sup> Annual General Meeting** of the Company, to be held on **Wednesday, September 23, 2015 at 11:30 a.m.** at 3436-3439, Chhatral G.I.D.C. Phase – IV, Taluka Kalol, Dist. Gandhinagar, Gujarat – 382729 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:

Item No.	Resolutions	For	Against
1	Adoption of Audited financial statements for the year ended March 31, 2015 and the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Mr. Abhay Lodha, who retires by rotation and, being, eligible offers himself for re-appointment.		
3	To ratify the appointment of M/s H.R. Agarwal & Associates as Statutory Auditor.		
4	To approve the remuneration of Cost Auditor for the financial year ending March 31, 2016		
5	To appoint Ms. Ankita Singh (DIN: 07038161) as an Independent Director		
6	To appoint Mr. Jagannath Pandharinath Dange (DIN: 01569430) as an Independent Director		
7	To Re-appoint Mr. Prasenjit P. Datta (DIN: 00013414) as Whole Time Director of the Company for the period of 5 years with effect March 1, 2016 to February 28, 2021		
8	To keep Registers, returns etc., at a place other than the Registered Office		
9	To Increase in the Authorised Share Capital and amendment to the Memorandum of Association of the Company		
10	To Issue and Offer of Convertible/Non-Convertible Non-Cumulative Redeemable Preference Shares on a Private Placement basis		

\* Applicable for investors holding shares in electronic form.



Affix a  
1 rupee  
Revenue  
Stamp

Signed this..... day of.....2015

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of first proxy holder

\_\_\_\_\_  
Signature of second proxy holder

\_\_\_\_\_  
Signature of third proxy holder

**Notes:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered / Corporate Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- \*\* (4) This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.





*If undelivered please return to:*

**Gujarat Foils Ltd.**

(Secretarial Department)

Corporate Off.: Indiabulls Finance Centre, Tower 3, 16th Floor, 1601, Senapati Bapat Marg,  
Elphinstone Road (West), Mumbai- 400013 • Website: [www.gujaratfoils.com](http://www.gujaratfoils.com)

CIN No.: L28999GJ1992PLC018570