

**GUJARAT FOILS LIMITED**



# 21<sup>st</sup> Annual Report 2012-13





## Corporate Information

### BOARD OF DIRECTORS

Mr. Abhay Lodha  
Executive, Chairman and Managing Director

Mr. Prasenjit P. Datta  
Executive, Whole Time Director

Mr. Kanchan Murarka  
Non-Executive, Non-Independent Director

Mr. Sanjiv Goel  
Non-Executive, Non-Independent Director

Mr. Satish Chandra Gupta  
Non-Executive, Independent Director

Mr. Surender Kumar Tuteja  
Non-Executive, Independent Director

Mr. Rahul B. Chhajed  
Non-Executive, Independent Director

Mr. Viresh Mathur  
Non-Executive, Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Kumar Gupta

### 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: +91-2764-233656/233657  
Fax: +91-2764-233657

### CORPORATE OFFICE:

308, Ceejay House,  
Dr. A.B.Road,  
Worli, Mumbai-400018.  
Tel:+91-22-24812000  
Fax: +91-22-24812122  
Email:shareholders@gujaratfoils.com  
Website: 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:+91-79-26465179  
Fax: +91-79-26465179  
Email: ahmedabad@linkintime.co.in

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## CMD Letter to Shareholders



Dear Shareholders,

During the year, the world economy has struggled on a path to uniform and widespread economic stability. Most emerging markets and developing economies have shown moderate growth, whereas the developed economies have moved on divergent paths. The Indian economy has slowed down in the last 12 months and some of the sectors including the metal industries have been faced with demand slowdown that is unlikely to turnaround quickly.

Despite these adverse environments your Company consolidated and strengthen its position in the Indian packaging industry in the Financial Year 2012-13. Your Company's strategy of being relevant to the customer and providing solution to customer needs continued to resonate with the customers. This is reflected in the strong, well round performance for Financial Year 2012-13. The gross revenue of your Company has reached to ₹ 361.86 Crores from ₹ 279.03 Crores of the previous year, thereby registering a healthy growth of 29.69%.

During the financial year your Company has successfully commissioned Ventilation & Chilling System at conversion plant. The operating parameters of the system had been standardized in very short period of time. We also implemented Integrated Management System to cover ISO 9001 : 2008, ISO 14001 : 2004, OHSAS 18001 : 2007 under one umbrella & create seamlessness in the system. Further we had been able to maintain the certification from prestigious U.S.F.D.A. 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 able to recognize itself as vendors to the top pharmaceutical companies in India.

The Company has forayed into technological upgrades in its foil mill & conversion plant, which has resulted in the form of improvement in quality of its products & optimization in achieving productivity of the plant. These has resulted the Company to have better reach with light gauge foil customers. Further your Company had been able to add some more prestigious Pharma companies like Zydus Cadila, Cadila Health Care, Torrent Pharma & many more in its client list during the Financial Year 2012-13. These all efforts of your Company will ultimately result in enhancing shareholder's value,

Today your Company is enjoying the status of being one among the preferred suppliers to Pharma companies because of our orientation towards customer service & product quality. Today the barrier properties of foils produced by your Company are rated to be one among the best in the country. This has been made possible with the technological innovation which has been made in the Achenbach Mill at the Company's facilities at Chhatral.

Your Company's sheet business has been expanded its reach to southern & western region of the country with value added sheet products. Our product had been established & acceptable in this region within a very small period due to its quality & reliability which is manifested in the customer profile of your Company.

For the future, your Company is looking actively at expansion in the aluminum foil plant after the successful commissioning of the projects at Chhatral. We are looking to establish ourselves as a prime manufacturer, providing all kind of packaging solutions. We also understand the need for backward integration of our facilities and we are actively evaluating the possibilities of such projects.

Your Company's Consumer Products Business (CPB) division has registered a substantial growth with its "NUTRIWRAP" brand both on kitchen foil as well as for institutional sales. Riding on the same your Company has also forayed into the food services business & today the brand is poised to be one of the top brands in this segment.

Your Company has been able to put together a dedicated team of professionals at Gujarat Foils Limited. We are strong believers of value proposition and the requirements of Human Resource, which add comprehensively to the total reserve of the Company.

I would like to place on record my appreciation to all employees, lenders, shareholders and other stakeholders, for their dedication, continued support and the confidence reposed on us.

Warm Regards,

**Abhay Lodha**  
*Chairman and Managing Director*

Mumbai, 13<sup>th</sup> August 2013

## Directors' Report

To the Members,

Your Directors have pleasure in presenting this 21<sup>st</sup> Annual Report of your Company together with the Audited Accounts for the Financial Year ended on 31<sup>st</sup> March, 2013.

### Financial Results

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

(₹ In Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
Gross Income from Operations	36,186.10	27,902.53
Less: Excise Duty	1,752.91	1,779.80
<b>Net Income from Operations</b>	<b>34,433.19</b>	<b>26,122.73</b>
<b>Profit before Depreciation, Finance cost and Taxation</b>	<b>4,237.74</b>	<b>3,626.66</b>
Less: Depreciation and Amortisation	1,112.01	977.93
<b>Profit before Finance cost and Taxation</b>	<b>3,125.73</b>	<b>2,648.73</b>
Less: Finance Cost	2,309.00	2,094.95
<b>Profit before Taxation</b>	<b>816.73</b>	<b>553.78</b>
Tax Expense		
- Current Tax	164.00	100.07
- Deferred Tax	48.22	221.57
- Earlier Years	0.86	-
<b>Profit after Taxation</b>	<b>603.65</b>	<b>232.14</b>

### Review of Operations

During the year under review, the Company's Net Income from operations stood at ₹ 34,433.19 Lacs as compared to ₹ 26,122.73 Lacs in the previous year, thereby registering a growth of about 31.81%. Profit before finance cost and taxation for the year under review stood at ₹ 3,125.73 Lacs against ₹ 2,648.73 Lacs in the previous year, thereby registering a growth of about 18%. Profit after Tax registered a growth of about 160% and increased from ₹ 232.14 Lacs to ₹ 603.65 Lacs.

### Dividend

Keeping in mind the capital requirement for future growth of the Company and to conserve higher resources for operations of the Company, your Directors are unable to recommend any dividend for the Financial Year ended 31<sup>st</sup> March, 2013.

### Share Capital

During the Financial Year under review, the Authorized Share Capital of the Company increased from ₹ 150,000,000/- (Rupees Fifteen Crores Only) to ₹ 500,000,000/- (Rupees Fifty Crores Only) divided into 50,000,000 (Five Crores) Equity Shares of ₹ 10/- each (Rupees Ten Only). There were no change in paid up share capital of the Company.

### Public Deposits

During the year under review, the Company has not accepted/renewed any deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956.

### 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.

## Directors

During the year under review, Mr. Vijay Chadha and Mr. Pradeep J. Saxena have resigned from directorship of the Company on 10<sup>th</sup> July, 2012. The Board places on record its appreciation for their valuable contribution during their tenure as Director of the Company.

During the current year, Mr. Surender Kumar Tuteja and Mr. Rahul B. Chhajed were appointed as Additional Directors in the meeting of the Board of Directors held on 11<sup>th</sup> April, 2012 and 10<sup>th</sup> July, 2012 respectively. Further Mr. Viresh Mathur and Mr. Sanjiv Goel were appointed as Additional Directors in the meeting of the Board of Directors held on 14<sup>th</sup> August, 2012. The Company had received notice in writing from members proposing their candidature, for the office of Director and in furtherance to same all additional Directors were re-appointed in the previous Annual General Meeting of the members of the Company held on 26<sup>th</sup> September, 2012.

Mr. Prasenjit P Datta and Mr. Satish Chandra Gupta, Directors of the Company, who are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

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.

## Directors' Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to the Directors Responsibility Statement, your directors state that:

- a. the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2013, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same.
- b. the selected accounting policies were applied consistently and the Directors 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 as at 31<sup>st</sup> March, 2013 and of the profit of the Company for the year ended as on that date;
- c. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- d. the annual accounts have been prepared on a going concern basis.

## Auditors

M/s H.R. Agarwal & Associates, Chartered Accountants, the Statutory Auditors of the Company, hold office upto the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

Your Directors recommend their re-appointment as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company and to audit financial accounts for the financial year ending on 31<sup>st</sup> March, 2014.

## Auditors' Observations

Observations of the Auditors, read together with the relevant Notes to the Accounts and Accounting Policies are self explanatory.

## Cost Auditor

Pursuant to Section 233B (2) of the Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee had appointed M/s P. M. Nema & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2012-13 and necessary approval from Central Government was also received by the Company. However, the said Cost Auditor tendered his resignation on personal ground. The Board, upon recommendation of Audit Committee, appointed M/s. S. K. Agarwal & Associates, Cost Accountants, for conducting the Cost Audit of the Company for the Financial Year 2012-13. The Board, upon recommendation of Audit Committee, also appointed M/s. S. K. Agarwal & Associates, Cost Accountants, for conducting the Cost Audit of the Company for the Financial Year 2013-14.

M/s. S. K. Agarwal & Associates, Cost Accountants, have confirmed that their appointment, is within the limits of section 224 (1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under Section 233B (5) read with Section 224 (3) and Section 226 (4) of the Companies Act, 1956.

### Subsidiary Companies

The Company does not have any subsidiary Company.

### 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 forming part of this Annual Report and separately attached.

### Personnel

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.

During the year under consideration, there were no employees, whose particulars are required to be furnished under the provisions of Section 217(2A) of the Companies Acts 1956 read with the rules thereunder.

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

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are set out in Annexure "A" to this report.

### Acknowledgements

Your Directors 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.

Your Directors also 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.

For and on behalf of the Board

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

**Abhay Lodha**  
Chairman and Managing Director

## Annexure “A” to the Report of the Directors

Particulars as per the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Year ended 31<sup>st</sup> March 2013.

### A. Conservation of Energy:

The industrial sector is a major energy consuming sector in India and uses about 50% of the total commercial energy in the country. The manufacturing industries produces 10% of total utility generation through captive power plants, most of which is consumed in-house. In the developing countries like INDIA, where on one hand demand & supply situation of energy is un-favourable; on another hand there is acute pressure to reduce the cost to be competitive at market place. In such situation industries like ours are very cautious on energy conservation.

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 utilization of energy by way of conservation of resources. There are two fold benefits for such conservation:

- 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.

Your company is continuously taking all the possible efforts for optimum utilization of energy. Following actions had been initiated to have continuous mapping on consumptions during the Financial Year 2012-13:

- Your company had started monitoring machine wise power consumptions in all the processes. This type of monitoring will help us to identify machine wise power consumption in form of KWH / MT or NM3 / MT processed from individual machine centers further enabling us to find out product wise energy consumption. Such monitoring will also help us to strengthen our Predictive Maintenance System. 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 that it continued to take Credits from UGVCL for consistently maintaining our power factor up to 0.97. During financial year 2012-13 your company had taken the credit of about ₹ 2.38 Lacs from UGVCL on account of maintaining power factor consistently as per the set out regulation.
- Your company has undertaken a Techno Commercial Feasibility Study to convert our existing electrical heated Annealing Furnaces to natural gas based Annealing furnaces. We expect a great deal of saving potential in this conversion & awaiting the completion of this study.

### Form ‘A’

A) Power and Fuel Consumption	UOM	2012-2013	2011-2012
<b>1) Electricity</b>			
<b>a) Purchased</b>			
Unit	(KWh)	6,215,360	6,234,850
Total Cost	(₹ in Lacs)	458.87	426.67
Cost / Unit	(₹)	7.39	6.84
<b>b) Own Generation</b>			
i) Through Diesel Generator Unit		NIL	NIL
ii) Through Steam Turbine Generation Units		NIL	NIL
iii) Through Wind Mill			
Unit	(KWh)	605,485	872,007
Total Cost	(₹ in Lacs)	42.38	57.38
Cost / Unit	(₹)	6.99	6.58



A) Power and Fuel Consumption	UOM	2012-2013	2011-2012
<b>2) Coal</b>			
Quantity	Tones	NIL	NIL
Total Cost	(₹ in Lacs)	NIL	NIL
Average Rate	(₹)	NIL	NIL
<b>3) Furnace Oil</b>			
Quantity	K. Ltrs	NIL	NIL
Total Cost	(₹ in Lacs)	NIL	NIL
Average Rate	(₹)	NIL	NIL
<b>4) Others/Internal Generation</b>			
Quantity	K. Ltrs	NIL	NIL
Total Cost	(₹ in Lacs)	NIL	NIL
Rate/ Unit	(₹)	NIL	NIL

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

Your Company believes in continual improvement through up-gradation of technology and adoption of latest manufacturing techniques. In the process, your Company constantly upgrades / refurbishes its equipment's to offer best quality products and minimize operating cost to improve the productivity & profitability. Its processes at State of Art Conversion Facility had been successfully stabilized and as a result of this the Company had been successfully able to keep most of key Indian Pharma companies in our fold.

It is a fact that high speed foil rolling operations are very prone to fire hazards. During the last financial year 2011-12, the Company had witnessed spate of fires at our rolling mill. However with the excellent efforts of our technical team, the Company could stabilize the process parameters in such a way, that we did not encounter even a single instances 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 had been added by the Company during the Financial Year 2012-13 apart from continuing with earlier customers.

### C. Foreign Exchange Earnings & Outgo

(₹ in Lacs)

Particulars	2012-2013	2011-2012
Foreign exchange earned	692.90	873.65
CIF value of imports	1182.20	3,006.35
Expenditure in foreign currency	8.58	1.93

## Management Discussion and Analysis

### Industry Structure & Developments

Indian aluminium Industry is one of the leading industries in the Indian economy. The Indian aluminium industry in the previous decade experienced substantial success among the other industries. The Indian aluminium industry is developing fast and the advancement in its technologies are boosting the growth even faster. The Indian aluminium industry has a bright future as it can become one of the largest players in the global aluminium market because of consumption story. In India the consumptions are fairly low as compared to developed countries. However India has the fifth largest bauxite reserves with deposits of about 3 bn tones or 5% of world deposits and India's share in world aluminium capacity rests at about 3% only.

Aluminium Rolled Products i.e. "SHEET & FOIL" are commonly used by Pharma Industry, Food & Beverage Industry, Liquor Industry for packaging. It is important to note that Indian pharma market is expected to grow at 19% during the Financial Year 2013-14 and now India is among top 5 emerging Pharma markets in the world. As per Price Water House Coopers (PwC) report, Indian Pharma market is having a sales turnover of US\$ 11 billion presently & the same is expected to be US\$ 74 billion by the year 2020.

From the report it is evident that Indian Pharma market will continue to register a strong double digit growth rate till the year 2020. Based on above report, we assume that current foil requirement by Indian Pharma industry is at 72,000 MT per annum and the same is expected to increase to 5,00,000 MT per annum by the year 2020.

Further due to rapid urbanisation, nuclear family concept & increase in population of higher income groups in Indian context, it is further leading to increase in massive demand for product like ready to eat food products, frozen yogurt, packed juices, milk, liquid products, premium chocolates etc. This would also result in increase of demand for packaging materials like light & medium gauge foils.

Structural demand drivers for this growth are:

- a) Rising household income levels,
- b) Increasing prevalence of lifestyle related diseases,
- c) Improving healthcare infrastructure/delivery systems and
- d) Rising penetration in smaller towns and rural areas.

These have continued to support long-term growth of Indian aluminium foil industry. In the last decade it has witnessed a very high capacity utilisation. 7 Major players of aluminium foil industry with installed capacity of 72,000 MT per annum are catering to the total demand of around 120,000 MT per annum in pharmaceuticals, FMCG, and other packaging Industries. The balancing factor of demand and supply resulted in increase in the imports of aluminium foil. Last financial year witnessed import of light gauge foil at approx 60,000 MT.

Considering such a favourable market situation some new capacities had been added in last financial year by new entrant but these capacities are very small to bridge the demand supply gap. This gap leaves an opportunity for all of us to add new capacities, improve the productivity & profitability in near distinct future.

In view of the above facts, Gujarat Foils Limited (GFL) is considering to add State of Art foil rolling capacity to take the advantage of existing demand supply gap.

The Aluminium Foil based Consumer Products which includes Housefoil Packs and Semi Rigid Containers (SRC), are very big markets in developed countries and are growing fast across developing countries. It is estimated that the market has crossed 15,000 MT per annum. In India, the market for both these products is over two decades old with organised players making foray from year 2002. Over the last decade many new small players were entered in this segment. The Company through its Consumer Product Business ("CPB") divisions catering to this segment.

### 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. This industry is expected to register a Compound Annual Growth Rate (CAGR) of 17% for the next 10 years.

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 FMCG products due to its good barrier properties. Since FMCG

industry is growing at very fast pace, this is resulting in increase in demand for aluminium foil industry.

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 like Hindalco, Ess Dee etc. In a favourable market scenario GFL had established & positioned itself very quickly in the market. The positioning of GFL is evident from our 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 with strong technical team to provide after sales service gives GFL edge over its competitors in the market.

With respect to Consumer Product Business (“CPB”) housefoil market has grown significantly across North India and also in some parts of other regions of India. This is a very encouraging aspect and the same is expected to grow at over 15 % CAGR over the next decade.

### Threats

Present duty structure on foil import & low cost imports of aluminium foil from China is a major threat to local industry. Also supplies of good quality foil stock & its pricing in local market is also a major area of concern.

With regard to CPB business, rupee depreciation will have an adverse impact on the cost of imported raw material and any change in Government policy affecting import of raw materials or making it costlier has to be observed closely.

### Segment wise and 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.

GFL strongly believes in Company's mission statement:

**“To add value and create wealth by ethical and Innovative means to improve quality of life for all stakeholders and society at large.”**

Here as advised in our mission statement, GFL strictly adhere to the ethical way of doing the business. We strictly do not entertain dubious Pharma companies on principle.

In our **Aluminium Sheet Business**, GFL sheet products are positioned as quality products & comparable with international quality standards. Our sheet products are accepted internationally & our sheet export volumes are improving.

Your Company had taken some measures in order to ensure better services to our 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 the Financial Year 2012-13. In order to safeguard the interest of our customers & the Company, GFL had adopted a pricing policy for sheet business which will ensure the mitigation of risks associated with metal price fluctuation.
- Your Company is continuously evaluating the customer wise sales price realisation in sheet business. Customers with lower sales price realisation had been phased out in a systematic manner by adding the new customers with better sales price realisation.
- In order to achieve above, your Company had made his strong presence felt to competitors in southern & western region of our Country and our sheet products are very well accepted in southern & western region.

In our **Aluminium Foil Business**, during the Financial Year 2012-13 our foil plant finish production volume had increased at 10.40% over the production of last Financial Year 2011-12, however converted products production volume had increased at 35.40% over the production of last Financial Year 2011-12.

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 at single location. Our technical team & after sales service makes GFL distinct & distinguishable at market place. GFL had set a very stringent quality benchmarks for self and maintaining the same. Due to its quality products GFL been able to position in the market place so very quickly. Today GFL is considered as preferred supplier of Light Gauge Foil, Coated Foil, Laminated Foil. Our battery of gravure printing machines are capable of printing up to 5 colour & are truly state of art machines. These printing machines are equipped with advance turner bar for reverse printing & also equipped with auto registration system. Today most of the major Pharma companies are in our fold. The list of new Pharma customers added during the Financial

Year 2012-13 are:

1. Zydus Cadila
2. Ipca Labs
3. Torrent Pharma
4. Ajanta Pharma
5. Granules India
6. Fourts India
7. Caplin Point
8. Alkem Laboratories

Further your Company feel proud that given below Pharma customer's, who had been added during Financial Year 2011-12 are continuing the business with us because of our quality products, services & reliability:

1. Lupin
2. Sun Pharma
3. Macleods
4. Aurobindo
5. Cadila Pharma
6. Maxheal
7. Inventia / Pharose Remedies
8. Impact Labs
9. Anglo French
10. KAPL
11. Hetero Drugs

GFL has done well in Financial Year 2012-13 by retaining the existing customers on one hand, it had been able to successfully add few more Pharma companies in the cliental on another hand. Further in order to improve the profitability from foil business, your Company is continuously monitoring every element of operational cost at micro level. Suitable measures to control the overall operating cost had been taken at appropriate time. Some measure taken by your Company during the Financial Year 2012–13 are as under:

- At its conversion plant to support our printing business by reducing the lead time to the customers, the Company had developed new vendors for printing cylinder making, printing inks & other consumables item for regular & uninterrupted supplies with lower lead time.
- The Company is using VMCH powder at conversion plant for preparing the HSL solutions, which is been used at blister foil for HSL coating. GFL had started importing VMCH powder directly with the aim of reducing the cost.
- The Company is using LDPE Film at conversion plant for producing laminated Pharma foil. During the Financial Year 2012–13 price fluctuation of LDPE film was observed. To counter these price fluctuations, the Company had successfully implemented the Pharma foil pricing linked with LDPE granule pricing.
- Further the Operations of Ventilation System & Chilling Plant installed at conversion plant during last Financial Year 2011–12 had been successfully stabilised during the Financial Year 2012–13. This had resulted in a much better work environment of Conversion Plant, which suits the requirement of U.S.F.D.A. & Pharma companies. This is why today most of the Pharmaceutical companies are looking towards GFL as a preferred partner for their requirement.

With regard to the Consumer Product Business, the Company's housefoil rewinding in house capacity has been more than doubled over the last one year with the setting up of new facility at Manesar, Haryana and consequently outsourcing has been stopped. This has resulted in better control over the quality of finished product. The Company's housefoil business has grown significantly during the last financial year. The key success factors mainly were augmentation of in house capacity. During the last year the Company has succeeded in making the brand "Nutriwrap" become the second highest priced in the trade, image shifted away from a bazaar product, significant improvement in contribution, lowering of distribution channel cost, streamlined finished goods across the distribution pipeline, and significant enhancement of inhouse production capacity.

## Risk and Concerns

Today our economy is facing the issues like inflation, high interest rates, drought, flood, rising commodity prices and perceived slowdown in the policy matters are the major concerns.

Th Company has tried to categorise the risks & concerns as given below & appropriate strategies are incorporated to handle them.

**A. Bargaining Power of Suppliers**

Presently our industry have limited options for feed stock in the Country, GFL already started looking for possibility to import quality feed stock for their business operations. This strategy would help GFL to have an option of multiple source of metal supplies and also help in reducing the level of dependency on domestic suppliers. Further this also creates an opportunity for GFL to possibly reduce input metal prices to improve the overall business profitability.

**B. Bargaining Power of Customers & Competition**

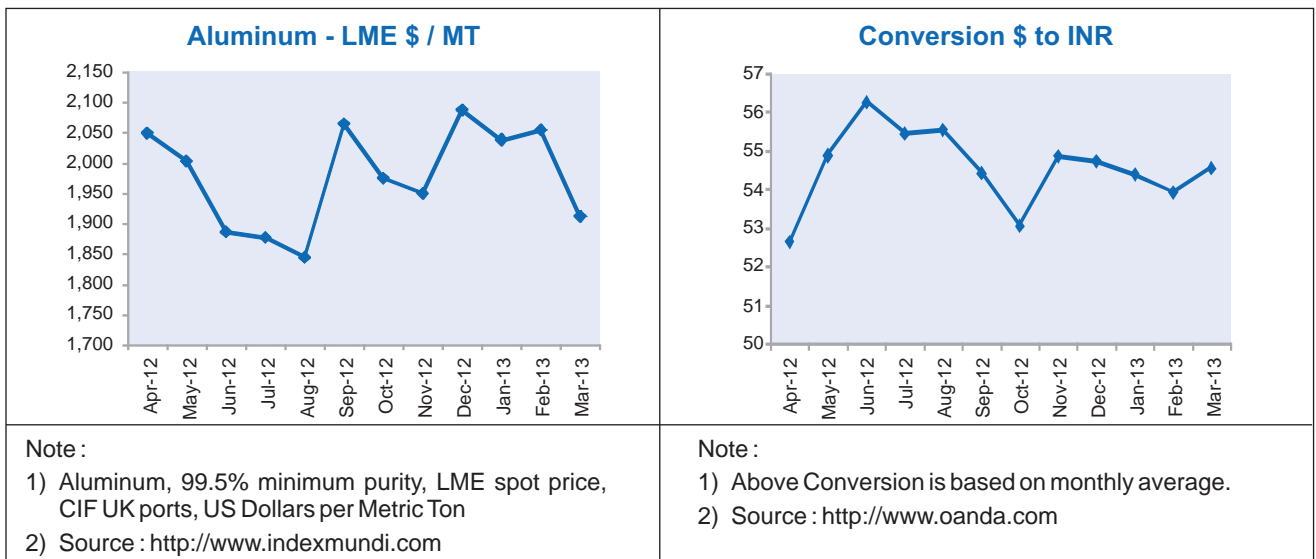
High growth rate in the Aluminium foil packaging continues to attract new entrants. Existing manufacturers are also adding capacities and upgrading their facilities. As a consequence, competitive pressure continues to intensify leading to margin erosion on one hand & on another hand high input material pricing are cutting our profitability.

GFL is responding to the above risks through its continuous efforts to contain costs and seek new customers and new markets. The Company also undertook review of every business, realigned specific strategies, focused on internal efficiencies and improvement in customer service.

**C. Substitute Products**

Considering the advantage of aluminium foil in preventing exposure to light, oxygen, moisture, odors, flavors and specifically bacteria; the Pharmaceutical industry uses aluminium foil extensively and regularly for packaging of different medicines such as tablets and capsules etc. They also form the seal under the bottle top for several bottled medicinal mixtures in syrups or bundled pill bottles. These gives a clear indication that substitution cannot harm this industry's growth in long term basis.

**D. Metal Price Scenario & \$ to INR exchange Rate**



It is a fact that 85% of the total cost of our product is the cost of raw material. Aluminium prices in India are primarily governed by two factors.

- 1) L.M.E. Prices
- 2) Exchange Rate

Above graphs which shows the values of Financial Year 2012-13 speaks of very high variations in LME prices & high exchange rate fluctuations. Such situations are really not favourable to any company. To safeguard the interest of your Company we had taken the following steps.

- Your Company had entered in long term supply contracts with major aluminium suppliers.
- Your Company is also trying to implement the metal cost based pricing policy and the Company had been able to implement such pricing policy in its sheet business and partially in foil business.

These steps will help your Company to overcome on risks associated with metal price & currency exchange rate fluctuation.

Under the CPB segment, threat primarily is from competitors who are trying to grab market share using the 'very low rate to trade' tool. Pricing without focusing on contribution by other players is a major threat which the Company understands that the same is neither desirable nor sustainable. Secondly, any change in Government Policy affecting import of raw material or making it costlier has to be observed closely.

## Quality Management

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

<b>Certification</b>	<b>System</b>	<b>Certifying Agency</b>
ISO 9001:2008	Management System	TUV
ISO 14001:2004	Environmental Management System	TUV
OHSAS 18001:2007	Occupational Health & Safety Management System	TUV
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.

- Your Company had been able to implement Integrated Management System successfully covering all the systems i.e. ISO 9001 : 2008, ISO 14001 : 2004, OHSAS 18001 : 2007. This implementation will not only help us to reduce audit man days required for recertification but also reduce the cost of certification. Further this implementation had helped us to create seamlessness among all the management system as the documentation of all the management systems become compact.
- Your Company had launched Small group activities under the umbrella of Quality Management System at Operational level at plant. Various small groups had been formed based on statistical analysis at grass root level to highlight, correct & strengthen the various process & operations of the plant. These small groups had been trained on various quality management tools like Histogram, Control Charts/Graphs, Cause-and-Effect Diagram, Scatter plots, Stratification, Fishbone diagram, and the Pareto diagram.
- Your Company had launched the inter department Housekeeping Competition at plant level during Financial Year 2012–13.
  - This competition is organised on monthly basis & evaluation on shop floor is done by using 5S techniques.
  - This competition had became a grand success in motivating the employees & resulted in much improved house keeping on plant area and in perimeter area of the plant.

## Safety, Health & Work Environment

- There were no major accidents reported during the Financial Year 2012-13. This became possible only because of our continuous focus on safety. Your Company conducts training & counselling sessions for our employees under the umbrella of Good Manufacturing practices on regular basis.
- Introduction of small group activities & housekeeping completion had improved the motivation levels at shop floor resulted in very nice work environment at plant level.
- Your Company had decided to incorporate the Eye check up for Vision & Colour blindness as part of our health check up programme which is normally conducted on annual basis.

## 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 organisation'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 organisation 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 recognises 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 468 (including employees employed on contract basis).

## Financials in Brief 2012-13

### (A) Results of Operations

#### Revenue from operations

The total revenue from operations of the Company stood at ₹ 34,433.19 Lacs as compared to ₹ 26,122.73 Lacs in the previous year thereby registering a growth of 31.81%.

#### Employee Benefit Expenses

Employee benefit expenses rose by about 143.92 % to ₹ 815.47 Lacs as compared to ₹ 334.32 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 ₹ 2,309.00 Lacs as compared to ₹ 2,094.95 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 ₹ 1,112.00 Lacs as compared to ₹ 977.93 Lacs in the previous year. This has increased due to increase in the Tangible Fixed assets of the Company after the Pharma division was in operation for the full year after it started the commercial operations.

#### Profit before Tax

Profit before tax of the Company stood at ₹ 816.73 Lacs as compared to ₹ 553.78 Lacs in the previous year, thereby registering a growth of 47.48%.

#### Profit after Tax

Profit after tax of the Company stood at ₹ 603.65 Lacs as compared to ₹ 232.14 Lacs in the previous year, thereby registering a growth of 160.03%.

### (B) Financial Position

#### Share Capital

During the year under review, the Authorized Share Capital of the Company has increased from ₹ 1,500.00 Lacs divided into 15,000,000 Equity Shares of ₹ 10/- each to ₹ 5,000.00 Lacs divided into 5,00,00,000 Equity Shares of ₹ 10/- each.

The Paid Up Share Capital of the Company remained unchanged to ₹ 820.18 Lacs divided into 8,201,810 (previous year 8,201,810) Equity Shares of ₹ 10/- each.

### Reserves and Surplus

The Company's reserves and surplus increased to ₹ 2,674.44 Lacs as on 31<sup>st</sup> March, 2013 as compared to ₹ 2,070.79 Lacs as at 31<sup>st</sup> March, 2012.

### Long Term Borrowings

During the year under review, the Company's Long Term Borrowings stood at ₹ 6,264.09 Lacs compared to ₹ 7,245.38 Lacs in the previous year.

### Short Term Borrowings

During the year under review, the Company's Short Term Borrowings stood at ₹ 10,393.49 Lacs compared to ₹ 10,307.80 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 ₹ 6,353.13 Lacs from ₹ 2,395.62 Lacs in the previous year.

### Fixed Tangible Assets

The net block of Fixed Tangible Assets decreased to ₹ 10,447.96 Lacs as compared to ₹ 11,454.03 Lacs in the previous year under review.

### Capital work-in-progress

During the year under review, the Capital WIP increased to Rs. 801.25 Lacs as compared to Rs. 800.72 Lacs in the previous year.

### Inventory

The Company's inventory stood at ₹ 10,721.54 Lacs as on 31<sup>st</sup> March, 2013 as compared to Rs. 7,839.12 Lacs in the previous year. The increase was mainly to meet the requirements of additional demand of the Company's Product.

### Trade Receivables

The trade receivables of the Company increased to ₹ 10,644.52 Lacs from ₹ 8,617.74 Lacs in the previous year in line with growth in the business along with tight liquidity position in the overall receivable cycle of the industry.

## 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 2012-13

(As required under clause 49 of the Listing Agreement entered into with BSE Limited)

### 1. Company's Philosophy on Code of Governance:

Gujarat Foils Limited's 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.

### 2. Board of Directors

#### Composition

The Company has a broad based Board and had a fair representation of Executive, Non Executive and Independent Directors during the Financial Year 2012-2013. As on 31<sup>st</sup> March, 2013, the Board of Directors of the Company consisted of 8 (Eight) directors, 2 (Two) of whom were Managing and Whole Time Directors. The remaining 6 (Six) directors were Non-Executive Directors with 4 (Four) being Independent Directors. The Directors possess experience in various fields that encompasses manufacturing, accounts, finance and law.

#### 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 7(Seven) times during the financial year 2012-2013 on 11<sup>th</sup> April, 2012, 29<sup>th</sup> May, 2012, 30<sup>th</sup> May, 2012, 10<sup>th</sup> July, 2012, 14<sup>th</sup> August, 2012, 6<sup>th</sup> November, 2012, and on 12<sup>th</sup> February, 2013. As stipulated, the gap between two board meetings did not exceed four months.

The Board's composition, attendance and their directorship / committee membership, chairmanship in other Companies as on 31<sup>st</sup> March, 2013 is given below:

Name of Director	Category of Director	Attendance at		Directorships in Companies, Membership/Chairmanship in Committees		
		Board Meeting	Last AGM	Other Directorships <sup>1</sup>	Committee Memberships <sup>2</sup>	Committee Chairmanship <sup>2</sup>
Mr. Abhay Lodha	Promoter, Chairman & Managing Director	7	Yes	1	1	Nil
Mr. Prasenjit P. Datta	Executive, Whole Time Director	3	Yes	Nil	Nil	Nil
Mr. Vijay Chadha <sup>5</sup>	Executive, Whole Time Director	4	N.A.	Nil	Nil	Nil
Mr. Satish Chandra Gupta	Non Executive, Independent Director	4	No	9	3	1
Mr. Pradeep J. Saxena <sup>6</sup>	Non Executive, Independent Director	2	N.A.	2	Nil	Nil
Mr. Kanchan Murarka	Non Executive, Non-Independent Director	7	No	Nil	Nil	1
Mr. Surender Kumar Tuteja <sup>3</sup>	Non Executive, Independent Director	6	No	14	5	5

Name of Director	Category of Director	Attendance at		Directorships in Companies, Membership/Chairmanship in Committees		
		Board Meeting	Last AGM	Other Directorships <sup>1</sup>	Committee Memberships <sup>2</sup>	Committee Chairmanship <sup>2</sup>
Mr. Rahul B. Chhajed <sup>4</sup>	Non Executive, Independent Director	4	Yes	Nil	2	Nil
Mr. Viresh Mathur <sup>7</sup>	Non Executive, Independent Director	1	No	4	Nil	Nil
Mr. Sanjiv Goel <sup>8</sup>	Non Executive, Non-Independent Director	2	Yes	Nil	Nil	Nil

**Notes:**

1. Directorships in respect of Private Limited companies, Section 25 companies and Foreign companies have not been included.
2. Position in Audit Committee and Shareholders' Grievance Committee are considered for the purpose.
3. Appointed as Director w.e.f. 11<sup>th</sup> April, 2012.
4. Appointed as Director w.e.f. 10<sup>th</sup> July, 2012.
5. Resigned from Directorship of the Company w.e.f. 10<sup>th</sup> July, 2012.
6. Resigned from Directorship of the Company w.e.f. 10<sup>th</sup> July, 2012.
7. Appointed as Director of the Company w.e.f. 14<sup>th</sup> August, 2012.
8. Appointed as Director of the Company w.e.f. 14<sup>th</sup> August, 2012.

None of the Directors is a member of more than 10 committees and chairman of more than 5 committees (as specified in clause 49) across all the Companies in which they are Directors.

### 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 year under review, the Audit Committee met 4 (Four) times on 30<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 6<sup>th</sup> November, 2012, and on 12<sup>th</sup> February, 2013. 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. Pradeep J. Saxena <sup>1</sup>	Member (Independent Director)	Nil	Nil
Mr. Satish Chandra Gupta	Member (Independent Director)	4	4
Mr. Vijay Chadha <sup>3</sup>	Member (Whole Time Director)	1	1
Mr. Surender Kumar Tuteja <sup>2</sup>	Chairman (Independent Director)	4	4
Mr. Rahul B. Chhajed <sup>4</sup>	Member (Independent Director)	3	3

**Notes:**

1. Ceased to be the member of Audit Committee w.e.f. 29<sup>th</sup> May, 2012.
2. Appointed as member/ Chairman of Audit Committee w.e.f. 29<sup>th</sup> May, 2012.
3. Ceased to be member of Audit Committee w.e.f. 10<sup>th</sup> July, 2012.
4. Appointed as member of Audit Committee w.e.f. 10<sup>th</sup> July, 2012.

#### Brief description of Terms of reference

The terms of reference of Audit Committee includes the matters specified in section 292A of the Companies Act, 1956 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 section 217(2AA) of the Companies Act, 1956;
  - 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. Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing;

#### **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. Share Transfer and Shareholders/Investors Grievance Committee:**

The Company has constituted a Share Transfer and Shareholders/Investor Grievance Committee to look into among other functions, redressing shareholders complaints like transfer and delay in transfer of shares, non-receipt of Annual Report, Notice, declared dividends etc.

During the financial year 2012-2013, the Share Transfer and Shareholders/Investor Grievance Committee met 4 (Four) times on 30<sup>th</sup> May, 2012, 14<sup>th</sup> August, 2012, 6<sup>th</sup> November, 2012, and on 12<sup>th</sup> February, 2013. The Company Secretary acted as secretary of the Share Transfer and Shareholders/Investor Grievance Committee.

The composition of the Share Transfer and Shareholders/Investor Grievance Committee is given hereunder:-

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Pradeep J. Saxena <sup>1</sup>	Member (Independent Director)	Nil	Nil
Mr. Vijay Chadha <sup>2</sup>	Member (Whole Time Director)	1	1
Mr. Kanchan Murarka <sup>3</sup>	Chairman (Non-Executive Director)	4	4
Mr. Surender Kumar Tuteja <sup>4</sup>	Member (Independent Director)	3	3
Mr. Rahul B. Chhajed <sup>5</sup>	Member (Independent Director)	3	2
Mr. Prasenjit P. Datta <sup>6</sup>	Member (Whole Time Director)	1	1

**Notes:**

1. Ceased to be Chairman/ member of Share Transfer and Shareholders/Investor Grievance Committee w.e.f 29<sup>th</sup> May, 2012.
2. Ceased to be member of Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 10<sup>th</sup> July, 2012.
3. Appointed as Chairman of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 29<sup>th</sup> May, 2012.
4. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 29<sup>th</sup> May, 2012 and ceased to be member w.e.f 6<sup>th</sup> November, 2012.
5. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 10<sup>th</sup> July, 2012.
6. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 6<sup>th</sup> November, 2012.

**Status of Investors' Complaints**

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 and designation of Compliance Officer:**

Ms. Richa N. Gole - Company Secretary and Compliance Officer (upto 14<sup>th</sup> August, 2012)

Mr. Amit Kumar Gupta - Company Secretary and Compliance Officer (appointed w.e.f 14<sup>th</sup> August, 2012)

**5. Remuneration Committee**

**Composition**

The Remuneration Committee has been constituted by the Board of Directors to review and determine the remuneration package of the Executive and Non-Executive Directors in accordance with the guidelines laid out by statute and the Listing Agreement with the Stock Exchange. The Company Secretary acted as secretary of the Remuneration Committee. During the year under review, no meeting of the Remuneration Committee held.

The present composition of Remuneration Committee is as follows:

Name of the Committee member	Designation
Mr. Pradeep J. Saxena <sup>1</sup>	Member (Independent Director)
Mr. Satish Chandra Gupta	Member (Independent Director)
Mr. Surender Kumar Tuteja <sup>2</sup>	Chairman (Independent Director)
Mr. Kanchan Murarka <sup>3</sup>	Member (Non-Executive Director)
Mr. Rahul B. Chhajed <sup>4</sup>	Member (Independent Director)

**Notes:**

1. Ceased to be Member of Remuneration Committee w.e.f. 29<sup>th</sup> May, 2012.
2. Appointed as Member and Chairman of Remuneration Committee w.e.f. 29<sup>th</sup> May, 2012.
3. Ceased to be Member of Remuneration Committee w.e.f. 10<sup>th</sup> July, 2012.
4. Appointed as Member of Remuneration Committee w.e.f. 10<sup>th</sup> July, 2012.

**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 following:

- a. Financial Position of the Company;
- b. Trend in the Industry;
- c. Appointee's qualification, experience, past performance, past remuneration etc;
- d. Neutral view while determining the remuneration package;
- e. Balance between interest of the Company and shareholders.
- f. Details of remuneration paid to Executive Directors are as follows: (₹ in Lacs p.a.)

Name	Salary&Perquisites	Commission	Sitting Fees	Total
Mr. Abhay Lodha	2.40	Nil	N.A	2.40
Mr. Prasenjit P. Datta	37.07	Nil	N.A	37.07
Mr. Vijay Chadha	2.55	Nil	N.A	2.55

- g. Number of Equity Shares held by the Directors as on 31<sup>st</sup> March, 2013

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

**6. General Body Meetings**

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

Year	Date	Time	Venue
2009-10	20 <sup>th</sup> September, 2010	3.00 PM	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2010-11	30 <sup>th</sup> September, 2011	3.00 PM	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2011-12	26 <sup>th</sup> September, 2012	11.30A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729

- b) Details of Special Resolutions passed in the previous three Annual General Meetings (AGM) / Extra- ordinary General Meetings (EGM) are as under.

Date	Purpose of Special Resolution
26 <sup>th</sup> September, 2012 (AGM)	1. Preferential Allotment of Shares 2. Alteration in Articles of Association of the Company
30 <sup>th</sup> September, 2011 (AGM)	1. Reappointment of Mr. Abhay Lodha as Chairman and Managing Director. 2. Appointment of Mr. Prasenjit P. Datta as Whole Time Director for a period of 5 years.

20 <sup>th</sup> September,2010 (AGM)	No Special Resolution was passed.
10 <sup>th</sup> April, 2010 (EGM)	1. Increase in Authorised Share Capital from Rs 9 Cr. to Rs 15 Cr. 2. Preferential Allotment of Shares.

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

### Postal Ballot conducted during the year

During the period under review, No resolution was being passed by mode of Postal Ballot Process.

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

## 7. 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, 2013, there were no other related party transactions with its promoters, directors and management that had a potential conflict of interest of the Company at large.

### • Disclosure of Accounting Treatment

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

### • 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 [www.gujaratfoils.com](http://www.gujaratfoils.com). All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration by the Chairman and Managing Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2013, by the members of the Board and senior management personnel, as applicable to them, is also annexed separately in this Annual Report.

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

During the financial year 2012-2013, the Company had not issued and allotted any shares through Public Issues, Right Issues, and / or Preferential issue.

### • 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 and Managing Director, heading finance function of the Company, in respect of financial year 2012-2013 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.

## 8. Means of Communication

The Company's quarterly / half yearly results are published in news papers 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 under Investor Section. Presentations made to Analysts are also displayed on the website of the Company.

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

## 9. General Information for Shareholder

A	Annual General Meeting Date and Time: Venue:	27 <sup>th</sup> September, 2013 at 11.30A.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, 2013 to 31 <sup>st</sup> March,2014. On or before 14 <sup>th</sup> August 2013 On or before 14 <sup>th</sup> November 2013 On or before 14 <sup>th</sup> February 2014 Annual Audited Results –On or before 30 <sup>th</sup> May 2014.
C	Date of Book Closure	23 <sup>rd</sup> September 2013 to 27 <sup>th</sup> September 2013 (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

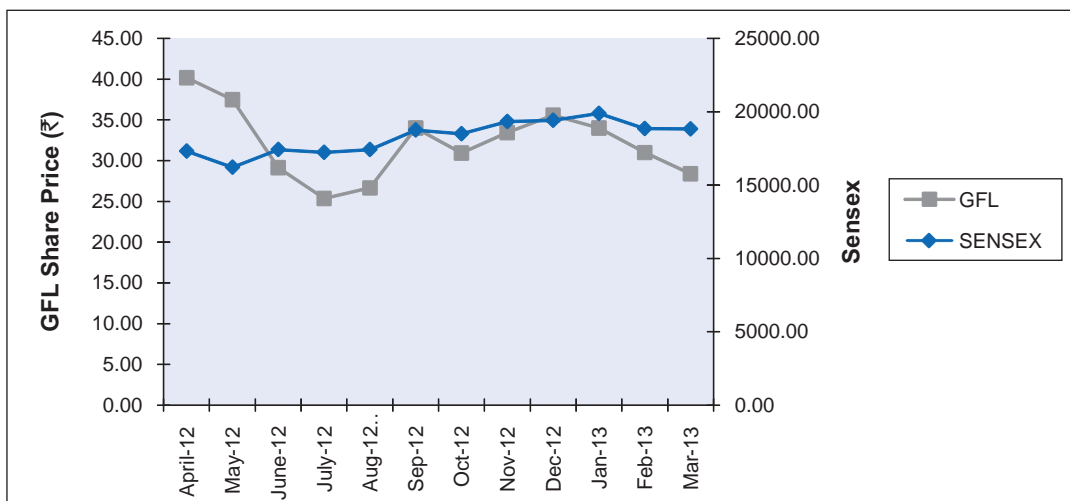
## J. Market Price data

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 2012 to March 2013

Month	GFL		SENSEX	
	High Price	Low Price	High	Low
Apr-12	47.95	37.00	17,664.10	17,010.16
May-12	44.40	33.25	17,432.33	15,809.71
Jun-12	38.30	24.25	17,448.48	15,748.98
Jul-12	35.95	23.10	17,631.19	16,598.48
Aug-12	35.40	26.10	17,972.54	17,026.97
Sep-12	35.50	26.40	18,869.94	17,250.80
Oct-12	44.45	29.20	19,137.29	18,393.42
Nov-12	36.95	27.55	19,372.70	18,255.69
Dec-12	40.00	28.30	19,612.18	19,149.03
Jan-13	39.00	27.50	20,203.66	19,508.93
Feb-13	40.55	30.80	19,966.69	18,793.97
Mar-13	33.95	26.25	19,754.66	18,568.43

\*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, 2013

a) Category of Equity Shareholders as on 31<sup>st</sup> March, 2013

S. No.	Category	No. of Shareholders	No. of Shares	% of Total Holding
1.	Indian Promoter&PromoterGroup	7	48,34,077	58.94
2.	Bodies Corporate	32	8,97,961	10.95
3.	Individuals	718	24,59,986	29.99
4.	Others	16	9,786	0.12
	<b>Total</b>	<b>773</b>	<b>82,01,810</b>	<b>100.00</b>

b) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2013.

No of Equity shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares
01-500	582	75.19	107672	1.31
501-1000	101	13.05	85757	1.05
1001-2000	24	3.10	37531	0.46
2001-3000	18	2.33	43105	0.53
3001-4000	7	0.90	25561	0.31
4001-5000	3	0.39	15000	0.18
5001-10000	11	1.42	81517	0.99
10001 and above	27	3.62	7805667	95.17
<b>Total</b>	<b>773</b>	<b>100.00</b>	<b>8201810</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 15 days, while it takes a minimum of 10-12 days for processing dematerialization requests. 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.



**N. Dematerialization of shares and liquidity**

The Company's shares are compulsorily traded in dematerialized form and 96.94% shares are in dematerialized form as on 31<sup>st</sup> March, 2013.

**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 308, Ceejay House, Dr. A.B.Road, Worli, Mumbai-400018. Tel:+91-22-24812000 Fax: +91-22-24812122 Email: shareholders@gujaratfoils.com

## Auditors' Certificate on Compliance of Conditions of 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 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the Listing Agreement of the said company 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

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

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

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## Declaration Regarding Compliance of Code of Conduct

I, Abhay Lodha, Chairman and Managing Director of the Company, hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with Code of Conduct as adopted by the Company for the financial year ended 31<sup>st</sup> March, 2013.

Place: Mumbai  
Date : 13<sup>th</sup> August, 2013

**Abhay Lodha**  
Chairman and Managing Director

# Financial Report

## Independent Auditor's Report

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<sup>st</sup> March, 2013, 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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### 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 give 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<sup>st</sup> March, 2013;
- ii. in the case of the statement of profit and loss, of the profit 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, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and
- e. on the basis of written representations received from the directors as on 31<sup>st</sup> March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

**FOR H.R. AGARWAL & ASSOCIATES**

Chartered Accountants  
Firm Reg. No.:- 323029E

Place: Mumbai  
Date: 16<sup>th</sup> May, 2013

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

## Annexure to the Independent Auditor's Report

The Annexure referred to in our report to the members of GUJARAT FOILS LIMITED ("the Company") for the year ended 31<sup>st</sup> March, 2013. 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) The fixed assets of the Company have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The Company has not disposed of any substantial/major part of fixed assets during the year therefore the question of affecting the going concern principle of the Company do not arises.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by the management.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
- (c) The Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventories as compared to the book records.
- iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii)(b), (c) and (d) of the Order, are not applicable.
- (b) According to the information and explanations given to us, the Company has taken unsecured loans from three companies covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year as well as the year end balance of loans taken from such parties was ₹ 5,81,01,100/-.
- (c) The rate of interest and other terms and conditions on which loans taken by the Company, as explained, are not prima facie prejudicial to the interest of the Company.
- (d) Payment of the principal amount and interest, wherever applicable, are also regular.
- 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, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- v) (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act have been so entered.
- (b) The transactions made in pursuance of contracts or arrangements entered in the register under section 301 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi) The Company has not accepted any deposits from the public which falls within the provisions of section 58A, 58AA or any other relevant provisions of the Companies Act, 1956. Therefore the Provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii) The maintenance of cost records has been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and such accounts and cost records have been made and maintained.
- ix) (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) There are no dues of Income tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess outstanding on

account of any dispute.

- x) The Company has no accumulated losses as at 31<sup>st</sup> March, 2013 and the Company has not incurred any cash losses in the financial year covered by our audit and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to any financial institutions or banks.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund /society. Accordingly, Clauses (xiii) (a) to (d) of paragraph 4 of the Order are not applicable to the Company.
- xiv) In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) According to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The term loans were applied for the purpose for which the loans were obtained.
- xvii) In our opinion and according to the information and explanations given to us, there are no Funds raised on a short term basis which have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any funds by way of public issue during the year.
- xxi) No fraud on or by the Company has been noticed or reported during the year.

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

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

Place: Mumbai  
Date: 16<sup>th</sup> May, 2013

## Balance Sheet as at 31<sup>st</sup> March 2013

(in ₹)

	Particulars	Note	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	(a) Share capital	1	82,018,100	82,018,100
	(b) Reserves and surplus	2	267,444,239	207,079,604
			<b>349,462,339</b>	<b>289,097,704</b>
2	<b>Share application money pending allotment</b>		<b>433,900,000</b>	<b>433,900,000</b>
3	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	3	626,409,501	724,538,300
	(b) Deferred tax liabilities (Net)	4	67,711,088	62,889,328
	(c) Other Long term liabilities	5	153,592,443	99,065,481
			<b>847,713,032</b>	<b>886,493,109</b>
4	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	1,039,349,880	1,030,780,378
	(b) Trade payables	7	635,313,180	239,562,194
	(c) Other current liabilities	8	100,178,987	98,800,693
	(d) Short-term provisions	9	1,009,579	1,857,512
			<b>1,775,851,626</b>	<b>1,371,000,777</b>
	<b>TOTAL</b>		<b><u>3,406,926,997</u></b>	<b><u>2,980,491,590</u></b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	(a) Fixed assets	10		
	- Tangible assets		1,044,796,047	1,145,403,215
	- Capital work-in-progress		80,125,445	80,072,119
			<b>1,124,921,492</b>	<b>1,225,475,334</b>
2	<b>Current assets</b>			
	(a) Inventories	11	1,072,154,337	783,911,910
	(b) Trade receivables	12	1,064,452,717	861,773,468
	(c) Cash and cash equivalents	13	87,577,956	31,061,042
	(d) Other current assets	14	57,820,495	78,269,836
			<b>2,282,005,505</b>	<b>1,755,016,256</b>
	<b>TOTAL</b>		<b><u>3,406,926,997</u></b>	<b><u>2,980,491,590</u></b>
	Summary of significant accounting policies	21		

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

**For and on behalf of the Board**

**Abhay Lodha**  
Chairman and Managing Director

**Sanjiv Goel**  
Director

**CA. Hari Ram Agarwal**

Partner  
M. No. FCA 057625

Place : Mumbai

Date : 16<sup>th</sup> May 2013

**Amit Kumar Gupta**  
Company Secretary



Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2013

(in ₹)

	Particulars	Note	2012-13	2011-12
I.	Revenue from operations	15	3,618,610,489	2,790,252,642
	Less : Excise Duty		175,291,826	177,979,624
	Revenue from Operations (Net)		<b>3,443,318,663</b>	<b>2,612,273,018</b>
	<b>Total Revenue</b>		<b>3,443,318,663</b>	<b>2,612,273,018</b>
II.	Expenses:			
	Cost of materials consumed	16	2,832,368,233	2,191,702,866
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	(120,104,879)	(153,417,703)
	Employee benefits expenses	18	81,547,065	33,432,406
	Finance costs	19	230,900,310	209,494,620
	Depreciation and amortization expenses		111,200,709	97,793,017
	Other expenses	20	225,734,461	177,889,724
	<b>Total expenses</b>		<b>3,361,645,899</b>	<b>2,556,894,930</b>
III.	<b>Profit before Tax (I-II)</b>		<b>81,672,764</b>	<b>55,378,088</b>
IV.	Tax expense:			
	- Current tax		16,400,000	10,006,874
	- Deferred tax		4,821,760	22,157,122
	- For Earlier Years		86,369	-
			<b>21,308,129</b>	<b>32,163,996</b>
V	<b>Profit for the year (III-IV)</b>		<b>60,364,635</b>	<b>23,214,092</b>
VI	<b>Earnings per equity share - Basic &amp; Diluted</b>	23	7.36	2.83
	Summary of significant accounting policies	21		

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 : 16<sup>th</sup> May 2013

**For and on behalf of the Board**

**Abhay Lodha**  
Chairman and Managing Director

**Sanjiv Goel**  
Director

**Amit Kumar Gupta**  
Company Secretary

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2013

(in ₹)

	Particulars	2012-13	2011-12
A.	<b>Cash Flow From Operating Activities</b>		
	Net Profit Before Tax	<b>81,672,764</b>	<b>55,378,088</b>
	Adjustment for		
	(a) Depreciation / Amortisation	111,200,709	97,793,017
	(b) Interest Paid	230,900,310	209,494,620
	(c) Interest Received	(5,553,654)	(3,283,928)
	(d) Loss on sales of Fixed Assets	1,690,238	
	<b>Operating Profit Before Working Capital Changes</b>	<b>419,910,367</b>	<b>359,381,797</b>
	Adjustment For:		
	(a) Trade & Other Receivables	(192,462,382)	(363,360,518)
	(b) Inventories	(288,242,427)	(313,224,792)
	(c) Trade Payable / Provisions	396,281,347	(83,710,322)
	<b>Cash Generated from Operation</b>	<b>(84,423,462)</b>	<b>(760,295,632)</b>
	Direct Tax Paid	(6,827,111)	(5,786,418)
	<b>Net Cash Flow from Operating Activities</b>	<b>328,659,794</b>	<b>(406,700,253)</b>
B.	<b>Cash Flow From Investing Activities</b>		
	(a) Purchase of Fixed Assets (including capital work-in-progress)	(13,897,816)	(177,812,726)
	(b) Sale of Fixed Assets	1,560,711	-
	(c) Interest Received	6,126,871	3,283,928
	<b>Net Cash Flow from Investing Activities</b>	<b>(6,210,234)</b>	<b>(174,528,798)</b>
C.	<b>Cash Flow From Financing Activities</b>		
	(a) Proceed of Share Application Money	-	76,500,000
	(b) Interest Paid	(230,900,310)	(209,494,619)
	(c) Increase / (Decrease) in Long Term Borrowing	40,700,556	201,919,627
	(d) Increase / (Decrease) in Bank Borrowing	(75,732,891)	482,462,441
	<b>Net Cash Flow from Financing Activities</b>	<b>(265,932,646)</b>	<b>551,387,449</b>
D.	<b>Net increase /decrease in cash and cash equivalents (A+B+C)</b>	<b>56,516,914</b>	<b>(29,841,603)</b>
E.	<b>Cash and Cash Equivalents at the begining of the year</b>	<b>31,061,042</b>	<b>60,902,645</b>
F.	<b>Cash and Cash Equivalents at the end of the year</b>	<b>87,577,956</b>	<b>31,061,042</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 : 16<sup>th</sup> May 2013

**For and on behalf of the Board**

**Abhay Lodha**  
Chairman and Managing Director

**Sanjiv Goel**  
Director

**Amit Kumar Gupta**  
Company Secretary

## Notes forming part of the Financial Statements

## Note 1

## Share Capital

(in ₹)

Particulars	2012-13	2011-12
<b>Authorised</b>		
5,00,00,000 Equity Shares of ₹10 each (Previous Year 1,50,00,000 Equity of ₹10 each)	500,000,000	150,000,000
<b>Issued</b>		
82,01,810 Equity Shares of ₹10 each	82,018,100	82,018,100
<b>Subscribed &amp; Paid up</b>		
82,01,810 Equity Shares of ₹10 each fully paid	82,018,100	82,018,100
<b>Total</b>	<b>82,018,100</b>	<b>82,018,100</b>

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

Particulars	2012-13 No. of Shares	2011-12 No. of Shares
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) Shares in the company held by each shareholder holding more than 5 percent shares

Name of Shareholder	2012-13		2011-12	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Abhay Narendra Lodha	3,047,104	37.15	3,047,104	37.15
Parmod Jain	1,260,204	15.36	1,260,204	15.36
Akshata Realtors Pvt Ltd	792,876	9.67	792,876	9.67
Rockdude Financial Services Pvt. Ltd.	718,013	8.75	718,013	8.75
Ashwin Narendra Lodha	703,959	8.58	703,994	8.58

## Note 2

## Reserves and Surplus

(in ₹)

Particulars	2012-13	2011-12
<b>a. Capital Reserves</b>		
Opening Balance	300	-
Add during the year	-	300
Closing Balance	300	300
<b>b. Securities Premium Account</b>	97,894,200	97,894,200
<b>c. Surplus</b>		
Opening balance	109,185,104	85,971,012
Add Profit for the year	60,364,635	23,214,092
Closing Balance	169,549,739	109,185,104
<b>Total</b>	<b>267,444,239</b>	<b>207,079,604</b>

## Notes forming part of the Financial Statements

### Note 3

#### Long Term Borrowings

(in ₹)

Particulars	2012-13	2011-12
<b>Secured</b>		
<b>(a) Term loans</b>		
From Banks	267,696,569	351,998,962
<b>(b) Other loans and advances</b>		
(Secured By Hypothecation of Motor Vehicle)	586,543	761,117
	<u>268,283,112</u>	<u>352,760,079</u>
<b>Unsecured</b>		
<b>Other loans and advances</b>		
Other than Bank	358,126,389	371,778,221
<b>Total</b>	<b><u>626,409,501</u></b>	<b><u>724,538,300</u></b>

- a) Term loan from State Bank of India and Dena Bank has been secured by first mortgage / equitable mortgage on pari-passu basis on the Land, Building, Plant & Machinery and other fixed asset 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).
- b) 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 asset of the Company situated on plot no 3440 to 3441 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat.
- c) Car loans have been secured by hypothecation of respective cars.
- d) Unsecured Loans other than bank are free of Interest

### Note 4

#### Deferred Tax Liabilities (Net)

The component of Deferred Tax Liabilities are as under.

(in ₹)

Particulars	2012-13	2011-12
Opening Balance	62,889,328	40,732,206
Depreciation as per Income Tax	138,131,691	163,340,139
Less : Depreciation as per books	111,200,709	97,793,017
Deferred Tax Liability	26,930,982	65,547,123
Income Tax	8,737,757	21,266,764
Current Year Depreciation Loss C/F	-	10,006,875
Previous Year Depreciation Loss C/F	13,187,995	-
Income Tax	(3,915,997)	890,358
Net Deferred Tax	4,821,760	22,157,122
<b>Total</b>	<b><u>67,711,088</u></b>	<b><u>62,889,328</u></b>

### Note 5

#### Other Long Term Liabilities

(in ₹)

Particulars	2012-13	2011-12
Trade Deposit	153,592,443	99,065,481
<b>Total</b>	<b><u>153,592,443</u></b>	<b><u>99,065,481</u></b>

## Notes forming part of the Financial Statements

### Note 6

#### Short Term Borrowings

(in ₹)

Particulars	2012-13	2011-12
<b>Secured</b>		
Loans repayable on demand from banks	1,039,349,880	1,030,780,378
<b>Total</b>	<b>1,039,349,880</b>	<b>1,030,780,378</b>

- a. Working Capital availed under the Consortium arrangement (Allahabad Bank, IDBI Bank, State Bank of India, Union Bank of India, Dena Bank and Oriental Bank of India) [excluding Working Capital limits availed from Bank of India for Aluminium Pharma Foil Project] of the Company is 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 entire Fixed Assets (excluding that of Aluminium Pharma Foil Project and Wind Mill) of the Company.
- b. Working Capital availed from Bank of India for Aluminium Pharma Foil Project of the Company is 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 asset of the Company situated on plot no 3440 to 3441 at Chattral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat.

### Note 7

#### Trade Payables

(in ₹)

Particulars	2012-13	2011-12
Trade Payable to others	634,576,241	238,325,255
Trade Payable to Micro, Small & Medium Enterprises	736,939	1,236,939
<b>Total</b>	<b>635,313,180</b>	<b>239,562,194</b>

Balances are subject to confirmations.

### Note 8

#### Other Current Liabilities

(in ₹)

Particulars	2012-13	2011-12
Other Creditors	20,374,399	23,384,100
Current Maturities of long term debts	79,804,588	75,416,593
<b>Total</b>	<b>100,178,987</b>	<b>98,800,693</b>

### Note 9

#### Short Term Provisions

(in ₹)

Particulars	2012-13	2011-12
Provision for employee benefits (Gratuity)	1,009,579	1,857,512
<b>Total</b>	<b>1,009,579</b>	<b>1,857,512</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.

## Notes forming part of the Financial Statements

### Note 9

#### Short Term Provisions (Contd.)

(in ₹)

Particulars	2012-13	2011-12
<b>Reconciliation of opening and closing balance of Defined Benefit Obligation</b>		
Present Value of obligations as at 01.04.2012	3,311,403	2,326,485
Current Service Cost	1,312,339	1,049,333
Present Value of obligations as at 31.03.2013	4,623,742	3,375,818
<b>Reconciliation of opening and closing balance of Fair value of Plan Assets</b>		
Fair Value of Plan Assets as at 01.04.2012	1,615,857	1,615,857
Fair Value of Plan Assets as at 31.03.2013	3,733,011	1,615,857
<b>Reconciliation of Fair Value of Assets and Obligations</b>		
Present value of obligations as at 31.03.2013	4,623,742	3,375,818
Fair Value of Plan Assets as at 31.03.2013	3,733,011	1,615,857
<b>Expense recognised during the year</b>		
Current Service Cost	1,312,339	1,049,333
<b>Actuarial Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	7%	7%

### Note 10

#### Fixed Assets

(in ₹)

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 <sup>st</sup> April 2012	Additions during the Year	Disposals during the Year	Balance as at 31 <sup>st</sup> March 2013	Balance as at 1 <sup>st</sup> April 2012	Depreciation charge for the Year	On disposals	Balance as at 31 <sup>st</sup> March 2013	Balance as at 31 <sup>st</sup> March 2013	Balance as at 31 <sup>st</sup> March 2012
a	<b>Tangible Assets</b>										
	Land	13,016,612	-	3,239,101	9,777,511	-	-	-	-	9,777,511	13,016,612
	Buildings	118,993,109	2,453,955	-	121,447,064	6,968,178	4,039,792	-	11,007,970	110,439,094	112,024,930
	Non Factory building	22,183,465	113,916	-	22,297,381	511,670	363,300	-	874,970	21,422,411	21,671,796
	Plant and Equipment	1,180,064,306	10,820,442	181,185	1,190,703,563	211,299,530	101,549,765	-	312,849,295	877,854,268	968,764,776
	Furniture and Fixtures	3,733,246	237,040	-	3,970,286	711,021	227,275	-	938,296	3,031,990	3,022,225
	Vehicles	7,658,278	-	-	7,658,278	1,562,250	724,153	-	2,286,403	5,371,875	6,096,028
	Office equipment	6,857,203	112,741	12,000	6,957,944	2,462,989	335,464	152	2,798,301	4,159,643	4,394,214
	Computer	24,903,531	287,581	-	25,191,112	8,490,897	3,960,960	-	12,451,857	12,739,255	16,412,634
	<b>Total</b>	<b>1,377,409,750</b>	<b>14,025,675</b>	<b>3,432,286</b>	<b>1,388,003,139</b>	<b>232,006,535</b>	<b>111,200,709</b>	<b>152</b>	<b>343,207,092</b>	<b>1,044,796,047</b>	<b>1,145,403,215</b>
b	<b>Capital Work In Progress</b>									80,125,445	80,072,119
	<b>Total</b>										<b>80,072,119</b>

### Note 11

#### Inventories

(in ₹)

Particulars	2012-13	2011-12
- Raw Materials (including In-Transit)	456,840,115	256,684,071
- Finished Goods	433,541,499	352,227,338
- Work in Progress	171,665,891	164,184,392
- Stores & spares	10,106,832	10,816,109
<b>Total</b>	<b>1,072,154,337</b>	<b>783,911,910</b>

## Notes forming part of the Financial Statements

### Note 12

#### Trade Receivables Unsecured and considered good

(in ₹)

Particulars	2012-13	2011-12
Outstanding for a period less than six months from the date they are due for payment.	1,042,480,539	861,773,468
Outstanding for a period more than six months from the date they are due for payment.	21,972,178	-
<b>Total</b>	<b>1,064,452,717</b>	<b>861,773,468</b>

Balances are subject to confirmations.

### Note 13

#### Cash and Cash Equivalents

(in ₹)

Particulars	2012-13	2011-12
a. Balances with Schedule Banks	1,075,201	1,972,969
b. Fixed Deposit With Bank	85,854,264	28,506,792
c. Cash on hand	648,491	581,281
<b>Total</b>	<b>87,577,956</b>	<b>31,061,042</b>

Fixed Deposit with Banks have been earmarked against margin money for letter of credit and bank guarantees from banks.

### Note 14

#### Other Current Assets

(in ₹)

Particulars	2012-13	2011-12
Advance Income Tax and TDS Receivable	41,426,732	27,783,659
Less -Provision For Tax	41,425,875	25,025,875
Net Advance Tax	857	2,757,784
Deposits	8,957,653	9,615,653
Other advances - Including Advance to Vendors	48,861,985	65,896,399
<b>Total</b>	<b>57,820,495</b>	<b>78,269,836</b>

Estimated amount of contracts remaining to be executed on capital account this year ₹ 240 Lacs (Previous year Nil).

### Note 15

#### Revenue from operations

(in ₹)

Particulars	2012-13	2011-12
Sale of products	3,609,029,693	2,788,823,609
Other operating revenues	9,580,796	1,429,033
	<b>3,618,610,489</b>	<b>2,790,252,642</b>
Less: Excise duty	175,291,826	177,979,624
<b>Total</b>	<b>3,443,318,663</b>	<b>2,612,273,018</b>

#### Earning in forigen currency

(in ₹)

Particulars	2012-13	2011-12
Export of Goods on FOB basis	69,290,797	87,655,399

## Notes forming part of the Financial Statements

### Note 16

#### Cost of materials consumed

(in ₹)

Particulars	2012-13	2011-12
<b>Raw Material</b>		
Opening Stock	256,684,071	65,761,191
Purchase	2,993,335,913	2,382,625,746
Less : Closing Stock	417,651,751	256,684,071
<b>Total</b>	<b><u>2,832,368,233</u></b>	<b><u>2,191,702,866</u></b>

#### Value of Imports on CIF basis

(in ₹)

Particulars	2012-13	2011-12
Raw Material	118,281,168	287,487,590
Capital Goods	-	13,146,631

### Note 17

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

(in ₹)

Particulars	2012-13	2011-12
Opening Stock :		
Work-in-Process	164,184,392	77,211,217
Finished Goods	320,918,119	254,473,591
Closing Stock :		
Work-in-Process	171,665,891	164,184,392
Finished Goods	433,541,499	320,918,119
<b>Total</b>	<b><u>(120,104,879)</u></b>	<b><u>(153,417,703)</u></b>

### Note 18

#### Employee Benefits Expense

(in ₹)

Particulars	2012-13	2011-12
- Salaries and incentives	75,323,443	30,144,432
- Contributions to Provident Fund	2,174,675	959,532
Gratuity fund contributions	1,009,579	645,540
- Staff welfare expenses	3,039,368	1,682,902
<b>Total</b>	<b><u>81,547,065</u></b>	<b><u>33,432,406</u></b>

### Note 19

#### Finance costs

(in ₹)

Particulars	2012-13	2011-12
Interest Expense	230,900,310	209,494,620
<b>Total</b>	<b><u>230,900,310</u></b>	<b><u>209,494,620</u></b>



## Notes forming part of the Financial Statements

## Note 20

## Other Expenses

(in ₹)

Particulars	2012-13	2011-12
Consumption of stores and spare parts.	24,243,792	19,090,555
Power and fuel	46,680,768	24,118,714
Excise Duty on Finished Goods	1,286,000	1,450,000
Loss on Sales of Fixed Assets	1,690,238	-
Repairs to machinery.	1,339,514	804,515
Selling & Marketing Expenses *	66,879,362	41,817,430
Insurance	2,411,809	3,836,234
Job Work Charges	3,712,638	15,282,748
Packing Expenses	42,643,350	50,231,201
Rent, Rates and taxes, excluding, taxes on income	9,342,662	5,013,859
VAT & CST Demand	4,620,243	5,806,311
Administrative Expenses	19,469,085	9,170,359
Internal Audit Expenses	650,000	702,798
Cost Audit Fees	100,000	-
<b>Payment to Auditors</b>		
a. Audit Fees	475,000	400,000
b. Taxation matters	125,000	100,000
c. Reimbursement of expenses	65,000	65,000
<b>Total</b>	<b>225,734,461</b>	<b>177,889,724</b>

\* Selling & Marketing expenses includes ₹ 8.58 lacs towards expenditure in forigen currency on account of travelling (Previous Year ₹ 1.93 lacs)

Note -21

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**I Accounting Convention**

The Financial Statements have been prepared in accordance with the generally accepted accounting principles applicable in India, comply with the applicable Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006, issued by the Central Government in exercise of the power conferred under sub – section (1) (a) of section 642 of the Companies Act, 1956 and relevant presentational requirements and are based on historical cost convention. In preparing these financial statements, accrual basis of accounting has been followed unless otherwise stated.

**II Use of Estimates**

The preparation of financial statements in conformity with generally accepted Accounting principles require 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 costs or realisable value whichever is lower.
- Scrap is valued at estimated realisable value.

**IV Fixed Assets**

Fixed Assets are stated at original cost (net of CENVAT wherever applicable) less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses related to acquisition, installation and commissioning

**V Depreciation**

- i) Depreciation has been charged on Straight Line Method basis at the rates and in the manner prescribed under schedule - XIV of the Companies Act, 1956.
- ii) Depreciation is provided on pro-rata basis from the date the asset is put to use.

**VI Revenue Recognition**

**(i) Sales**

- a) Sales is recognized when the products leave the premises of the company.
- b) Sales is net of 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

**VIII. Income Tax**

- (i) Current tax is measured at the amount expected to be paid to the taxation authorities using the applicable tax rates and tax laws.
- (ii) Deferred tax asset and liability is measured using the tax rates and tax laws that have been announced up to the Balance Sheet date. Deferred tax asset and liability is recognized for the future tax consequences attributable to timing differences between the taxable income and accounting income. The effect of tax rate change is considered in the Profit & Loss Account of the respective year.

**IX. Provisions**

Provision is recognised when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

**X. 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.

**XI. Foreign Currency Transaction**

All incomes or expenditures in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

**XII. Contingent Liability**

Contingent Liabilities are determined on the basis of available information and are disclosed by way of note.

**XIII. 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.

**22 Related parties transaction:****A. Key Management Personnel :**

- i) AbhayLodha
- ii) Prasenjit P. Datta

**B. Disclosure of transactions with Related Parties as required by the Accounting Standard-18 as prescribed by Companies (Accounting Standards) Rule, 2006:**

Name of Related Party	Nature of Transaction	2012 - 2013		2011-2012	
		Transaction Value Amount (₹)	Outstanding amount carried in the Balance sheet Amount (₹)	Transaction Value Amount (₹)	Outstanding amount carried in the Balance sheet Amount (₹)
Vijay Chaddha	Salary (Including Perquisites)	254,999	-	930,000	-
Prasenjit P. Datta	Salary (Including Perquisites)	3,707,104	-	3,551,229	-
Abhay Lodha	Salary	240,000	439,563	211,613	-
Abhay Lodha	Share Application Money	55,650,000	203,200,000	129,500,000	-
Ashwin Lodha	Share Application Money	89,300,000	111,800,000	-	-
Mona Lodha	Share Application Money	-	250,000	-	-
Sheela Lodha	Share Application Money	42,000,000	53,800,000	-	-

### 23 Earning Per Share

Particulars	Year ended 31 <sup>st</sup> March 2013	Year ended 31 <sup>st</sup> March 2012
1. Net Profit attributable to shareholders	60,364,635	23,214,090
2. Weighted average no. of Equity Shares	8,201,810	8,201,810
3. Basic earning per share of ₹ 10/- each.	7.36	2.83

24. These financial statements have been prepared in the format prescribed by the revised schedule VI to the companies Act 1956. Previous year figures have been regrouped/rearranged accordingly
25. 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 : 16<sup>th</sup> May 2013

**For and on behalf of the Board**

**Abhay Lodha**  
Chairman and Managing Director

**Sanjiv Goel**  
Director

**Amit Kumar Gupta**  
Company Secretary

## Notice

**NOTICE** is hereby given that the Twenty First Annual General Meeting of the members of **GUJARAT FOILS LIMITED** will be held at the Registered Office of the Company at 3436-3439, Chhatral, G.I.D.C., Phase-IV, Taluka: Kalol, District: Gandhinagar, Gujarat-382729 on **Friday, the 27<sup>th</sup> Day of September, 2013 at 11.30 A.M.** to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended on that date and the reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Prasenjit P. Datta, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Satish Chandra Gupta, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. H. R. Agarwal & Associates, Chartered Accountants (having Firm Registration No. 323029E), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors of the Company."

### SPECIAL BUSINESSES:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:-

**"RESOLVED THAT** pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), as amended or re-enacted from time to time, read with Schedule XIII of the Act, and subject to such approval of the Central Government or any other statutory authorities, as may be required and in partial modification of the special resolution passed at the Annual General Meeting held on 30<sup>th</sup> September, 2011, the Company hereby approves the revision in the terms of remuneration of Mr. Prasenjit P. Datta, Whole-time Director of the Company by way of an increase in the amount of his remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with effect from 1<sup>st</sup> April, 2013 for the remainder of the tenure of his appointment, i.e., up to 29<sup>th</sup> February, 2016, as set out in the explanatory statement annexed to the notice convening this Annual General Meeting.

**RESOLVED FURTHER THAT** the Board of Directors or any Committee thereof, be and are hereby authorised to vary and/ or revise the remuneration of the said Whole-time Director within the overall limits approved herein, to settle any question or difficulties in connection therewith or incidental thereto and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

**Amit Kumar Gupta**  
Company Secretary

### 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. 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. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.

2. Corporate members are requested to send duly certified copy of the Board of Directors resolution/power of attorney authorising their representative to attend and vote at the annual general meeting.
3. Information regarding particulars of directors seeking reappointment requiring disclosure in the terms of the listing agreement and the explanatory statement pursuant to Section 173 of the Companies Act 1956, are annexed hereto. The directorships held by the directors considered for the purpose of disclosure do not include the directorships held in private Companies, foreign companies and companies under Section 25 of the Companies Act. The committee chairmanship/memberships considered for the purposes of disclosure are those prescribed under clause 49(1)(C) of the listing agreement viz. Audit Committee and Shareholders/Investor Grievance Committee of the Indian public Company.
4. As a part of its green initiatives in corporate governance the Ministry of Corporate Affairs vide its Circular No. 17/2011 and 18/2011 dated 21<sup>st</sup> April, 2011 and 29<sup>th</sup> April, 2011 respectively has allowed the companies to send official communication and documents to its shareholders through email. Accordingly in cases where the shareholders have registered their email id with their depository participant/ Companies Registrar and share transfer agent, the Company has decided to henceforth send all documents/communications including notice of general meetings, annual reports, divided intimations, if any etc., through email. For other cases, the Company will continue to send printed annual reports as usual.

Shareholders are requested to update their preferred email ids with the Company/ depository participants which will be used for the purpose of sending the official documents through e-mail.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2013 to 27<sup>th</sup> September, 2013 (both days inclusive) in the terms of the provisions of the Companies Act, 1956 and the listing agreement for the purpose of the annual general meeting.
6. The Annual Report will also be available on the website of the Company [www.gujaratfoils.com](http://www.gujaratfoils.com) in the investor section.
7. 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.
8. 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.
9. 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.
10. 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.
11. Shareholders/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual reports at the meeting.

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

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

**Amit Kumar Gupta**  
Company Secretary

**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 THE ENSUING 21<sup>ST</sup> ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:**

Name of Director	Mr. Prasenjit P. Datta	Mr. Satish Chandra Gupta
Date of Birth	16 <sup>th</sup> June 1963	5 <sup>th</sup> May 1947
Date of initial Appointment	1 <sup>st</sup> March 2011	31 <sup>st</sup> January 2009
Expertise in specific functional areas	Finance & Management	Banking
Qualifications	B.E.	CAIIB
Directorships held in other Public Companies (excluding Foreign Companies, Private Companies and Section 25 Companies).	Nil	<ol style="list-style-type: none"> <li>1. Emmsons International Ltd.</li> <li>2. Jai balaji Industries Ltd.</li> <li>3. ISMT Ltd.</li> <li>4. Solar Industries India Ltd.</li> <li>5. Brahmaputra Infra projects Ltd.</li> <li>6. Brahmaputra Infrastructure Ltd.</li> <li>7. Orbit Corporation Ltd.</li> <li>8. SMC Global Securities Ltd.</li> <li>9. Prudent Care Ltd.</li> </ol>
Memberships / Chairmanships of committees (Audit Committee and Shareholders Grievance Committee) across other Public Companies.	Nil	<p><b>A. Audit Committee Chairmanship:</b></p> <ol style="list-style-type: none"> <li>1. Jai balaji Industries Ltd.</li> </ol> <p><b>B. Audit Committee Membership:</b></p> <ol style="list-style-type: none"> <li>1. ISMT Ltd.</li> <li>2. SMC Global Securities Ltd.</li> <li>3. Shree Renuka Sugars Ltd.</li> </ol>
Shareholdings in the Company	200	NIL

**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 UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 5

At the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2011, the Members had approved the appointment and payment of Remuneration to Mr. Prasenjit P. Datta, Whole Time Director. Taking into consideration the increased business activities of the Company and the responsibilities cast on Mr. Prasenjit P. Datta, the Board has revised the remuneration of Mr. Prasenjit P. Datta (subject to the approval of Members) with effect from 1<sup>st</sup> April, 2013, for the remainder of the tenure of his appointment, i.e., up to 29<sup>th</sup> February, 2016 as under:

1. Remuneration payable:
  - a) Salary: up to ₹ 45,00,000 Per annum.
  - b) Performance Linked Incentive: up to ₹ 11,25,000 Per annum.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 198, 309, 310 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the Act as amended from time to time.

All other terms and conditions relating to the appointment of Mr. Prasenjit P. Datta as approved by the Members of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2011 will remain unchanged.

In compliance with the provisions of Sections 198, 309, 310 and all other applicable provisions, if any, of the Act, read with Schedule XIII of the Act, the revised terms of remuneration of Mr. Prasenjit P. Datta as specified above are now being placed before the Members for their approval.

Mr. Prasenjit P. Datta is concerned or interested in Item No. 5 of the accompanying Notice.

The revised terms and remuneration of Mr. Prasenjit P. Datta will be effective from 1<sup>st</sup> April, 2013 as stated in this notice, may be treated as an abstract under Section 302 of the Act.

The Board recommends the Resolution at Item No. 5 as Special Resolution for approval of the Members.

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

Place: Mumbai  
Date: 13<sup>th</sup> August, 2013

**Amit Kumar Gupta**  
Company Secretary

**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.

## PROXY FORM

**21<sup>ST</sup> ANNUAL GENERAL MEETING ON 27<sup>TH</sup> SEPTEMBER, 2013**

Regd. Folio No. ....

DP ID: .....

Client ID No.....

No. of Shares held .....

I/We..... of ..... being a Member/ Members of the above named Company hereby appoint Mr./Ms. .... of ..... or failing him/her ..... of ..... as my / our proxy to attend and vote for me/ us on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2013 at 11.30 a.m. at the Registered Office of the Company at 3436-3439, Chhatral, G.I.D.C., Phase-IV, Taluka: Kalol, District: Gandhinagar, Gujarat-382729.

1 Rupee  
Revenue  
Stamp

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Note: Proxy Form must reach the Company's Registered Office not less than 48 (Forty- Eight) hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.



# GUJARAT FOILS LIMITED

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

## ATTENDANCE SLIP

(To be handed over at the entrance of Meeting Venue)

**21<sup>ST</sup> ANNUAL GENERAL MEETING ON 27<sup>TH</sup> SEPTEMBER, 2013**

Regd. Folio No.....

DP ID: .....

Client ID No.....

No of Shares held .....

Name of the attending Member (IN BLOCK LETTERS) .....

Name of the Proxy (IN BLOCK LETTERS) .....

(To be filled in by Proxy attending instead of the Member)

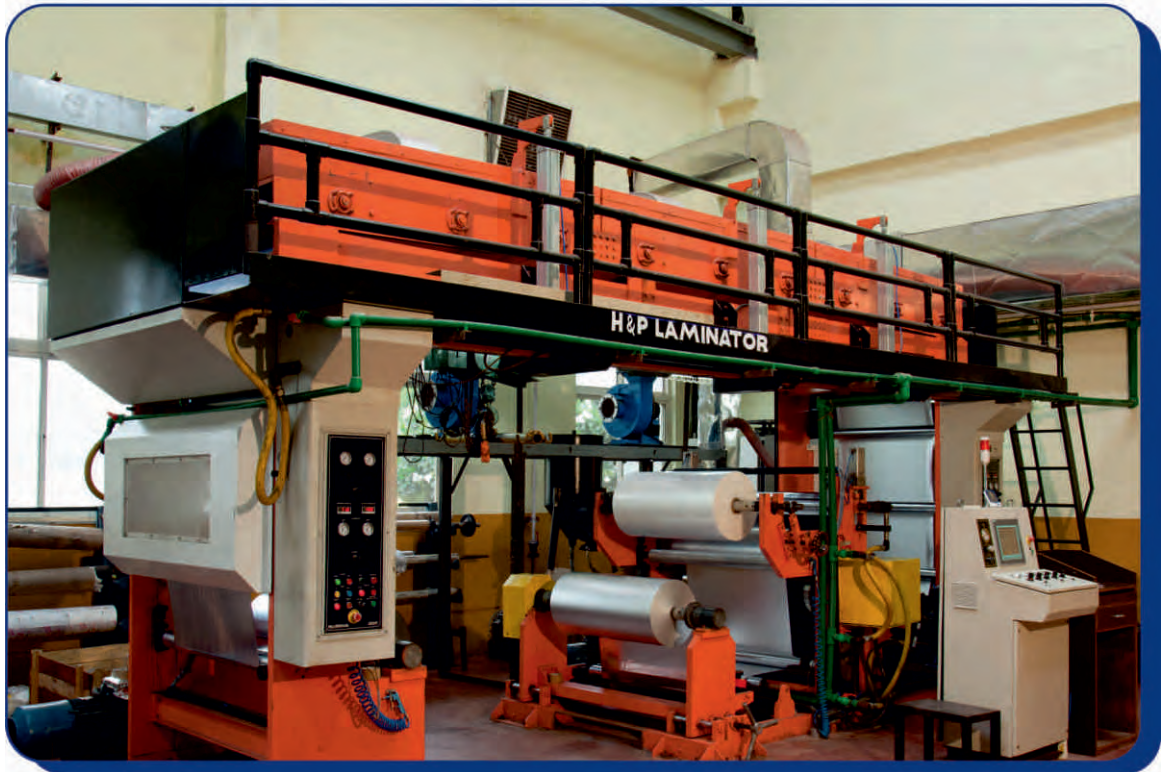
I hereby record my presence at the Twenty First Annual General Meeting of the Company being held on Friday, 27<sup>th</sup> September, 2013 at 11.30 a.m. at the Registered Office of the Company at 3436-3439, Chhatral, G.I.D.C., Phase-IV, Taluka: Kalol, District: Gandhinagar, Gujarat-382729.

**Members'/Proxy Signature**

### Notes:

1. Interested Joint Members may obtain Attendance Slips from the Registered Office of the Company.
2. Members'/ Joint Members' Proxies are requested to bring the Attendance Slips with them. Duplicate slips will not be issued at the venue.





## Book-Post



*If undelivered please return to:*

**Gujarat Foils Ltd.**  
(Secretarial Department)  
308, Ceejay House,  
Dr. A.B. Road, Worli,  
Mumbai-400018