

Corporate Governance Report for the Financial Year 2011-12

(As required under clause 49 of the Listing Agreement entered into with Bombay Stock Exchange)

1. Company's Philosophy on Code of Governance:

Gujarat Foils Limited, the 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 2011-2012. As on 31st March, 2012, the Board of Directors of the Company consisted of 6 (Six) directors, 3 (Three) of whom were Managing and Whole Time Directors. The remaining 3 (Three) directors were Non-Executive Directors with 2 (Two) 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 13 (Thirteen) times during the financial year 2011-2012 on 14th May, 2011, 16th May, 2011, 26th May, 2011, 22nd June, 2011, 14th July, 2011, 25th July, 2011, 10th August, 2011, 23rd August, 2011, 22nd September, 2011, 14th November, 2011, 16th December, 2011, 20th January, 2012, 13th February, 2012. 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 31st March, 2012 is given below:

| Name of Director | Category of Director | Attendance at | | Directorships in Companies, Membership/ Chairmanship in Committees | | |
|-------------------------------------|---|---------------|----------|--|------------------------------------|-------------------------------------|
| | | Board Meeting | Last AGM | Other Directorships ¹ | Committee Memberships ² | Committee Chairmanship ² |
| Mr. Abhay Lodha | Promoter, Chairman & Managing Director | 8 | No | 1 | Nil | Nil |
| Mr. Prasenjit Datta | Executive, Whole Time Director | 13 | Yes | Nil | Nil | Nil |
| Mr. Vijay Chadha ⁹ | Executive, Whole Time Director | 13 | Yes | Nil | Nil | Nil |
| Mr. Vimal Kumar Somani ³ | Executive, Managing Director | 1 | N.A. | 1 | Nil | Nil |
| Mr. Satish Chandra Gupta | Non Executive, Independent Director | 4 | No | 10 | 7 | 1 |
| Mr. Pradeep J. Saxena ¹⁰ | Non Executive, Independent Director | 4 | No | 2 | Nil | Nil |
| Mr. Kanchan Murarka ⁴ | Non Executive, Non-Independent Director | 12 | No | Nil | Nil | Nil |

| Name of Director | Category of Director | Attendance at | | Directorships in Companies, Membership/ Chairmanship in Committees | | |
|--|---|---------------|----------|--|------------------------------------|-------------------------------------|
| | | Board Meeting | Last AGM | Other Directorships ¹ | Committee Memberships ² | Committee Chairmanship ² |
| Mr. Govind N. Shah ⁵ | Non Executive, Non-Independent Director | 5 | N.A. | Nil | Nil | Nil |
| Mr. Parmod Kumar Jain ⁶ | Non Executive, Independent Director | 10 | Yes | Nil | Nil | Nil |
| Mr. Surender Kumar Tuteja ⁷ | Non Executive, Independent Director | N.A. | N.A. | 12 | 8 | 4 |
| Mr. Rahul B. Chhajed ⁸ | Non Executive, Independent Director | N.A. | N.A. | Nil | Nil | Nil |
| Mr. Viresh Mathur ¹¹ | Non Executive, Independent Director | N.A. | N.A. | 4 | 4 | Nil |
| Mr. Sanjiv Goel ¹² | Non Executive, Non-Independent Director | N.A. | N.A. | 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. Resigned from Directorship of the Company w.e.f. 14th May, 2011.
4. Appointed as Director of the Company w.e.f. 16th May, 2011.
5. Resigned from Directorship of the Company w.e.f. 14th July, 2011.
6. Resigned from Directorship of the Company w.e.f. 30th November, 2011.
7. Appointed as Director w.e.f. 11th April, 2012.
8. Appointed as Director w.e.f. 10th July, 2012.
9. Resigned from Directorship of the Company w.e.f. 10th July, 2012.
10. Resigned from Directorship of the Company w.e.f. 10th July, 2012.
11. Appointed as Director of the Company w.e.f. 14th August, 2012.
12. Appointed as Director of the Company w.e.f. 14th 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 14th May, 2011, 10th August, 2011, 14th November, 2011, 13th February, 2012. 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 ³ | Chairman (Independent Director) | 4 | 4 |
| Mr. Satish Chandra Gupta | Member (Independent Director) | 4 | 4 |
| Mr. Vimal Kumar Somani ¹ | Member (Managing Director) | 1 | 1 |
| Mr. Vijay Chadha ² | Member (Whole Time Director) | 4 | 4 |
| Mr. Surender Kumar Tuteja ⁴ | Member (Independent Director) | N.A. | N.A. |
| Mr. Rahul B. Chhajed ⁵ | Member (Independent Director) | N.A. | N.A. |

Notes:

1. Upon resignation from Directorship of the Company, ceased to be member of the Audit Committee w.e.f. 14th May, 2011.
2. Appointed as member of Audit Committee w.e.f. 14th May, 2011 and ceased to be member w.e.f. 10th July, 2012.
3. Ceased to be the member of Audit Committee w.e.f. 29th May, 2012.
4. Appointed as member/ Chairman of Audit Committee w.e.f. 29th May, 2012.
5. Appointed as member of Audit Committee w.e.f. 10th 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 2011-2012, the Share Transfer and Shareholders/Investor Grievance Committee met 4 (Four) times on 14th May, 2011, 10th August, 2011, 14th November, 2011, 13th February, 2012. 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 ³ | Member (Independent Director) | 4 | 4 |
| Mr. Govind N. Shah ¹ | Member (Non-Executive Director) | 1 | 1 |
| Mr. Vijay Chadha ⁴ | Member (Whole Time Director) | 3 | 3 |
| Mr. Parmod H. Jain ² | Member (Independent Director) | 2 | 2 |
| Mr. Kanchan Murarka ⁵ | Chairman (Non-Executive Director) | 2 | 2 |
| Mr. Surender Kumar Tuteja ⁶ | Member (Independent Director) | N.A. | - |
| Mr. Rahul B. Chhajed ⁷ | Member (Independent Director) | N.A. | - |

Notes:

1. Upon Resignation from Directorship of the Company, ceased to be member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 14th July, 2011.
2. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 14th July, 2011 and ceased to member w.e.f. 14th November, 2011.
3. Ceased to be Chairman/ member of Share Transfer and Shareholders/Investor Grievance Committee with effect from 29th May, 2012.
4. Appointed as Member of Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 14th July, 2011 and ceased to be member with effect from 10th July, 2012.
5. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 14th November, 2011 and appointed as Chairman w.e.f. 29th May, 2012.
6. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 29th May, 2012.
7. Appointed as Member of the Share Transfer and Shareholders/Investor Grievance Committee w.e.f. 10th July, 2012.

Status of Investors' Complaints

| At the beginning of the year | Received during the year | Resolved during the year | Pending |
|------------------------------|--------------------------|--------------------------|---------|
| Nil | Nil | Nil | Nil |

Name and designation of Compliance Officer:

Ms. Richa N. Gole- Company Secretary and Compliance Officer (upto 14th August 2012)

Mr. Amit Kumar Gupta - Company Secretary and Compliance Officer (appointed w.e.f 14th 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, the Remuneration Committee met once on 14th May, 2011.

The present composition of Remuneration Committee is as follows:

| Name of the Committee member | Designation | No. of Meetings | |
|--|---------------------------------|--------------------------|----------|
| | | Held during their tenure | Attended |
| Mr. Pradeep J. Saxena ³ | Member (Independent Director) | 1 | 1 |
| Mr. Satish Chandra Gupta | Member (Independent Director) | 1 | 1 |
| Mr. Parmod H. Jain ¹ | Member (Independent Director) | 1 | 1 |
| Mr. Surender Kumar Tuteja ⁴ | Chairman (Independent Director) | N.A. | - |
| Mr. Kanchan Murarka ² | Member (Non-Executive Director) | N.A. | - |
| Mr. Rahul B. Chhajed ⁵ | Member (Independent Director) | N.A. | - |

Notes:

1. Ceased to be the member of Remuneration Committee w.e.f. 14th November, 2011.
2. Appointed as member of Remuneration committee w.e.f. 14th November, 2011 and ceased to be a member of Remuneration Committee w.e.f. 10th July, 2012.
3. Ceased to be the member of Remuneration Committee w.e.f. 29th May, 2012.
4. Appointed as Member and Chairman of Remuneration Committee w.e.f. 29th May, 2012.
5. Appointed as Member of Remuneration Committee w.e.f. 10th 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. Vimal Kumar Somani | 0.23 | Nil | Nil | 0.23 |
| Mr. Abhay Lodha | 2.12 | Nil | N.A. | 2.12 |
| Mr. Prasenjit Datta | 35.51 | Nil | N.A. | 35.51 |
| Mr. Vijay Chadha | 9.30 | Nil | N.A. | 9.30 |

- g. Number of Equity Shares held by the Directors as on 31st March, 2012

| 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. Vijay Chadha | Whole Time Director | 500 |

6. General Body Meetings

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

| Year | Date | Time | Venue |
|---------|----------------------------------|---------|--|
| 2008-09 | 30 th September, 2009 | 3.00 PM | Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat |
| 2009-10 | 20 th September, 2010 | 3.00 PM | Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat |
| 2010-11 | 30 th September, 2011 | 3.00 PM | Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat |

- 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 |
|--|---|
| 30 th September, 2011 (AGM) | 1. Reappointment of Mr. Abhay Lodha as Chairman and Managing Director. 2. Appointment of Mr. Prasenjit Datta as Whole Time Director for a period of 5 years. |
| 20 th September, 2010 (AGM) | No Special Resolution was passed. |
| 30 th September, 2009 (AGM) | 1. Appointment of Mr. Vijay Chadha as Whole-time Director for a period of 3 years. |
| 10 th April, 2010 (EGM) | 1. Increase in Authorised Share Capital from ₹ 9 Cr. to ₹ 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 31st March, 2012, 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. 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 31st March, 2012, 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 2011-2012, the Company had not issued and allotted any shares through Public Issues, Right Issues, or on Preferential basis.

- Disclosure of Risk Management**

The Company has the risk assessment and mitigation procedures in place and the same has 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 2011-2012 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 household of 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 | 26 th September, 2012 at 11.30 A.M. At Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Taluka-Kalol, Dist-Gandhinagar, Gujarat-382729 |
| B | Financial Calendar | 1 st April, 2012 to 31 st March, 2013. |
| | Results for : First quarter | On or before 14 th August 2012 |
| | Second quarter | On or before 14 th November 2012 |
| | Third quarter | On or before 14 th February 2013 |
| | Fourth quarter | Annual Audited Results –On or before 30 th May 2013 |
| C | Date of Book Closure | 20 th September 2012 to 26 th September 2012 (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 |

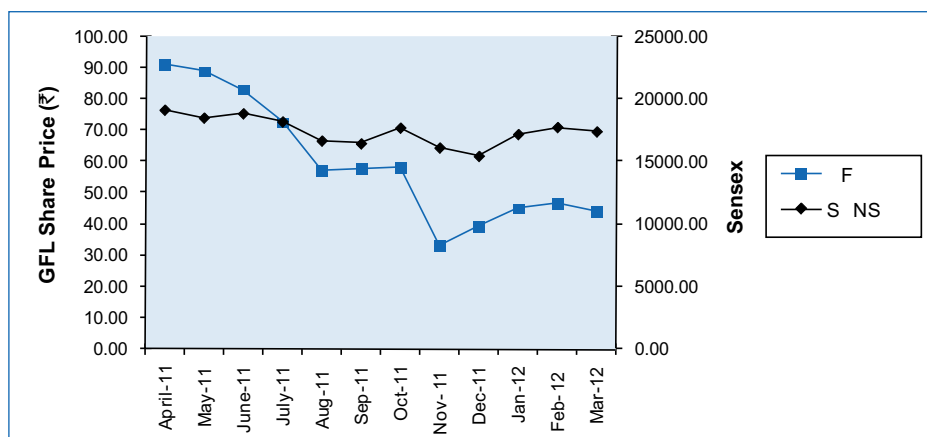
J. Market Price data

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 2011 to March 2012.

| Month | GFL | | SENSEX | |
|--------|------------|-----------|----------|----------|
| | High Price | Low Price | High | Low |
| Apr-11 | 117.0 | 73.00 | 19811.14 | 18976.19 |
| May-11 | 100.0 | 81.10 | 19253.87 | 17786.13 |
| Jun-11 | 102.0 | 71.55 | 18873.39 | 17314.38 |
| Jul-11 | 89.80 | 68.50 | 19131.7 | 18131.86 |
| Aug-11 | 84.00 | 45.10 | 18440.07 | 15765.53 |
| Sep-11 | 74.90 | 53.05 | 17211.8 | 15801.01 |
| Oct-11 | 61.95 | 47.50 | 17908.13 | 15745.43 |
| Nov-11 | 57.85 | 33.00 | 17702.26 | 15478.69 |
| Dec-11 | 64.10 | 33.10 | 17003.71 | 15135.86 |
| Jan-12 | 48.40 | 35.85 | 17258.97 | 15358.02 |
| Feb-12 | 48.50 | 39.20 | 18523.78 | 17061.55 |
| Mar-12 | 52.90 | 39.40 | 18040.69 | 16920.61 |

*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 31st March, 2012

a) Category of Equity Shareholders as on 31st March, 2012

| S. No. | Category | No. of Shareholders | No. of Shares | % of Total Holding |
|--------|-------------------------------|---------------------|----------------|--------------------|
| 1. | Indian Promotor&PromotorGroup | 7 | 4,834,186 | 58.94 |
| 2. | Bodies Corporate | 36 | 1,115,283 | 13.60 |
| 3. | Individuals | 669 | 2243951 | 27.36 |
| 4. | Others | 17 | 8390 | 0.10 |
| | Total | 729 | 8201810 | 100.00 |

b) Distribution of Equity Shareholding as on 31st March, 2012.

| No of Equity shares Held | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shares |
|--------------------------|---------------------|-------------------|--------------------|---------------|
| 01-500 | 545 | 74.66 | 100739 | 1.23 |
| 501-1000 | 93 | 12.74 | 81224 | 0.99 |
| 1001-2000 | 24 | 3.29 | 39479 | 0.48 |
| 2001-3000 | 17 | 2.33 | 42275 | 0.52 |
| 3001-4000 | 8 | 1.10 | 29993 | 0.37 |
| 4001-5000 | 3 | 0.41 | 15000 | 0.18 |
| 5001-10000 | 11 | 1.5 | 89749 | 1.09 |
| 10001 and above | 28 | 3.97 | 7803351 | 95.14 |
| Total | 729 | 100.00 | 8201810 | 100.00 |

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 96.83% shares are in dematerialized form as on 31st March, 2012.

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 |



TOPWORTH

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To
The Members
Gujarat Foils Limited

We have examined the records concerning Compliance of the conditions of Corporate Governance by **Gujarat Foils Limited** for the year ended on 31st March, 2012 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 except for Composition of Board of Directors for the part of the year.

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 Regn. No. 323029E

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

Place: Mumbai
Date : 14th August, 2012

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 31st March, 2012.

Place: Mumbai
Date : 14th August, 2012

Abhay Lodha
Chairman and Managing Director