



# GUJARAT FOILS LTD.



## **22<sup>nd</sup> ANNUAL REPORT 2013-14**



## Corporate Information

### BOARD OF DIRECTORS

Mr. Abhay Lodha  
Executive Chairman & Managing Director (upto 31.07.2014)  
Non Executive, Chairman (w.e.f.01.08.2014)

Mr. Prasenjit P. Datta  
Executive, Whole Time Director

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

Mr. Satish Chandra Gupta  
Non-Executive, Independent Director

Mr. Sanjiv Goel  
Non-Executive, Non-Independent Director (upto 31.08.2013)

Mr. Surender Kumar Tuteja  
Non-Executive, Independent Director

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

Mr. Viresh Mathur  
Non-Executive, Independent Director

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Amit Kumar Gupta (upto 31.05.2014)  
Ms. Nikita Pedhdiya (w.e.f 01.06.2014)

### AUDITORS

H.R.AGARWAL & ASSOCIATES  
Chartered Accountants  
Kolkata

### BANKERS

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

### REGISTERED OFFICE

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

### CORPORATE OFFICE:

Indiabulls Finance Centre, Tower 3  
16th Floor, 1601, Senapati Bapat Marg,  
Elphinstone Road (West), Mumbai- 400013  
Tel:+91-22-71500500  
Fax: +91-22-71500520  
Email: secretarial@topworthgroup.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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## Chairman's Letter to Shareholders



Dear Shareholders,

During the year, having consolidated and positioned ourselves on the growth path in our industry, we at Gujarat Foils Limited placed a lot of focus on augmenting our capabilities. We have streamlined & consolidated our customer base, aligned our resources towards the most productive areas and honed our marketing serviceability approach. I feel proud to see that this has yielded positive returns in terms of the strategic progress we have made, especially in the midst of acute global economic uncertainty. The world economy has struggled during the year, 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. However, we are confident that we are on the right path and with the impending economic reform your company will sustain the growth.

During the year, the gross revenue of your company has reached to ₹ 448.55 crore from ₹ 361.86 crore of the previous year, a healthy increase of 24%. A healthy 52.6% increase in Profit After Tax (PAT) during the F.Y. 2013 - 2014 has been reported with respect to F.Y. 2012 – 2013. This has been achieved mainly on account of increase in production volumes across various product ranges and rationalization of the product mix.

Your company is delighted to inform you that at our Chhatral plant, we have successfully commissioned Swiss Make ON LINE VISCOSITY Controller at our VMCH Coating Machine. The operating parameters of the system had been standardized in very short period of time. Further to implementation of Integrated Management System to cover ISO 9001 : 2008, ISO 14001 : 2004, OHSAS 18001 : 2007 under one umbrella during previous year, this year your company had been accredited with prestigious Good Manufacturing Practice Certification (GMP) with reference to ISO 15378 : 2011 by BSCIC. 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 certified as vendors to the top pharmaceutical companies in India. We have also broken through in to the top five aluminum based packaging companies in the country.

With a view to enhance Shareholder's value, we have forayed in to technological upgrades in our foil mill & conversion plant, which has resulted us in form of improvement in quality & productivity from the plant. This had in turn helped us to have better reach to our customers.

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 foil produced by your company is 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, VMCH Coating & Heat & Press Lamination Machines.

Your company's sheet business has been able to consolidate our reach to Southern & Western regions 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's 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.

Consumer Products Business division has shown very good growth. Nutriwrap as a brand has strengthened itself among the top brands with national footprint. The division has maximised growth vide improvements in distribution penetration across town classes. Product portfolio has been enhanced. The base building work done provides a good platform for performance in the immediate future.

We, in this short period of time, 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 take this opportunity to express my gratitude to the Board of Directors, Bankers, Employee's, Vendors & Shareholders for their continued support and the confidence reposed on us.

Warm Regards,

**Abhay Lodha**

*Chairman*

DIN-00052194

Mumbai, 12<sup>th</sup> August, 2014

## Directors' Report

To,  
The Shareholders,

Your Directors have pleasure in presenting to you this 22<sup>nd</sup> Annual Report of your Company together with the Audited Accounts for the Financial Year ended on 31<sup>st</sup> March, 2014.

### 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, 2014	Year Ended 31 <sup>st</sup> March, 2013
Gross Income from Operations	44,855.30	36,186.10
Less: Excise Duty	1,863.15	1,752.91
<b>Net Income from Operations</b>	<b>42,992.15</b>	<b>34,433.19</b>
<b>Profit before Depreciation, Finance cost and Taxation</b>	<b>5,010.19</b>	<b>4,237.74</b>
Less: Depreciation and Amortisation	1,114.37	1,112.01
<b>Profit before Finance cost and Taxation</b>	<b>3,895.83</b>	<b>3,125.73</b>
Less: Finance Cost	2,609.04	2,309.00
<b>Profit before Taxation</b>	<b>1286.79</b>	<b>816.73</b>
Tax Expense		
- Current Tax	290.00	164.00
- Deferred Tax	76.20	48.22
- Earlier Years	-	0.86
<b>Profit after Taxation</b>	<b>920.59</b>	<b>603.65</b>

### Review of Operations

During the year under review, the Company's Net Income from operations stood at ₹ 42,992.15 Lacs as compared to ₹ 34,433.19 Lacs in the previous year, thereby registering a growth of about 24.86%. Profit before finance cost and taxation for the year under review stood at ₹ 3,895.83 Lacs against ₹ 3,125.73 Lacs in the previous year, thereby registering a growth of about 24.64%. Profit after Tax registered a growth of about 52.50% and increased from ₹ 603.65 Lacs to ₹ 920.59 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 have not recommended any dividend for the Financial Year ended 31<sup>st</sup> March, 2014.

### Share Capital

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

The Company allotted 250,00,000 10% Non-Convertible, Non-Cumulative, Redeemable Preference Shares of face value of ₹10/- at a premium of ₹ 10/- each

### Public Deposits

During the year under review, the Company has not accepted/renewed any deposits from the public or its employees 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

Mr. Kanchan Murarka, Director (DIN 00058823) of the company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment .

With the implementation of New Companies Act, 2013 , all the Independent Directors shall be re-appointed as Independent Director pursuant to the provisions of Section 149 and Section 152 of the Companies Act, 2013.

Mr. Surendra Kumar Tuteja has expressed his unwillingness to be re-appointed as Independent Directors of the Company and seeks retirement at ensuing Annual General Meeting.

Mr. Satish Chandra Gupta, and Mr. Rahul Chhajer are proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office for 2 (Two) consecutive years for a term upto 31<sup>st</sup> March, 2016, not liable to retire by rotation .

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

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, 2014, 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, 2014 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, (having Firm Registration No. 323029E) 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 141 of the Companies Act, 2013.

Your Directors recommend their appointment as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting upto the conclusion of the 27<sup>th</sup> Annual General Meeting of the Company held thereafter (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) to audit financial accounts for the financial year ending on 31<sup>st</sup> March, 2015.

### 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 S K Agarwal & Associates, Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2013-2014 and necessary approval from Central Government was also received by the Company.

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.

### E-Voting facility to Members

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the 22<sup>nd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Securities (India) Limited (CDSL).

Pursuant to the amendments made in clause 35B of the Listing Agreement by SEBI, the company has sent assent/dissent forms to the members to enable those who do not have access to e-Voting facility to cast their vote on the shareholders resolution to be passed at the ensuing Annual General Meeting, by sending their assent or dissent in writing.

### 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.

### Acknowledgments

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:- 12<sup>th</sup> August, 2014

**Abhay Lodha**  
Chairman  
DIN 00052194



### 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 2014.

#### A. Conservation of Energy:

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

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

- Every unit of power saved is equivalent to same quantity of power generated without any additional cost & without generating Green House Gases.
- Such savings helps us in reducing our cost of production.

Following actions had been initiated to have continuous mapping on consumptions during the F.Y. 2013 – 2014:

- Your company is continuously monitoring machine wise power consumptions in all the processes. This type of monitoring is helping us to identify machine wise power consumption in form of KWH / MT or NM3 / MT processed from individual machine centres further enabling us to find out product wise energy consumption. Increased energy consumption / MT of processed material will clearly indicate us about the health of equipment at very beginning stage. The same can be corrected at appropriate time before machines goes on breakdown.
- Your company feels proud to announce that we at GFL continued to take Credits from UGVCL for consistently maintaining our power factor up to 0.97. We also feel proud to announce that your company had taken the credit from UGVCL amounting ₹ 3,49,634/- in F.Y. 2013 – 2014 on account of maintaining power factor consistently as per the set out regulation.

#### Form 'A'

A) Power and Fuel Consumption	UOM	2013-2014	2012-2013
<b>1) Electricity</b>			
<b>a) Purchased</b>			
Unit	(KWh)	6,196,120	6,215,360
Total Cost	(₹ in Lacs)	472.20	458.87
Cost / Unit	(₹)	7.62	7.39
<b>b) Own Generation</b>			
<b>i) Through Diesel Generator Unit</b>			
Unit	(Ltr.)	600	NIL
Total Cost	(₹ in Lacs)	0.35	NIL
Cost / Unit	(₹)	58.13	NIL
<b>ii) Through Steam Turbine Generation Units</b>			
		NIL	NIL
<b>iii) Through Wind Mill</b>			
Unit	(KWh)	940,578	605,485
Total Cost	(₹ in Lacs)	66.38	42.38
Cost / Unit	(₹)	7.05	6.99



A) Power and Fuel Consumption	UOM	2013-2014	2012-2013
<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 its fold.

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

- o Implementation of additional Heat Exchanger in rolling oil circulation system.
- o Fundamental redesigning in the Achenbach Mill.
- o Introduction of Low Voltage, High resolution Audio / Video Camera surveillance system.

As a result of various technological up-gradations, various direct Pharma customers has been added by the Company during the Financial Year 2013-14.

#### C. Foreign Exchange Earnings & Outgo

(₹ in Lacs)

Particulars	2013-2014	2012-2013
Foreign exchange earned	286.76	692.91
CIF value of imports	433.85	1182.81
Expenditure in foreign currency	--	8.58



# Management Discussion and Analysis

## INDUSTRY STRUCTURE & DEVELOPMENTS

Globally, aluminium is going through a difficult phase. But, the aluminium market in India is still growing at a rate of 9 to 10% over the last five years and it is going to remain so in the near future 41% of aluminium consumption in India goes to electrification and India still has loads of infrastructural opportunities with the rural sector being still unelectrified. This will help the aluminium sector grow in double digits from 9 to 10%. Two things would definitely boost the aluminium industry in India: firstly, the electrification and infrastructural sector and secondly, investment on the downstream sector. India has a very low per capita consumption of aluminium with just 2.2 kg against the global average of 9.2 kgs. When we invest in the downstream capacity it will definitely help to raise the per capita consumption to a considerable range

The aluminium industry has a bright future as it can become one of the largest players in the global aluminium market as in India the consumptions are fairly low as compared to developed countries. However, India has the fifth largest bauxite reserves with deposits of about 3 bn tones or 5% of world deposits. India's share in world aluminium capacity rests at about 3% only.

Further, as we are aware that 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 12% during the F.Y. 2014 – 2015 & now India is among top 5 emerging pharma markets in the world.

According to the Indian Institute of Packaging (IIP), the turnover of the Indian packaging industry is likely to touch USD 43.7 billion by 2016, from USD 27.6 billion in 2012. India's per capita consumption of packaging is only 4.3 kg per person per annum (approx), as against Germany's 42 kg and China's 20 kg and is thus very low compared to the global standards. From the report it is evident that Indian pharma market will continue to register a strong double digit growth rate till 2020 & onwards.

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

## OPPORTUNITIES & THREATS

### Opportunity

The young population, urbanization, international exposure to the current people, environmental rules and regulations, nuclear family concepts, huge demand for improved hygiene levels, huge growth in retail markets, provides huge opportunities to scale up this business and industry will see huge multiple growth in years to come.

The Indian Pharma Companies, with the faster commercialisation of product filings due to Generic Drug User Fee Act implementation, will be able to launch their products quickly as a result of shorter approval time. With this Indian pharma companies will be pushing their products aggressively in regulated markets. With this aggressive approach, pharma industry is expected to do much better than anticipated resulting in further improvement in prospects of pharma packaging industry.

In a difficult economy & competitive market place, GFL had established & positioned itself very quickly in the market. The positioning of GFL is evident from its direct pharma company client list. Today GFL is perceived as one of the leading supplier of aluminium packaging material to the pharma industry. State of Art Foil Rolling & Converting facility under one roof with strong technical team to provide after sales service gives GFL edge over its competitors in the market.

CPB category is showing good improvement in penetration across town classes. Modern trade outlets are also catalysing growth in urban towns. Distribution improvement, sales team footprint enhancement and consumer promotions to boost shelf off take are key to maximise from the available opportunity.

### Threats

With the Foil Industry showing signs of growth, number of new entrants already there and will be further coming in this sector. Cheap import from China after withdrawal of anti dumping duty resulting in cost competition in the Indian Market. Supplies of good quality foil stock & its pricing in local market is also a major area of concern. The Company has to cope-up with these threats through a combination of cost leadership, adopting technological innovations to improve productivity & cost reduction in processes / engineering and sales management expertise. As regards CPB, given good growth and geographic spread of the market, the unorganised sector has become quite active across regions. They operate with low volumes with limited geographic presence at lower rates. Creating end user sensitivity to quality is key to attending this threat. Also players are increasing in the SRC market leading to increased competition in this low margin – high volume category.

### Product wise performance

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

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

- Our industry had witnessed a great deal of metal price fluctuation in F.Y. 2013 – 2014. In order to safeguard the interest of our customers & the Company, GFL had continued with NALCO based pricing policy for sheet business. This policy will ensure the mitigation of risks associated with metal price fluctuation.
- Your company is continuously evaluating the product wise sales price realisation in sheet business. Products with lower sales price realisation had been phased out in a systematic manner by adding the products with better sales price realisation.

In our Aluminium Foil Business, during the F.Y. 2013 – 2014 Foil Plant finish production volume had increased at 31% over the production of F.Y. 2012 - 2013. However, Converted Products production volume had increased at 32.5% over the production of F.Y. 2012 – 2013.

GFL has a very wide & complete range of products. Also we are among very few companies in the country who have integrated state of art foil rolling & foil converting facility under one roof. Our technical team & after sales service makes GFL distinct & distinguishable in the market. GFL had set a very stringent quality benchmarks for self & maintaining the same. This is the reason GFL been able to position in the market 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 colours & 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 major pharma companies are in our fold. The list of our major Pharma Customers are given below;

1. LUPIN
2. SUN PHARMA
3. MACLEODS
4. AUROBINDO
5. CADILA PHARMA
6. INVENTIA/ PHAROSE REMEDIES
7. IMPACT LABS
8. ANGLO FRENCH
9. HETERO DRUGS
10. ZYDUS CADILA
11. IPCALABS
12. TORRENT PHARMA
13. AJANTAPHARMA
14. GRANULES INDIA
15. FOURTS INDIA
16. CAPLIN POINT
17. ALKEM LABORATORIES

CPB business has grown by 7.30%. Nutriwrap as a brand has strengthened itself among the top three brands with national footprint. Sales and distribution, sales team quality, product portfolio enhancement have been strengthened, leading to good growth in both the general trade segment and the modern trade segment. The base building work done provides a good platform for performance in the immediate future.

Having done very well in F.Y. 2013 – 2014 by retaining the existing customers on one hand your company had been able to successfully add few more pharma companies in our clential on the 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 over all operating cost had been taken at appropriate time. Some measure taken by your company during the F.Y. 2013 – 2014 are as under:

- At our state of art conversion plant, your company had installed ON LINE Viscosity Controller at VMCH Coating Machine from Swiss Company M/S FASNACHT. With the introduction of this controller on VMCH Coating machine, quality of blister coated foil products had improved remarkably & resulted in having edge over the products of our competitors.
- CPB Division has invested in setting up a new SRC unit. The machines and equipments is up to date with international technology. This will help to increase the business and competitiveness manifold in the years ahead.



### RISK AND CONCERNS

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

### QUALITY MANAGEMENT

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

Certification	System	Certifying Agency
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.
Good Manufacturing Practice (GMP)	GMP with reference to ISO 15378 : 2011	BSCIC

- 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.
- Recently your company had been accredited with prestigious Good Manufacturing Practice (GMP) certification with reference to ISO 15378 : 2011 by BSCIC.

### SAFETY, HEALTH & WORK ENVIRONMENT

- First of all your company feels proud to announce that there were no major accidents reported in your company during the F.Y. 2013 – 2014. This became possible only because of our continuous focus on safely. Your company conducts training & counselling sessions for its 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 resulting in good work environment at plant level.
- Your company had already incorporate the Eye check up for Vision & Colour blindness as part of its health check up programme which is normally conducted on annual basis.
- Group Mediclaim Coverage (Medical Insurance Policy) to all the employees and his / her family to take care of their medical expenses has been implemented.

### ENERGY

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

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

- Every unit of power saved is equivalent to same quantity of power generated without any additional cost & without generating Green House Gases.
- Such savings helps us in reducing our cost of production.

Following actions had been initiated to have continuous mapping on consumptions during the F.Y. 2013 – 2014:

- Your company is continuously monitoring machine wise power consumptions in all the processes. This type of monitoring is

helping us to identify machine wise power consumption in form of KWH / MT or NM3 / MT processed from individual machine centres further enabling us to find out product wise energy consumption. Increased energy consumption / MT of processed material will clearly indicate us about the health of equipment at very beginning stage. The same can be corrected at appropriate time before machines goes on breakdown.

- Your company feels proud to announce that we at GFL continued to take Credits from UGVCL for consistently maintaining our power factor up to 0.97. We also feel proud to announce that your Company had taken the credit from UGVCL amounting ₹ 3,49,634/- in F.Y. 2013 – 2014 on account of maintaining power factor consistently as per the set out regulation.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company views Internal Control as a tool for improving operational performance and ensuring reliability of reporting mechanism. The Company is equipped with adequate internal control systems for its business operations which determine the efficiency of its operational strengths in financial reporting and ensure compliance with applicable laws and regulations. The Company continuously monitors the effectiveness of the internal controls with an objective to provide to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the 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 favourable 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 364 (including employees employed on contract basis).

#### Financials in Brief 2013-14

##### (A) Results of Operations

##### Revenue from operations

The total revenue from operations of the Company stood at ₹ 42,992.15 Lacs as compared to ₹ 34,433.19 Lacs in the previous year thereby registering a growth of 24.86%.

##### Employee Benefit Expenses

Employee benefit expenses rose by about 36.20 % to ₹ 1,110.68 Lacs as compared to ₹ 815.47 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 ₹ 2,609.04 Lacs as compared to ₹ 2,309.00 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 ₹ 1,114.37 Lacs as compared to ₹ 1,112.00 Lacs in the previous year.



### Profit before Tax

Profit before tax of the Company stood at ₹ 1286.79 Lacs as compared to ₹ 816.73 Lacs in the previous year, thereby registering a growth of 57.55%.

### Profit after Tax

Profit after tax of the Company stood at ₹ 920.59 Lacs as compared to ₹ 603.65 Lacs in the previous year, thereby registering a growth of 52.50%.

## (B) Financial Position

### Share Capital

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

The Company allotted 250,00,000 10% Non-Convertible Preference, Non- Cumulative, Redeemable Preference Shares of face value of ₹ 10/- at a premium of ₹ 10/- each

### Reserves and Surplus

The Company's reserves and surplus increased to ₹ 6,095.03 Lacs as on 31<sup>st</sup> March, 2014 as compared to ₹ 2,674.44 Lacs as at 31<sup>st</sup> March, 2013. This is mainly due to allotment of Preference shares in the financial year ended 31<sup>st</sup> March, 2014 at premium.

### Long Term Borrowings

During the year under review, the Company's Long Term Borrowings stood at ₹ 6,553.38 Lacs compared to ₹ 6,264.09 Lacs in the previous year.

### Short Term Borrowings

During the year under review, the Company's Short Term Borrowings stood at ₹ 10,533.93 Lacs compared to ₹ 10,393.50 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 ₹ 8634.63 Lacs from ₹ 6,353.13 Lacs in the previous year.

### Fixed Tangible Assets

The net block of Fixed Tangible Assets decreased to ₹ 9,356.36 Lacs as compared to ₹ 10,447.96 Lacs in the previous year under review.

### Capital work-in-progress

During the year under review, the Capital WIP increased to ₹ 5084.30 Lacs as compared to ₹ 801.25 Lacs in the previous year.

### Inventory

The Company's inventory stood at ₹ 15,327.18 Lacs as on 31<sup>st</sup> March, 2014 as compared to ₹ 10721.54 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 is ₹ 10,520.28 Lacs from ₹ 10,644.53 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 2013-14

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

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

### 2. Board of Directors

#### Composition

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

As on March 31, 2014, the Board comprised of Seven Directors. Out of these, 2 (Two) are Executive Directors, including the Chairman & Managing Director who is a Promoter Director. The remaining 5 (Five) Directors are Non-Executive Directors with 4 (Four) Directors being Independent Directors. All 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 5(Five) times during the financial year 2013-2014 on 16<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 1<sup>st</sup> November, 2013, 12<sup>th</sup> February, 2014 and on 28<sup>th</sup> March, 2014 . 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, 2014 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	4	Yes	1	1	Nil
Mr. Prasenjit Datta	Executive, Whole Time Director	5	Yes	Nil	Nil	Nil
Mr. Satish Chandra Gupta	Non Executive, Independent Director	4	No	9	5	3
Mr. Sanjiv Goel <sup>3</sup>	Non Executive, Non-Independent Director	2	N.A.	Nil	Nil	Nil
Mr. Kanchan Murarka	Non Executive, Non-Independent Director	5	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 <sup>1</sup>	Committee Memberships <sup>2</sup>	Committee Chairmanship <sup>2</sup>
Mr. Surender Kumar Tuteja	Non Executive, Independent Director	3	Yes	14	5	4
Mr. Rahul B. Chhajed	Non Executive, Independent Director	4	No	Nil	Nil	Nil
Mr. Viresh Mathur	Non Executive, Independent Director	3	No	4	Nil	Nil

**Notes:**

- The Directorships, held by Directors as mentioned above, do not include Alternate Directorships and Directorships in Foreign companies, Companies registered under Section 25 of Companies Act, 1956 and private companies.
- Position in Audit Committee and Shareholders' Grievance Committee in other public limited companies are considered for the purpose (excluding Gujarat Foils Limited)
- Resigned from Directorship of the Company w.e.f. 31<sup>st</sup> August, 2013

None of the Director 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 16<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 1<sup>st</sup> November, 2013, and on 12<sup>th</sup> February, 2014. 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. Surender Kumar Tuteja	Chairman (Independent Director)	4	3
Mr. Satish Chandra Gupta	Member (Independent Director)	4	4
Mr. Rahul B. Chhajed	Member (Independent Director)	4	3

**Brief description of Terms of reference**

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

- 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;
- 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;
- 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;
  13. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment modification as may be applicable.

#### **Powers of Audit Committee**

The Audit Committee has the following powers:

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

#### **4. Stakeholders Relationship Committee/Share Transfer and Shareholders/Investor Grievance Committee:**

The existing Share Transfer and Shareholders/Investor Grievance Committee was renamed by the Board in its meeting held on 19<sup>th</sup> May, 2014 as "Stakeholder's Relationship Committee" by altering the nomenclature of the Committee. The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders' complaints. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

The Stakeholders Relationship Committee's composition is the same as that of Share Transfer and Shareholders/Investor Grievance Committee and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

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

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share /debenture certificates



- Monitor redressal of investors' / shareholders' / security holder's grievances
- Oversee the performance of the Company's Registrars and Transfer Agents
- Recommend methods to upgrade the standard of services to investors
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment / modification as may be applicable.

During the financial year 2013-2014, the Stakeholder's Relationship Committee / Share Transfer and Shareholders/Investor Grievance Committee met 4 (Four) times on 16<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 1<sup>st</sup> November, 2013, and on 12<sup>th</sup> February, 2014. The Company Secretary acted as Secretary of the Stakeholder's Relationship Committee / Share Transfer and Shareholders/Investor Grievance Committee.

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

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Kanchan Murarka	Chairman (Non-Executive Director)	4	4
Mr. Rahul B. Chhajed	Member (Independent Director)	4	3
Mr. Prasenjit Datta	Member (Whole Time Director)	4	4

#### Status of Investors' Complaints for the financial year 2013-14

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:

Mr. Amit Kumar Gupta - Company Secretary and Compliance Officer (upto 31<sup>st</sup> May, 2014)

Ms. Nikita Pedhdiya - Company Secretary and Compliance Officer (appointed w.e.f 1<sup>st</sup> June, 2014)

### 5. Corporate Social Responsibility Committee (CSR)

#### Composition

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

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

Name of the Committee member	Designation
Mr. Prasenjit Datta	Member (Whole-Time Director)
Mr. Kanchan Murarka	Member (Non-Executive Director)
Mr. Satish Chandra Gupta	Member (Independent Director)

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

- Formulate and recommend to the Board a Corporate Social Responsibility Policy as required under the Companies Act, 2013 and rules made thereunder;
- Recommend the amount of expenditure to be incurred on the activities;
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

## 6. Nomination and Remuneration Committee/ Remuneration Committee

### Composition

The existing Remuneration Committee was renamed by the Board in its meeting held on 19<sup>th</sup> May, 2014 as “**Nomination and Remuneration Committee**” by altering the nomenclature of the Committee pursuant to Section 178 of the Companies Act, 2013 and the listing agreement.

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

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

Name of the Committee member	Designation	No. of Meetings	
		Held during their tenure	Attended
Mr. Surender Kumar Tuteja	Member (Independent Director)	1	1
Mr. Satish Chandra Gupta	Member (Independent Director)	1	1
Mr. Rahul B. Chhajed	Member (Independent Director)	1	1

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

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

During the year under review, one meeting of the Remuneration Committee/ Nomination and Remuneration Committee was held on 13<sup>th</sup> August, 2013

### 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 Datta	50.50	Nil	N.A	50.50



- g. Number of Equity Shares held by the Directors as on 31st March, 2014

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

**7. General Body Meetings**

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

Year	Date	Time	Venue
2010-11	30 <sup>th</sup> September, 2011	3.00 P.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2011-12	26 <sup>th</sup> September, 2012	11.30 A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729
2012-13	27 <sup>th</sup> September, 2013	11.30 A.M	Plot no 3436-3439, Chhatral, G.I.D.C., Phase IV, Kalol, Dist. Gandhinagar, Gujarat 382729

- 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
27 <sup>th</sup> September, 2013 (AGM)	1. Increase in the amount of remuneration paid to Mr. Prasenjit Datta, Whole-time Director.
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. Approval for borrowing pursuant to section 293 (1) (d) in excess of the limits specified in the Act. 3. Approval pursuant to section 293 (1) (a) to mortgage, give as security thereby create a charge on the property of the company. 4. Approval to change the name of the company 5. Appointment of Mr. Prasenjit Datta as Whole Time Director for a period of 5 years

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

- c) **Postal Ballot conducted during the year:**

During the period under review, following resolutions were passed by mode of Postal Ballot Process.

Date	Type of resolution	Purpose of Special Resolution
21.03.2014	Ordinary	Re-classification of Authorised share capital and amendment to Memorandum of Association.
21.03.2014	Special	Issue of Redeemable, non-convertible preference shares on preferential basis.

All Resolutions mentioned herein above were passed by requisite majority through postal ballot process.

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

**8. 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, 2014, there were no other related party transactions with 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 31st March, 2014, 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 2013-2014, the Company had issued and allotted 250,00,000 10% Non-Convertible, Non-Cumulative, Redeemable preference shares of ₹10/- each at a premium of ₹10/- each on preferential basis to the promoters on 28<sup>th</sup> March, 2014 and the funds were utilised for working capital and general corporate purpose.

- **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 2013-2014 was placed before the Board.

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

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

## 9. Means of Communication

The Company's quarterly / half yearly results are published in 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](http://www.gujaratfoils.com) under Investor Section.

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

## 10. General Information for Shareholder

A	Annual General Meeting Date and Time: Venue:	29 <sup>th</sup> September, 2014 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, 2014 to 31 <sup>st</sup> March, 2015. On or before 14 <sup>th</sup> August 2014 On or before 14 <sup>th</sup> November 2014 On or before 14 <sup>th</sup> February 2015 Annual Audited Results –On or before 30 <sup>th</sup> May 2015.
C	Date of Book Closure	24 <sup>th</sup> September 2014 to 29 <sup>th</sup> September 2014 (both day inclusive)



## Corporate Governance Report

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

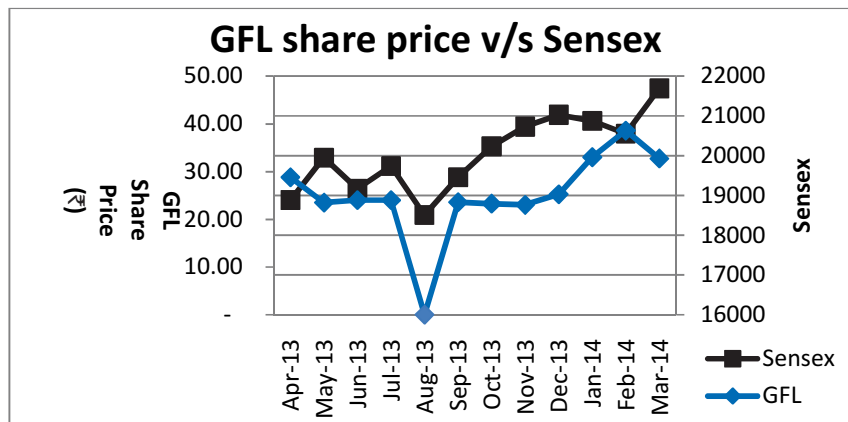
The table below gives the monthly high and low prices and volumes of the Company's shares traded at BSE Limited during the period from April 2013 to March 2014

Month	GFL		SENSEX	
	High Price	Low Price	High	Low
Apr-13	31.00	26.60	19622.68	18144.22
May-13	24.00	23.00	20443.62	19451.26
Jun-13	24.00	24.00	19860.19	18467.16
Jul-13	24.00	24.00	20351.06	19126.82
Aug-13	- #	- #	19569.20	17448.71
Sep-13	24.15	23.00	20739.69	18166.17
Oct-13	24.15	22.35	21205.44	19264.72
Nov-13	25.05	21.00	21321.53	20137.67
Dec-13	27.00	23.45	21483.74	20568.70
Jan-14	39.00	27.00	21409.66	20343.78
Feb-14	40.50	36.65	21140.51	19963.12
Mar-14	36.00	29.45	22467.21	20920.98

# Data not available on BSE website for the month of August, 2013

\*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, 2014****a) Category of Equity Shareholders as on 31<sup>st</sup> March, 2014**

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	25	8,84,127	10.78
3.	Individuals	726	24,81,463	30.25
4.	Others	8	2,143	0.03
	<b>Total</b>	<b>766</b>	<b>82,01,810</b>	<b>100.00</b>

**b) Distribution of Equity Shareholding as on 31<sup>st</sup> March, 2014.**

No of Equity shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shares
01-500	579	75.49	106043	1.29
501-1000	101	13.17	85443	1.04
1001-2000	25	3.26	38391	0.47
2001-3000	15	1.96	36582	0.45
3001-4000	8	1.04	29311	0.36
4001-5000	3	0.39	15000	0.18
5001-10000	8	1.04	62628	0.76
10001 and above	27	3.65	7828412	95.45
<b>Total</b>	<b>766</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 96.97% shares are in dematerialized form as on 31<sup>st</sup> March, 2014.

**O. Investor Correspondence**

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



## Auditors' Compliance Certificate on Corporate Governance

To  
The Members  
Gujarat Foils Limited

We have examined the Compliance of the conditions of Corporate Governance by **Gujarat Foils Limited** for the year ended on 31<sup>st</sup> March, 2014 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 Directors and 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 further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Place: Kolkata  
Date: 12<sup>th</sup> August, 2014

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## Declaration Regarding Compliance of Code of Conduct

I, Abhay Lodha, Chairman 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, 2014.

Place: Mumbai  
Date : 12<sup>th</sup> August, 2014

**Abhay Lodha**  
Chairman  
DIN : 00052194



# 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 March 2014, 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 notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 March 2014; and
- 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 and Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 ; and
- e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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's Registration Number: 323029E

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

Place: Mumbai  
Date: 19<sup>th</sup> May, 2014



## 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 31st March, 2014. 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.
- (e) 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 ₹ 38,79,60,873/-.
- (f) 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.
- (g) 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 generally 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, except delay in some cases.

- (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 31st March, 2014 and the company has not incurred any cash loss 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 made preferential allotment of Preference 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's Registration Number: 323029E

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

Place: Mumbai  
Date: 19<sup>th</sup> May, 2014



## Balance Sheet as at 31<sup>st</sup> March 2014

(in ₹)

	Particulars	Note	As at 31-03-2014	As at 31-03-2013
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' Funds</b>			
	(A) Share Capital	1	332,018,100	82,018,100
	(B) Reserves And Surplus	2	609,503,182	267,444,239
	(C) Money Received Against Share Warrants			
<b>2</b>	<b>Share Application Money Pending Allotment</b>		-	<b>433,900,000</b>
<b>3</b>	<b>Non-current Liabilities</b>			
	(A) Long-Term Borrowings	3	655,338,370	626,409,501
	(B) Deferred Tax Liabilities (Net)	4	75,331,100	67,711,088
	(C) Other Long Term Liabilities	5	452,596,954	153,592,443
<b>4</b>	<b>Current Liabilities</b>			
	(A) Short-Term Borrowings	6	1,053,392,863	1,039,349,880
	(B) Trade Payables	7	863,462,574	635,313,180
	(C) Other Current Liabilities	8	131,541,278	99,578,987
	(D) Short-Term Provisions	9	2,533,729	1,609,579
	<b>TOTAL</b>		<b><u>4,175,718,150</u></b>	<b><u>3,406,926,997</u></b>
<b>II.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-Current Assets</b>			
	(A) Fixed Assets	10		
	-Tangible assets		935,635,838	1,044,796,047
	-Capital work-in-progress		508,430,339	80,125,445
<b>2</b>	<b>Current Assets</b>			
	(A) Inventories	11	1,532,718,287	1,072,154,337
	(B) Trade Receivables	12	1,052,027,944	1,064,452,717
	(C) Cash And Cash Equivalents	13	110,738,697	87,577,956
	(D) Other Current Assets	14	36,167,045	57,820,495
	<b>TOTAL</b>		<b><u>4,175,718,150</u></b>	<b><u>3,406,926,997</u></b>
	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 : 19<sup>th</sup> May 2014

**For and on behalf of the Board**

**Abhay Lodha**  
Chairman and Managing Director

**Kanchan Murarka**  
Director

**Amit Kumar Gupta**  
Company Secretary

Statement of Profit and Loss statement for the year ended 31<sup>st</sup> March 2014

(in ₹)

	Particulars	Note	Year Ended 31-03-2014	Year Ended 31-03-2014
I.	Revenue from operations	15	4,485,530,105	3,618,610,489
	Less : Excise Duty		186,315,282	175,291,826
	Revenue from Operations (Net)		4,299,214,823	3,443,318,663
	<b>Total Revenue</b>		<b>4,299,214,823</b>	<b>3,443,318,663</b>
II.	<b>Expenses:</b>			
	Cost of materials consumed	16	3,771,820,251	2,832,368,233
	"Changes in Inventories of finished goods, Work-in-progress and Stock-in-Trade"	17	(306,774,578)	(120,104,879)
	Employee benefits expenses	18	111,067,592	81,547,065
	Finance costs	19	260,903,555	230,900,310
	Depreciation and amortization expenses	10	111,436,614	111,200,709
	Other expenses	20	222,082,434	225,734,461
	<b>Total expenses</b>		<b>4,170,535,867</b>	<b>3,361,645,899</b>
III.	<b>Profit Before Tax (I-II)</b>		<b>128,678,956</b>	<b>81,672,764</b>
IV.	<b>Tax expense:</b>			
	(1) Current tax		29,000,000	16,400,000
	(2) Deferred tax		7,620,012	4,821,760
	(3) For Earlier Years		-	86,369
			<b>36,620,012</b>	<b>21,308,129</b>
V.	<b>Profit for the year from continuing operations (III-IV)</b>		<b>92,058,943</b>	<b>60,364,635</b>
VI.	<b>Profit for the year (V+VIII)</b>		<b>92,058,943</b>	<b>60,364,635</b>
VII.	<b>Earnings per Equity share (basic &amp; diluted) (₹)</b>	23	<b>11.22</b>	<b>7.36</b>
	<b>Significant Accounting Policies</b>	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 : 19<sup>th</sup> May 2014

**For and on behalf of the Board**

**Abhay Lodha**

Chairman and Managing Director

**Kanchan Murarka**

Director

**Amit Kumar Gupta**

Company Secretary



## Cash Flow Statement for the year ended on 31.03.2014

(in ₹)

	Particulars	2013-14	2012-13
<b>A.</b>	<b>Cash Flow From Operating Activities</b>		
	<b>Net Profit Before Tax</b>	<b>128,678,956</b>	<b>81,672,764</b>
	Adjustment For		
	(a) Depreciation / Amortisation	111,436,614	111,200,709
	(b) Interest Paid	260,903,555	230,900,310
	(c) Short / Excess Tax Provision		
	(d) Direct Taxes		
	(e) Interest Received	-	(5,553,654)
	(f) Loss On Sales Of Fixed Assets	-	1,690,238
	<b>Operating Profit Before Working Capital Changes</b>	<b>501,019,124</b>	<b>419,910,367</b>
	<b>Adjustment For:</b>		
	(a) Trade & Other Receivables	12,424,773	(192,462,382)
	(b) Inventories	(460,563,950)	(288,242,427)
	(c) Trade Payable / Provisions	261,035,834	396,281,347
	(d) Other Current Assets	(7,346,550)	
	<b>Cash Generated From Operation</b>	<b>(194,449,892)</b>	<b>(84,423,462)</b>
	Direct Tax Paid	-	(6,827,111)
	<b>Net Cash Flow From Operating Activities</b>	<b>306,569,231</b>	<b>328,659,794</b>
	Cash Flow Before Extraordinary Items	306,569,231	328,659,794
	Extraordinary Items	-	-
	<b>Net Cash From Operating Activities ( A )</b>	<b>306,569,231</b>	<b>328,659,794</b>
<b>B.</b>	<b>Cash Flow From Investing Activities</b>		
	(a) Purchase Of Fixed Assets (Including Capital Work-In-Progress)	(430,581,297)	(13,897,816)
	(b) Sale Of Fixed Assets	-	1,560,711
	(c) Interest Received	-	6,126,871
	<b>Net Cash Flow From Investing Activities (B)</b>	<b>(430,581,297)</b>	<b>(6,210,234)</b>
<b>C.</b>	<b>Cash Flow From Financing Activities</b>		
	(a) Proceed From Issue Of Share Application	-	-
	(b) Share Capital (Including Premium)	66,100,000	-
	(c) Interest Paid	(260,903,555)	(230,900,310)
	(d) Increase / (Decrease) In Long Term Borrowing	327,933,380	40,700,556
	(e) Increase / (Decrease) In Bank Borrowing	14,042,983	(75,732,891)
	<b>Net Cash Flow From Financing Activities</b>	<b>147,172,808</b>	<b>(265,932,646)</b>
<b>D.</b>	<b>Net Increase /Decrease In Cash And Cash Equivalents (A+B+C)</b>	<b>23,160,742</b>	<b>56,516,913</b>
<b>E.</b>	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>87,577,956</b>	<b>31,061,042</b>
<b>F.</b>	<b>Cash and Cash Equivalents at the end of the year</b>	<b>110,738,698</b>	<b>87,577,956</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 : 19<sup>th</sup> May 2014

**For and on behalf of the Board**

**Abhay Lodha**

Chairman and Managing Director

**Kanchan Murarka**

Director

**Amit Kumar Gupta**

Company Secretary



## Notes forming part of the Financial Statements

## Note 1

## Share Capital

(in ₹)

Particulars	2013-14	2012-13
<b>Authorised</b>		
5,00,00,000 Equity Shares of ₹10 each	<u>500,000,000</u>	<u>500,000,000</u>
2,50,00,000 10% Non convertible Non Cumulative Redeemable Preference Shares of ₹10 each	250,000,000	-
<b>Issued</b>		
82,01,810 Equity Shares of ₹10 each	82,018,100	82,018,100
2,50,00,000 10% Non convertible Non Cumulative Redeemable Preference Shares of ₹10 each	250,000,000	-
<b>Subscribed &amp; Paid up</b>		
82,01,810 Equity Shares of ₹10 each fully paid	82,018,100	82,018,100
2,50,00,000 10% Non convertible Non Cumulative Redeemable Preference Shares of ₹10 each	<u>250,000,000</u>	<u>-</u>
<b>Total</b>	<u><b>332,018,100</b></u>	<u><b>82,018,100</b></u>

## Notes

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

Particulars	2013-14 No. of Shares	2012-13 No. of Shares
Shares outstanding at the beginning of the year	8,201,810	8,201,810
Shares Issued / (bought back) during the year	-	-
Shares outstanding at the end of the year	8,201,810	8,201,810

## (B) Reconciliation of the number of Preference shares outstanding at the beginning and at the end of the reporting period

Particulars	2013-14 No. of Shares	2012-13 No. of Shares
Shares outstanding at the beginning of the year	-	-
Shares Issued / (bought back) during the year	25,000,000	-
Shares outstanding at the end of the year	25,000,000	-

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

Name of Shareholder	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Abhay Narendra Lodha	3,047,104	37.15	3,047,104	37.15
Parmod Jain	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	703,959	8.58



## Notes forming part of the Financial Statements

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

Name of Shareholder	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Abhay Narendra Lodha	20,000,000	80%	-	-
Ashwin Narendra Lodha	5,000,000	20%	-	-

### Note 2

#### Reserves and Surplus

(in ₹)

Particulars	2013-14	2012-13
<b>A. Capital Reserves</b>		
Opening Balance	300	300
Add during the year	-	-
Closing Balance	<u>300</u>	<u>300</u>
<b>B. Securities Premium Account</b>		
Equity Share Premium Account	97,894,200	97,894,200
Preference Share Premium Account	250,000,000	-
	<u><b>347,894,200</b></u>	<u><b>97,894,200</b></u>
<b>C. Surplus</b>		
Opening balance	169,549,739	109,185,104
Add Profit for the year	92,058,943	60,364,635
Closing Balance	<u>261,608,682</u>	<u>169,549,739</u>
<b>Total</b>	<u><b>609,503,182</b></u>	<u><b>267,444,239</b></u>

### Note 3

#### Long Term Borrowings

(in ₹)

Particulars	2013-14	2012-13
<b>Secured</b>		
<b>(a) Term loans</b>		
From Banks	296,820,946	267,696,569
<b>(b) Other loans and advances</b>		
(Secured By Hypothecation of Motor Vehicle)	391,035	586,543
	<u>297,211,981</u>	<u>268,283,112</u>
<b>Unsecured</b>		
<b>(a) Other loans and advances</b>		
Other than Bank	358,126,389	358,126,389
	<u>358,126,389</u>	<u>358,126,389</u>
<b>Total</b>	<u><b>655,338,370</b></u>	<u><b>626,409,501</b></u>

a) Term loans from State Bank of India and Dena Bank have been secured by first mortgage / equitable mortgage on pari-passu basis on the Land, Building, Plant & Machinery and other fixed assets of the Company, situated on plot no. 3436 to 3439 and 3442 to 3446 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat and second pari-passu charge on all the Current Assets of the Company (excluding Current Assets relating to Aluminium Pharma Foil Project and Wind Mill).

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 assets of the Company, situated on plot no. 3440 & 3441 at Chatral Industrial Area of GIDC, Phase IV, Tal: Kalol, Dist. Gandhinagar, Gujarat.

## Notes forming part of the Financial Statements

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

### Note 4

#### Deferred Tax Liabilities (Net)

The components of Deferred Tax Liabilities are as under.

(in ₹)

Particulars	2013-14	2012-13
Opening Balance	67,711,088	62,889,328
Depreciation as per Income Tax	117,220,058	138,131,691
Less : Depreciation as per books	111,436,613	111,200,709
Deferred Tax Liability	5,783,445	26,930,982
Income Tax	1,965,793	8,737,757
Current Year Depreciation Loss C/F	-	-
Previous Year Depreciation Loss C/F	-	13,187,995
Income Tax	-	(3,915,997)
Net Deferred Tax	7,620,012	4,821,760
<b>Total</b>	<b>75,331,100</b>	<b>67,711,088</b>

### Note 5

#### Other Long Term Liabilities

(in ₹)

Particulars	2013-14	2012-13
Trade Deposit	452,596,954	153,592,443
<b>Total</b>	<b>452,596,954</b>	<b>153,592,443</b>

### Note 6

#### Short Term Borrowings

(in ₹)

Particulars	2013-14	2012-13
<b>Secured</b>		
<b>Loans repayable on demand</b>		
from banks	1,053,392,863	1,039,349,880
<b>Total</b>	<b>1,053,392,863</b>	<b>1,039,349,880</b>

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



## Notes forming part of the Financial Statements

### Note 7

#### Trade Payables

(in ₹)

Particulars	2013-14	2012-13
Trade Payable others		
For Goods & Services	848,169,540	618,284,127
For Others	11,905,621	16,292,114
Trade Payable to Micro , Small & Medium Enterprises	3,387,413	736,939
<b>Total</b>	<b>863,462,574</b>	<b>635,313,180</b>

Balances are subject to confirmations.

### Note 8

#### Other Current Liabilities

(in ₹)

Particulars	2013-14	2012-13
Other Creditors	51,736,278	19,774,399
Current Maturities of long term debts	79,805,000	79,804,588
<b>Total</b>	<b>131,541,278</b>	<b>99,578,987</b>

### Note 9

#### Short Term Provisions

(in ₹)

Particulars	2013-14	2012-13
Provision for employee benefits (Gratuity)	1,859,569	1,009,579
Provision for Audit Fees	600,000	600,000
Provision for Service Tax	74,160	-
<b>Total</b>	<b>2,533,729</b>	<b>1,609,579</b>

The liability of Gratuity is funded through a scheme administered through policy taken from LIC and provision is made based on actuarial valuation carried out as at Balance Sheet date

(in ₹)

Particulars	2013-14	2012-13
<b>Reconciliation of opening and closing balance of Defined Benefit Obligation</b>		
Present Value of obligations as at 01.04.2013	4,623,742	3,311,403
Current Service Cost	1,200,000	1,312,339
Present Value of obligations as at 31.03.2014	5,823,742	4,623,742
<b>Reconciliation of opening and closing balance of Fair value of Plan Assets</b>		
Fair Value of Plan Assets as at 01.04.2013	3,733,011	1,615,857
Fair Value of Plan Assets as at 31.03.2014	4,909,207	3,733,011
<b>Reconciliation of Fair Value of Assets and Obligations</b>		
Present value of obligations as at 31.03.2014	5,823,742	4,623,742
Fair Value of Plan Assets as at 31.03.2014	4,909,207	3,733,011
<b>Expense recognised during the year</b>		
Current Service Cost	1,200,000	1,312,339
<b>Actuarial Assumptions</b>		
Discount Rate	8%	8%
Salary Escalation	8%	7%

## Notes forming part of the Financial Statements

## Note 10

## Fixed Assets

(in ₹)

Sr. No.	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
		Balance as at 1 <sup>st</sup> April 2013	Additions during the Year	Balance as at 31 <sup>st</sup> March 2014	Balance as at 1 <sup>st</sup> April 2013	Depreciation charge for the Year	Balance as at 31 <sup>st</sup> March 2014	Balance as at 31 <sup>st</sup> March 2014	Balance as at 31 <sup>st</sup> March 2013
I	<b>Tangible Assets</b>								
	Land	9,777,511	-	9,777,511	-	-	-	9,777,511	9,777,511
	Buildings	121,447,064	-	121,447,064	11,007,970	4,039,792	15,047,762	106,399,302	121,447,064
	Non Factory Building	22,297,381	30,000	22,327,381	874,970	363,789	1,238,759	21,088,622	22,297,381
	Plant and Equipment	1,190,703,564	2,065,000	1,192,768,564	312,849,295	101,713,974	414,563,269	778,205,295	1,190,703,563
	Furniture & Fixtures	3,970,286	128,603	4,098,889	938,296	726,861	1,665,157	2,433,732	7,658,278
	Vehicles	7,658,278	-	7,658,278	2,286,403	245,707	2,532,110	5,126,168	3,970,286
	Office Equipment	6,957,944	28,500	6,986,444	2,798,301	4,007,782	6,806,083	180,361	25,191,112
	Computers	25,191,112	24,300	25,215,412	12,451,857	338,708	12,790,565	12,424,847	6,957,944
	<b>Total ( i )</b>	<b>1,388,003,140</b>	<b>2,276,403</b>	<b>1,390,279,543</b>	<b>343,207,092</b>	<b>111,436,613</b>	<b>454,643,705</b>	<b>935,635,838</b>	<b>1,388,003,139</b>
ii	<b>Capital Work In Progress</b>	<b>80,125,445</b>	<b>428,304,894</b>	<b>508,430,339</b>	-	-	-	<b>508,430,339</b>	<b>80,125,445</b>
	<b>Total (ii)</b>	<b>80,125,445</b>	<b>428,304,894</b>	<b>508,430,339</b>	-	-	-	<b>508,430,339</b>	<b>80,125,445</b>
	<b>Total ( i + ii )</b>	<b>1,468,128,585</b>	<b>430,581,297</b>	<b>1,898,709,883</b>	<b>343,207,092</b>	<b>111,436,613</b>	<b>454,643,705</b>	<b>1,444,066,178</b>	<b>1,468,128,584</b>

## Note 11

## Inventories

(in ₹)

Particulars	2013-14	2012-13
- Raw Materials (including In-Transit)	622,022,320	456,840,115
- Stock-in-process	285,987,191	171,665,891
- Finished Goods	615,272,778	433,541,499
- Stores & spares	9,435,998	10,106,832
<b>Total</b>	<b>1,532,718,287</b>	<b>1,072,154,337</b>

## Note 12

## Trade Receivables - Unsecured and considered good

(in ₹)

Particulars	2013-14	2012-13
Outstanding for a period less than six months from the date they are due for payment Unsecured, considered doubtful	1,031,405,995	1,042,480,539
Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered doubtful	20,621,949	21,972,178
<b>Total</b>	<b>1,052,027,944</b>	<b>1,064,452,717</b>

Balances are subject to confirmations.

## Note 13

## Cash and Cash Equivalents

(in ₹)

Particulars	2013-14	2012-13
a. Balances with Schedule Banks	4,623,136	1,075,201
b. Fixed Deposit With Banks	105,804,273	85,854,264
c. Cash on hand	311,288	648,491
<b>Total</b>	<b>110,738,697</b>	<b>87,577,956</b>



## Notes forming part of the Financial Statements

### Note 14

#### Other Current Assets

(in ₹)

Particulars	2013-14	2012-13
Advance Income Tax and TDS Receivable	21,651,961	41,426,732
Less -Provision For Tax	29,000,000	41,425,875
<b>Total</b>	<b>(7,348,039)</b>	<b>857</b>
Deposits	10,389,403	8,957,653
Other advances - Including Advance to Vendors	33,125,680	48,861,985
<b>Total</b>	<b>36,167,045</b>	<b>57,820,495</b>

Estimated amount of contracts remaining to be executed on capital account this year ₹ 3073 Lacs (Pr. year Nil).

### Note 15

#### Revenue from operations

(in ₹)

Particulars	2013-14	2012-13
Sale of products	4,478,208,593	3,609,029,693
Other operating revenues	7,321,512	9,580,796
	<b>4,485,530,105</b>	<b>3,618,610,489</b>
Less: Excise duty	186,315,282	175,291,826
<b>Total</b>	<b>4,299,214,823</b>	<b>3,443,318,663</b>

#### Earning in foreign currency

(in ₹)

Particulars	2013-14	2012-13
Export of Goods on FOB basis	28,676,025	69,290,797

### Note 16

#### Cost of materials consumed

(in ₹)

Particulars	2013-14	2012-13
<b>Raw Material</b>		
Opening Stock	417,651,751	256,684,071
Purchase	3,976,190,820	2,993,335,913
Less : Closing Stock	622,022,320	417,651,751
<b>Total</b>	<b>3,771,820,251</b>	<b>2,832,368,233</b>

#### Value of Imports on CIF basis

(in ₹)

Particulars	2013-14	2012-13
Raw Material	43,385,434	118,281,168

## Notes forming part of the Financial Statements

## Note 17

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

(in ₹)

Particulars	2013-14	2012-13
<b>Opening Stock :</b>		
Stock-in-Process	171,665,891	164,184,392
Finished Goods	432,255,498	320,918,119
<b>Closing Stock :</b>		
Stock-in-Process	285,987,191	171,665,891
Finished Goods	624,708,776	433,541,499
<b>Total</b>	<b><u>(306,774,578)</u></b>	<b><u>(120,104,879)</u></b>

## Note 18

## Employee Benefits Expense

(in ₹)

Particulars	2013-14	2012-13
- Salaries and incentives	105,378,718	75,323,443
- Contributions to Provident Fund	2,438,438	2,174,675
Gratuity fund contributions	1,200,000	1,009,579
- Staff welfare expenses	2,050,436	3,039,368
<b>Total</b>	<b><u>111,067,592</u></b>	<b><u>81,547,065</u></b>

## Note 19

## Finance costs

(in ₹)

Particulars	2013-14	2012-13
Interest Expense	216,098,102	230,900,310
LC Charges	44,805,453	-
<b>Total</b>	<b><u>260,903,555</u></b>	<b><u>230,900,310</u></b>



## Notes forming part of the Financial Statements

### Note 20

#### Other Expenses

(in ₹)

Particulars	2013-14	2012-13
Consumption of stores and spare parts.	19,687,714	24,243,792
Power and fuel	47,683,446	46,680,768
Excise Duty on Finished Goods	384,814	1,286,000
Loss on Sales of Fixed Assets	-	1,690,238
Repairs to machinery.	1,012,566	1,339,514
Selling & Marketing Expenses *	65,606,038	66,879,362
Insurance	1,554,689	2,411,809
Job Work Charges	3,292,408	3,712,638
Packing Expenses	51,503,924	42,643,350
Rent, Rates and taxes, excluding, taxes on income	8,751,338	9,342,662
VAT & CST Demand	3,959,151	4,620,243
Administrative Expenses	17,231,346	19,469,085
Internal Audit Expenses	650,000	650,000
Cost Audit Fees	100,000	100,000
Payment to Auditors		
a. As a auditor	475,000	475,000
b. for taxation matters	125,000	125,000
c. for reimbursement of expenses	65,000	65,000
<b>Total</b>	<b>222,082,434</b>	<b>225,734,461</b>



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

**(ii) Other operations**

Time is essence when Interest Income is accounted for.

**VII. Retirement benefits**

Retirement benefits have been recognized as per actuarial valuation.

**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 recognized 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, if any.

#### 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) Abhay Lodha
- ii) Prasenjit Dutta
- iii) Kanchan Murarka
- iv) Satish Chandra Gupta
- v) Surender kumar Tuteja
- vi) Viresh Shankar Mathur
- vii) Rahul Babulal Chhajad

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

Name	Nature of Transaction	2013 - 2014		2012- 2013	
		Transaction Value (In ₹)	Outstanding amount carried in the Balance sheet (In ₹)	Transaction Value	Outstanding amount carried in the Balance sheet (In ₹)
Mr. Vijay Chaddha	Salary (Including Perquisites)	-	-	254,999	-
Mr. Abhay Lodha	Salary (Including Perquisites)	240,000	674,763	240,000	439,563
Mr. Abhay Lodha	Preference Share Capital	400,000,000	-	-	-
Mr. Abhay Lodha	Share Application Money Refunded	203,200,000	-	55,650,000	203,200,000
Mr. Abhay Lodha	Unsecured Loan	3,200,000	3,200,000	-	-
Mr. Ashwin Lodha	Preference Share Capital	100,000,000	-	-	-
Mr. Ashwin Lodha	Share Application Money Refunded	11,800,000	-	89,300,000	11,800,000
Mr. Ashwin Lodha	Unsecured Loan	11,800,000	11,800,000	-	-
Mr. Prasenji Datta	Salary (Including Perquisites)	5,049,905	-	3,707,104	-
Mrs. Mona Lodha	Share Application Money	250,000	-	-	250,000
Mrs. Mona Lodha	Unsecured Loan	352,250,000	352,250,000	-	-
Mrs. Sheela Lodha	Share Application Money Refunded	53,800,000	-	42,000,000	53,800,000

Name	Nature of Transaction	2013 - 2014		2012- 2013	
		Transaction Value (In ₹)	Outstanding amount carried in the Balance sheet	Transaction Value	Outstanding amount carried in the Balance sheet
Mrs. Sheela Lodha	Unsecured Loan	126,500,000	126,500,000	-	-
Mr. Satish Chandra Gupta	Sitting Fees	160,000	-	-	-
Mr. S. K. Tuteja	Sitting Fees	140,000	-	-	-
Mr. Viresh Mathur	Sitting Fees	50,000	-	-	-
Mr. Rahul Chhajed	Sitting Fees	250,000	-	-	-

### 23. Earnings Per Share

Particulars	Year ended 31 <sup>st</sup> March 2014	Year ended 31 <sup>st</sup> March 2013
1. Net Profit attributable to shareholders	92,058,943	60,364,635
2. Weighted average no. of Equity Shares	82,01,810	8,201,810
3. Basic earning per share of ₹ 10/- each.	11.22	7.36

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

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

24. These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act 1956. Previous year's figures have been regrouped / rearranged accordingly.
25. There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31<sup>st</sup> March, 2014. This information as required to be disclosed under the Micro, small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
26. 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 : 19<sup>th</sup> May 2014

**For and on behalf of the Board**

**Abhay Lodha**

Chairman and Managing Director

**Kanchan Murarka**

Director

**Amit Kumar Gupta**

Company Secretary



## Notice

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of the members of **GUJARAT FOILS LIMITED** will be held at 3436-3439, Chhatral G.I.D.C Phase- IV, Taluka Kalol, Dist. Gandhinagar, Gujarat- 382729 on **Monday, the 29<sup>th</sup> Day of September, 2014 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 2014 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. Kanchan Murarka, who retires by rotation and, being, eligible offers himself for re-appointment.
3. To consider appointment of statutory auditors and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, 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, for 5 consecutive years until the conclusion of 27<sup>th</sup> Annual General Meeting of the Company held thereafter in calendar year 2019 (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting , at such remuneration as may be determined by the Board of Directors of the Company.”

### **SPECIAL BUSINESSES:**

4. To approve the remuneration of the Cost Auditor for the Financial year ending 31<sup>st</sup> March, 2015 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to recommendations of Audit Committee (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditor appointed by the Board of Directors of the Company, to conduct audit of cost records of the company for the financial year ending March 31, 2015, be paid the remuneration of ₹ 150,000/- (Rupees One Lakh Fifty Thousand only) plus service tax.

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

5. To appoint Mr. Satish Chandra Gupta (DIN: 00025780) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Satish Chandra Gupta (DIN: 00025780), who was appointed as a Director pursuant to Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation, who shall hold office for a term of 2 (two) consecutive years for a term upto March 31, 2016 .

6. To appoint Mr. Rahul B. Chhajed (DIN: 01400028) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rahul B. Chhajed (DIN: 01400028), who was appointed as a Director pursuant to Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director, not liable to retire by rotation, who shall hold office for a term of 2 (two) consecutive years for a term upto March 31, 2016.

7. To consider retirement of Mr. Surendra Kumar Tuteja as a Director and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:-**

**“RESOLVED** not to fill for the time being vacancy caused by the retirement of Mr. Surendra Kumar Tuteja, Independent

Director, who was appointed as a director pursuant to Companies Act, 1956, and does not seek re-appointment as Independent Director at this Annual General Meeting”

8. To consider revision in the terms of remuneration of Mr. Prasenjit Datta, Whole-time Director 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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended or re-enacted from time to time, read with Schedule V of the Act, and subject to such approval of the Central Government, or any other statutory authorities, as may be required and in partial modification of the special resolutions passed at the Annual General Meeting held on September 30, 2011 and September 27, 2013, 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, 2014, 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.”

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard 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 Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

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

10. To consider to borrow monies exceeding aggregate of paid up capital and free reserves and if thought fit to pass with or without modifications the following resolution as **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolution passed by the members of the Company on 30<sup>th</sup> September, 2011, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(c) and 180(2) of the Companies Act, 2013 (Including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) any sum or sums of money borrowed or to be borrowed or any other credit facilities availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency), Working Capital Facilities, Inter-corporate Deposits and securities (comprising fully/partly convertible debentures and/or non convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued /to be issued by the Company, from time to time, for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as may be considered suitable by the Board, notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 2000 Crores (Rupees Two Thousand Crores Only) in aggregate or equivalent amount in any other foreign currency together with interest or other costs, charges, expenses and Other money payable thereon.

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard and also to delegate all or any of the above powers to the Committee of Directors or



any other Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

11. To consider creation of mortgage / charge on the properties of the Company to secure term loans / working capital facilities, inter corporate deposits etc. availed from banks / financial institutions and if thought fit to pass with or without modifications the following resolution as **Special Resolution**:

“**RESOLVED THAT** in supersession of the resolution passed by the members of the Company on 30<sup>th</sup> September, 2011, consent of the Company be and is hereby accorded pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013(Including any statutory modification(s) or re-enactment(s) thereof for the time being in force), other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (the Board) creating such mortgage of and/or charging on such terms and conditions and such time or times and in such form or manner as it may think fit, the whole or substantially the whole or any one or more of the Company’s undertakings or all its undertakings, including the present and/or future properties, whether moveable or immovable comprised in any and/or existing and or new undertakings of the Company, as the case may be, together with the powers to take over the management of the business and concern of all or any such undertakings of the Company in certain events, to or in favour of any Financial Institutions, Banks, including the Company’s Bankers, Body Corporate, Firm, individuals as security for the term loans, working capital facilities, inter corporate deposits, Corporate Guarantees upto ₹ 2000 Crores (Rupees Two Thousand Crores Only) in aggregate together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other monies payable in connection with the amount loaned/financed in terms of the agreement to be entered into between the Company and the concerned Financial Institutions, banks, body corporate, firms and individuals. The Securities so given may be exclusive, pari-passu with or second or subservient to the mortgages and or charges already created or to be created in future by the Company in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to finalise and execute the documents and any such other deeds, papers and writings for creating the aforesaid mortgage and or charges and to do all such acts, deeds and things and to settle mutually any such disputes which may arise in terms of any such contracts, agreements or deeds as may be necessary or expedient for implementing this resolution.”

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

Place: Mumbai  
Date 12<sup>th</sup> August, 2014

**Nikita H. Pedhdiya**  
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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THEN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. **A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report.
3. Corporate Members intending to send their authorized representative to attend the meeting pursuant to section 113 of the Companies Act 2013 are requested to send to the Company a certified true copy of Board resolution authorizing their representative to attend and vote on their behalf at the meeting
4. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

5. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2014 (both days inclusive) in the terms of the provisions of the Companies Act, 2013 and the Listing Agreement for the purpose of the Annual General Meeting.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
9. The Annual Reports will also be available on the website of the Company [www.gujaratfoils.com](http://www.gujaratfoils.com) in the investor section.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary of the Company at least seven days in advance of the meeting so that the information required may be made readily available at the meeting.
11. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's Registrar and Share Transfer Agent. Shareholders whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective depository participant.
12. 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.
13. Statutory registers and documents referred to in the notice and explanatory statement are open for inspection at the Registered office of the Company on all working days (except Sunday and Public Holiday) between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting and will also be available for inspection at the meeting.
14. Shareholders/proxies are requested to bring duly filled admission/attendance slips sent herewith along with the copies of annual reports at the meeting.
15. Physical copies of the Notice of 22<sup>nd</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members in the permitted mode.
16. As per the provisions of Section 152 of the Companies Act, 2013, Mr. Kanchan Murarka, (DIN 00058823) Director of the Company retires by rotation at the ensuing Annual General Meeting. Mr. Kanchan Murarka has expressed his intention to be re-elected as a Director of the Company.

With the implementation of New Companies Act, 2013, all the Independent Directors shall be re-appointed as Independent Director pursuant to the provisions of Section 149 and Section 152 of the Companies Act, 2013.

Mr. Surendra Kumar Tuteja has expressed unwillingness to be re-appointed as Independent Director of the Company and seeks retirement at this Annual General Meeting.

Mr. Satish Chandra Gupta, and Mr. Rahul Chhajed are proposed to be appointed as Independent Directors of the Company under the Companies Act, 2013 to hold office for 2 (Two) consecutive years upto March 31, 2016, not liable to retire by rotation.

The Company has received declarations from all the above Independent Directors stating that they meet with the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013. The Board of Directors of your Company, after reviewing the declarations submitted by the above Independent Directors is of the opinion that the said Directors meet the criteria of Independence as per Section 149(6) of the Companies Act, 2013 and the rules made thereunder and also meet with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, for being the Independent Directors on the Board of the Company and are also independent of the management.

17. Non-resident Indian members are requested to inform the Company or its RTA or to the concerned DPs, as the case may be, immediately:
  - a. the change in the residential status on return to India for permanent settlement.
  - b. the particulars of the NRE Account with a Bank in India, if not furnished earlier.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Link Intime, for consolidation into a single folio.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Link Intime.



## 20. Voting through electronic means

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

Instructions for members for e-voting are as under:

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

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN*</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Dividend Bank Details#</b>	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.



- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

1. The e-voting period commences on 22<sup>nd</sup> September, 2014 (9:00 am) and ends on 24<sup>th</sup> September, 2014 (6:00 pm). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
2. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
3. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 22<sup>nd</sup> August, 2014.
4. Mr. Umesh Ved, Company Secretary (Membership No.4411) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
5. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
6. Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Umesh Ved, Partner, Umesh Ved & Associates, Practicing Company Secretaries not later than 5.00 p.m. on 24<sup>th</sup> September, 2014. Ballot Form received thereafter will be treated as invalid.
7. The results declared along with the Scrutinizer’s report shall be placed on the Company’s website [www.gujaratfoils.com](http://www.gujaratfoils.com) within two days of passing of the resolutions at the AGM of the Company and communicated to BSE Limited.
8. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m (except Sunday and Public Holiday) up to the date of the Annual General Meeting of the Company.

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

**Nikita H. Pedhdiya**  
Company Secretary

Place: Mumbai  
Date 12<sup>th</sup> August, 2014

**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 22<sup>nd</sup> ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:**

<b>Name of Director</b>	<b>Mr. Kanchan Murarka</b>	<b>Mr. Satish Chandra Gupta</b>	<b>Mr. Rahul B. Chhajed</b>
Date of Birth	6 <sup>th</sup> January, 1966	5 <sup>th</sup> May 1947	8 <sup>th</sup> January, 1972
Date of initial Appointment	16 <sup>th</sup> May, 2011	31 <sup>st</sup> January 2009	10 <sup>th</sup> July, 2012
Expertise in specific functional areas	Finance and Management	Banking	Printing and Packaging Industry Management
Qualifications	C.A., C.S., ICWA, B.Com	CAIIB	B.Com
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. ISMT Ltd.</li> <li>3. Brahmaputra Infrastructure Ltd.</li> <li>4. SMC Global Securities Ltd.</li> <li>5. Prudent Arc Ltd.</li> <li>6. Kohinoor Foods Ltd.</li> <li>7. Kamanwala Housing Construction Ltd.</li> <li>8. Orbit Corporation Ltd.</li> <li>9. Solar Industries India Ltd.</li> </ol>	Nil
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. Brahmaputra Infrastructure Ltd.</li> <li>2. SMC Global Securities Ltd.</li> <li>3. Kamanwala Housing Construction Ltd.</li> </ol> <p><b>B. Audit Committee Membership:</b></p> <ol style="list-style-type: none"> <li>1. Emmsons International Ltd.</li> <li>2. ISMT Ltd.</li> <li>3. Orbit Corporation Ltd.</li> </ol> <p><b>C. Shareholders Grievance Committee Membership:-</b></p> <ol style="list-style-type: none"> <li>1. ISMT Ltd.</li> <li>2. Orbit Corporation Ltd.</li> </ol>	Nil
Shareholdings in the Company	7500	NIL	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 PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

#### ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor at a remuneration of ₹ 150,000/- plus service tax to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

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

#### ITEM NO. 5 & 6

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

Mr. Satish Chandra Gupta and Mr. Rahul Chhajed, Directors have given their consent to act as Directors and also are not disqualified from being appointed as Directors in terms of section 164 of the Companies Act, 2013. Further, the Company has received a notice from a members proposing the candidature of, Mr. Satish Chandra Gupta, and Mr. Rahul B. Chhajed for the Office of the Director of the Company.

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

In view of same, Mr. Satish Chandra Gupta, and Mr. Rahul B. Chhajed, Independent Directors of the Company are proposed to be re-appointed as Independent Directors not liable to retire by rotation for a term of consecutive 2 (two) years upto 31<sup>st</sup> March 2016.

None of the Directors (except Mr. Satish Chandra Gupta and, Mr. Rahul B. Chhajed, Independent Directors) / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 & 6, (respectively) of the Notice. The Board commends the Ordinary Resolution set out at Item No. 5 & 6 of the Notice for approval by the shareholders.

#### ITEM NO. 7

Mr. Surendra Kumar Tuteja is Non-executive Director of the Company and retires by rotation at this Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and does not seek re-appointment due to pre-occupation. Accordingly, Mr Surendra Kumar Tuteja retires at this AGM and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

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

#### ITEM NO. 8

At the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2011, and 27<sup>th</sup> September, 2013 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 Datta, the Board has revised remuneration of Mr. Prasenjit P. Datta with effect from 1<sup>st</sup> April, 2014, subject to the approval of Members 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 ₹ 48,00,000/- Per annum.
- b) Performance Linked Incentive: up to ₹ 12,00,000/- Per annum.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as laid down under Sections 197,198, and all other applicable provisions, if any, of the Act, read with Schedule V 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 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended or re-enacted



## Annexure to Notice

from time to time, read with Schedule V 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. 8 of the accompanying Notice.

None of the Directors (except Mr. Prasenjit Datta) / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.8 of the Notice. The Board commends the Special Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

### ITEM No.9

The Articles of Association (AOA) of the Company was adopted on incorporation of the company on 16<sup>th</sup> December, 1992. The existing AOA are based on the Companies Act, 1956 and several regulations in the existing AOA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections. However, substantive sections of the Act which deal with the general working of companies stand notified. With the coming into force of the Act several regulations of the existing AOA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AOA is being uploaded on the Company's website for perusal by the shareholders. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board commends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

### ITEM NO. 10 & 11

Members of the Company in AGM held on 30<sup>th</sup> September, 2011, had approved Borrowing Limits by Authorizing the Board of Directors to Borrow monies pursuant to section 293(1) d and 293(1)a not exceeding a limit of ₹ 500 crores in aggregate of paid up capital and free reserves of the Company.

Now, as per the Provisions of Section 180 of new Companies Act, 2013 and Companies( Meetings of Board & its Powers) Rules, 2014, and further to all circulars, notifications and clarifications issued by Ministry of Corporate Affairs, a Company has to seek a fresh approval of members by way of a special resolution in the General Meeting to borrow money (apart from the temporary loans obtained from the Company's Bankers in the Ordinary course of Business) in excess of the Company's Paid up Capital and Free Reserves.

The increasing Business operations and future Growth Plans of the Company would necessitate restructuring of the Borrowing Limits by Authorizing the Board of Directors to Borrow monies which may exceed at any time the aggregate of paid up capital and free reserves of the Company but not exceeding ₹ 2000 Crores (Rupees Two Hundred Crores).

The Borrowing of the Company are in general, required to be secured by suitable mortgage or charge on all or any of the movable and/or immovable properties of the company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). In terms of Section 180(1)(a) the mortgage or charge on all or any part of the moveable and/or immovable properties of the Company, will be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company hence it is necessary to obtain approval from the shareholders of the Company.

The Special Resolution set out in Item No. 10 & 11 of the Notice may be considered accordingly and the Board recommends the same for the shareholder's approval.

None of the Directors and Key Managerial Personnel and their relatives are deemed to be concerned or interested in any way financially or otherwise in the resolution set out at items no. 10 & 11 of the Notice.

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

Place: Mumbai  
Date 12<sup>th</sup> August, 2014

**Nikita H. Pedhdiya**  
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.  
CIN:L28999GJ1992PLC018570

## ATTENDANCE SLIP

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

DP ID*	
Client ID*	

Folio No.	
No. of shares	

### NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **22<sup>ND</sup> ANNUAL GENERAL MEETING** of the Company held on Monday, September 29, 2014 at 11:30 a.m. at 3436-3439, Chhatral G.I.D.C. Phase – IV, Taluka Kalol, Dist. Gandhinagar, Gujarat – 382729.

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

\* Applicable for investors holding shares in electronic form. Signature of Shareholder / proxy



# GUJARAT FOILS LIMITED

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

## PROXY FORM

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

Name of the member(s): Registered address:		e-mail Id: Folio No/ *Client Id: *DP Id:	
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I/We, being the member(s) of shares of Reliance Industries Limited, hereby appoint:

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

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on Monday, September 29, 2014 at 11:30 a.m. at 3436-3439, Chhatral G.I.D.C. Phase – IV, Taluka Kalol, Dist. Gandhinagar, Gujarat – 382729 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Item no.	Resolutions	For	Against
1	Adoption of Audited financial statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as on that date together with the Report of the Board of Directors' and the Auditors' thereon.		
2	Appointment of Mr. Kanchan Murarka, as a Director of the Company, who retires by rotation at this AGM.		
3	Appointment of M/s H.R. Agarwal & Associates as Statutory Auditor.		
4	To approve the remuneration of Cost Auditor for the financial year ending 31st March, 2015		
5	Appointment of Mr. Satish Chandra Gupta as an Independent Director		
6	Appointment of Mr. Rahul B. Chhajed as an Independent Director		
7	Retirement of Mr. Surendra Kumar Tuteja from Directorship of the Company.		
8	Variation in terms of remuneration of Mr. Prasenjit Datta.		
9	To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act ,2013		
10	Borrow monies u/s 180 (1)(c) exceeding paid up capital and free reserves.		
11	Creation of mortgage/charge on the properties of the company u/s180 (1)(a) for monies borrowed.		

\* Applicable for investors holding shares in electronic form.



Affix a  
1 rupee  
Revenue  
Stamp

Signed this..... day of.....2014

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

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

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

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

**Notes:**

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





*If undelivered please return to:*

**Gujarat Foils Ltd.**

(Secretarial Department)

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

CIN No.: L28999GJ1992PLC018570