

**Company Information**

BOARD OF DIRECTORS	Shri Abhay Lodha (w.e.f. 14.05.2011) Prasenjit Datta (w.e.f. 01.03.2011) Satish Chandra Gupta Kanchan Murarka (w.e.f. 16.05.2011) Parmod H. Jain Vijay Chadha Pradeep J. Saxena	Chairman and Managing Director Director operations Director Director Director Whole-time Director Director
COMPANY SECRETARY	Richa N. Gole (w.e.f. 01.08.2011)	
AUDITORS	H. R. Agarwal & Associates Chartered Accountants Kolkata	
BANKERS	1. Allahabad Bank 2. Oriental Bank of Commerce 3. State Bank of India 4. Dena Bank 5. IDBI Bank 6. Union Bank of India 7. Bank of India	
REGISTERED OFFICE & WORKS	Plot No. 3436-3439, Chhatral G.I.D.C., Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat)	
CORPORATE OFFICE	308, Ceejay House Dr. Annie Besant Road, Mumbai - 400018 Ph. +91-22-24812000 E Mail: shareholders@gujaratfoils.com Web: www.gujaratfoils.com	
REGISTRAR & SHARES TRANSFER AGENTS	Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Ltd.) 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 380 009. TeleFax No. : 079 - 26465179 Email:ahmedabad@linkintime.co.in	

Contents	Page No.
Notice	3
Directors' Report	8
Annexure to Directors' Report	11
Management Discussion and Analysis Report	12
Report on Corporate Governance	14
Auditors' Report	23
Balance Sheet	26
Profit and Loss Account	27
Cash Flow Statement	28
Schedules	29
Notes to Accounts	33
Balance Sheet Abstract	38



CHAIRMAN'S STATEMENT

Dear Shareholders,



I am pleased to extend a warm welcome to each of you to the Nineteenth Annual General Meeting of our company. I am delighted to share with you the Company's progress across all operating and financial parameters.

During the year, the gross revenue of your Company has reached to Rs. 240.81 crore from Rs. 137.30 crores during the previous year, a healthy increase of 75%. This has been achieved mainly on account of increase in production volumes across various product ranges.

We have already marked our presence in the market and positioned ourselves as a leading player in hygienic packaging industry. We have pan India network of distribution and our products are being sold through over fifty thousand retail outlets and our foil "**nutriwrap®**" is well accepted by the consumers across India. We expect to manifold the revenues from this segment going forward. Your Company is poised to benefit from the emerging opportunities in the sector and is focused to create value for its stakeholders.

We remain firmly committed, in maximising shareholders' value. In order to achieve better growth the company is looking at value added products and therefore we have embarked upon an expansion plan for in house conversion of foils to cater to the demand for supplies to the pharmaceutical industry.

Despite the global downturn, Indian economy showed considerable resilience and exhibited decent growth rate next only to that of China. The Indian economy has weathered the worst of the global economic downturn, on the back of strong domestic demand. The outlook for the economy remains positive for the coming years.

Your Company is continuously aiming growth in the medium to long term and maintaining focus on its goals, and realigning all its strengths in an optimum manner. Your company has the bandwidth in terms of people, infrastructure, brand equity, and above all the support of its investors.

Our outlook for the future continues to be positive. It is driven by the fact that the fulcrum of economic growth is shifting to emerging markets and mainly Asia, which is propelled primarily by the growth paradigm of the two most populous countries in the world- India and China.

I strongly believe, our Employee Value Proposition also helps to create an enabling and conducive environment that sets people up for success, enthuses in them the drive to excel, achieve and push back the frontiers of excellence.

I would like to take this opportunity to express my gratitude to the Board of Directors, bankers, employees, suppliers and the shareholders for their continued support and the confidence reposed on us.

Warm Regards,

Abhay Lodha
Chairman and Managing Director



NOTICE

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **GUJARAT FOILS LIMITED** will be held at 3436-3439, Chhatral G.I.D.C. Phase-IV, Ta. Kalol, Dist: Gandhi Nagar, Gujarat-364001 on Friday, **30th September, 2011 at 3.00 P.M.** to transact, inter-alia, the **following business:**

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Audited Profit and Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Satish Chandra Gupta, who retires by rotation, but being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Jagdish Saxena , who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Parmod Hukamchand Jain, who retires by rotation, but being eligible, offers himself for re-appointment.
5. To appoint M/s. H.R. Agarwal & Associates., Chartered Accountants, retiring Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. 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 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the reappointment of Mr. Abhay Lodha, as Chairman cum Managing Director of the Company for a period of 5 years with effect from 14th May, 2011 at the remuneration of Rs. 20,000/- per month and on terms and conditions set out in the draft agreement to be entered into between the Company and Mr. Abhay Lodha , the Board be and is hereby authorised to alter, vary or modify his terms of appointment including remuneration as may be agreed upon with Mr. Abhay Lodha.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of office of Mr. Abhay Lodha as Chairman and Managing Director, the remuneration and perquisites as set out in the aforesaid agreement shall never the less be paid or granted to Mr. Lodha as minimum remuneration, provided in that event the total remuneration by way of salary, perquisites and other allowances shall not exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956, as may be amended from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things and they may take such steps, necessary ,expedient or desirable in this regard."

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Prasenjit Datta , who was pursuant to the Articles 137 of the Company's Articles of Association appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for re-appointment and in respect of whom a notice in writing has been received by the Company from a member under section 257 of the said Act signify his intention to propose Mr. Prasenjit Datta as a candidate for the office of Director , be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Kanchan Murarka , who was pursuant to the Articles 137 of the Company's Articles of Association appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and being eligible, offers himself for re-appointment and in respect of whom a notice in writing has been received by the Company from a member under section 257 of the said Act signify his intention to propose Mr. Kanchan Murarka a candidate for the office of Director , be and is hereby appointed as a Director of the Company liable to retire by rotation."



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

“RESOLVED THAT, pursuant to section 293 (1) (d) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof) and the provisions of the Memorandum of association and Articles of association of the Company; and in suppression of earlier resolutions passed by the members at the annual general meeting of the Company in this behalf, the consent of the Company be and is hereby accorded to the Board of Directors (herein after referred to as the ‘Board’ which term shall be deemed to include any committee thereof for the time being exercising the powers conferred on the Board of Directors by this resolution) of the Company to continue to borrow such sum or sums of money in any manner from time to time, as may be required for the purpose of the business of the Company, with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that the moneys so borrowed together with the money already borrowed by the Company (apart from temporary loans obtained/to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say , reserves not set apart for ant specific purpose, provided however that the total amount so borrowed (apart from temporary loans obtained / to be obtained from the Company’s bankers in the ordinary course of business) shall not at any time, exceed the limit of Rs. 500 Crore. (Rupees Five Hundred Crore)

FUTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to approve, finalise, modify, settle and execute such documents / deeds/ writings / papers / agreements as may be required or considered necessary by the Board and do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question or difficulty that may arise in respect of the borrowing(s) aforesaid; and further, to execute all deeds, documents and writings and take all such other steps as may be necessary or desirable to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 (“the Act”), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge, in addition to the mortgages and / or charges created / to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any part of the immovable and/or movable properties/assets of the Company wherever situated, both present and future, to or in favour of any Bank(s), Financial Institution(s), Company(ies) or other Organization(s) or Institution(s) or Trustee(s) (hereinafter referred to as the ‘Lending Agencies’) in order to secure the loans (excluding temporary loans obtained from the Company’s Bankers in the ordinary course of business) advanced / to be advanced by such lending agencies to the Company together with interest at the respective agreed rates, compound / additional interest, commitment charges, premium on pre-payment on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said borrowings.

FUTHER RESOLVED THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgages and / or charges as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to above resolution.”

11. 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 21 and other applicable provisions of the Companies Act, 1956 and subject of approval of Registrar of Companies, consent of the Company be and is hereby accorded to change the name of the Company from” GUJARAT FOILS LIMITED” to a ” **TOPWORTH ALUMINIUM & PACKAGING LIMITED**”

FURTHER RESOLVED THAT the name of GUJARAT FOILS LIMITED wherever occurs in the Memorandum and Articles of Association of the Company be substituted by the name **“TOPWORTH ALUMINIUM & PACKAGING LIMITED”**.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorised to do all such acts, deeds, matters and things and they may take such steps , necessary ,expedient or desirable in this regard.

Registered Office:

Plot No. 3436-3439,
Chhatral, G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)

Date: 10.08.2011

By Order of the Board

Richa N. Gole
Company Secretary



NOTES

- a) The relative Explanatory Statement as required by Section 173(2) of the Companies Act, 1956, in regard to the Special Business entered under items 6 to 12 is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c) The Register of members and the Share Transfer Books of the Company will remain closed from 28th September, 2011 to 30th September, 2011 (both days inclusive).
- d) Consequent to introduction of Section 109A of the Companies Act, 1956, members are entitled to make Nomination in respect of equity shares held by them in physical form. Members desirous of making nomination are requested to submit the Nomination Form (2B) (in duplicate) as per instructions mentioned therein.
- e) Members who hold shares in dematerialised form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
- f) In case of joint holders attending the Meeting, only such joint holders who is higher in the order of names will be entitled to vote.
- g) Members are requested to bring their Admission slips along with copy of the Report and Accounts to the Annual General Meeting.
- h) Members, who wish to obtain any information on the Company or view the accounts for the Financial year ended 31st March, 2011 send their queries atleast 10 days before the Annual General Meeting to the Secretarial Department at the Registered Office of the Company.
- i) The information as required to be provided under the Listing Agreement with the Stock Exchanges, regarding the Directors who are proposed to be appointed/re-appointed is given hereunder:
- j) Members are requested to intimate their email ids to the respective DPs to initiate the recent amendment in Corporate Governance.

ANNEXURE TO NOTICE

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

ITEM NO. 6

The Board of Directors of the Company, at its meeting held on 14th May, 2011 re-appointed Mr. Abhay Lodha, subject to the approval of Members in the general meeting as **Chairman cum Managing Director** of the Company for the period of five years from 14th May, 2011 to 13th May, 2016 at the remuneration and the terms and conditions set out in the draft agreement referred to at item no 6 of the notice.

Considering his knowledge, experience and leadership quality, it will be beneficial for the Company to re-appoint him as the Chairman Cum Managing Director and manage the business of the Company under his overall guidance and supervision of the Board of Directors.

Mr. Abhay Lodha is interested in the Resolution, which if passed, will benefit him. No other director is interested in this item.

The Directors, therefore, recommend adoption of the proposed resolution.

Copy of the existing contract of Mr. Abhay Lodha is available for inspection at the Registered Office of the Company on any working day during office hours.

The Explanatory Statement together with notice should be treated as an abstract of the terms of the agreement and Memorandum of Concern or Interest under section 302 of the Companies Act, 1956.



ITEM NO. 7

The Board of Directors of the Company (The Board), appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 (The Act) and Article 137 of the Articles of Association of the Company, Mr. Prasenjit Datta as an Additional Director with effect from March 1st, 2011.

In terms of the provisions of Section 260 of the Act, Mr. Prasenjit Datta would hold office upto the date of this Annual General Meeting.

The Company has received a notice in writing from a member along with a deposit of Rs. 500/- proposing the candidature of Mr. Prasenjit Datta for the office of Director of the Company under the provisions of Section 257 of the Act. This amount shall be refunded to the Member if Mr. Prasenjit Datta is appointed as a Director.

Mr. Prasenjit Datta is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act and has complied with the requirements of obtaining the Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite form 'DD-A' from Mr. Prasenjit Datta, in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

A brief resume of Mr. Prasenjit Datta, nature of his expertise in specific functional areas as stipulated under Clause 49 of Listing Agreement with the Stock Exchange in India, are provided in Report on Corporate Governance forming part of the Annual Report.

The Board of Directors recommend his appointment as Director.

Save and except Mr. Prasenjit Datta, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at item no. 7 of the Notice.

ITEM NO. 8

The Board of Directors at its meeting held on May 16th, 2011, appointed Mr. Kanchan Murarka as an Additional Director, in accordance with Section 260 of the Companies Act, 1956, read with Article 137 of the Articles of Association of the Company, Mr. Kanchan Murarka holds office upto the date of this Annual General Meeting. In terms of Section 257 of the Act, a notice in writing has been received from the member of the Company signifying his intention to propose Mr. Kanchan Murarka as a candidate for the office of Director, along with the deposit of Rs. 500/- which amount shall be refunded to the Member if Mr. Kanchan Murarka is appointed as a Director.

Mr. Kanchan Murarka is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act and has complied with the requirements of obtaining the Director Identification Number in terms of Section 266A of the Act. The Company has received the requisite form 'DD-A' from Mr. Kanchan Murarka, in terms of the Companies (Disqualification of Directors under section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming his eligibility for such appointment.

The Board of Directors recommend his appointment as Director.

Save and except Mr. Kanchan Murarka, none of the other Directors of the Company is, in any way, concerned or interested in the Resolution set out at item no. 8 of the Notice.

ITEM NO. 9 & 10

Under Section 293(1)(d) of the Companies Act, 1956 (the 'Act'), the Board of Directors of the Company cannot, except with the consent of the Company in general meeting, borrow monies, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say reserves not set apart for any specific purpose.

The present limit will not be sufficient to meet the growing demand of borrowed funds in view of the future plans of the Company. Considering the financial requirements of borrowed funds in view of the proposed expansion and new projects of the Company and rapidly growing business needs, the Company will require additional funds from time to time, and hence, the borrowing limit previously sanctioned by the members is proposed to be increased to Rs. 500 Crore. The purpose of this resolution is to seek members consent for increase in the borrowing / mortgage powers and as set out in the resolution at Item no. 9 & 10.



The special resolutions at Item no. 9 & 10 are therefore submitted to the meeting for consideration and approval of members.

None of the Directors of the Company is in any way concerned or interested in the said resolutions.

ITEM NO 11

A name change is proposed by Directors. The new proposed name contains "TOPWORTH" which reflects our group identity and the full name "TOPWORTH ALUMINIUM & PACKAGING LIMITED" reflects operations of the Company, subject to the approval of Registrar of Companies.

The Registrar of Companies, Mumbai has confirmed that the new name is available upon application of the Company for change of the name of the Company Under section 21 of the Companies Act, 1956 and the Board of Directors of the Company proposes to make an application to the Registrar of Companies for confirmation of change of name.

The special resolutions at Item no. 11 - are therefore submitted to the meeting for consideration and approval of members.

None of the Directors has any interest in these Resolutions except as a member of the Company.

Registered Office:

Plot No. 3436-3439,
Chhatral, G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 10.08.2011

By Order of the Board

Richa N. Gole
Company Secretary

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ENSUING 19TH ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:

Name of Director	Mr. Satish Chandra Gupta	Mr. Pradeep J. Saxena	Mr. Parmod H. Jain	Mr. Abhay Lodha	Mr. Kanchan Murarka	Mr. Prasenjit Datta
Date of Birth	05.05.1947	03.03.1948	12.10.1961	01.06.1971	06.01.1966	16.06.1963
Date of initial Appointment	31.01.2009	14.07.2008	16.04.2003	14.07.2008	16.05.2011	01.03.2011
Qualification	CAIIB	M.M.S.	B.Com	B.Com	CA,CS,ICWA	B.E.
Expertise in specific functional area	Banking	Management	Management	Technical, Manufacturing, Operations & Technical	Trading & Management	Finance & Management
No. of shares held in the Company	Nil	Nil	16,43,918	30,47,104	7,500	Nil
List of other co. in which holds Directorships on 31 st March, 2011	17	16	Nil	29	4	Nil
Chairmanship/membership of committee of Director of the company	1	2	1	Nil	Nil	Nil
Chairmanship/membership of committee of Director of other Company	Nil	Nil	Nil	Nil	Nil	Nil

Registered Office:

Plot No. 3436-3439,
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Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 10.08.2011

By Order of the Board

Richa N. Gole
Company Secretary

**DIRECTORS' REPORT**

To,
The Members,

Your Directors have pleasure in presenting their 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2011

FINANCIAL RESULTS

	(Rs. In Lacs) 31-03-2011	(Rs. In Lacs) 31-03-2010
Sales	24,081.50	13,730.44
Total Expenditure (excluding interest, depreciation & write-offs)	21,987.12	12,575.21
Profit/(Loss) before Taxation & depreciation	1200.72	520.74
Depreciation & write-offs	792.27	124.67
Profit Before Tax (PBT)	408.45	67.19
Deferred Tax	137.06	138.87
Profit For the year	186.54	189.68
Profit Carried Forward	186.54	189.68

OPERATIONS

During the year under review, the total income grew by 75% to Rs. 240.81 Crore as compared to Rs. 137.30 Crore for the year ended 31st March, 2010. PBDT has also improved to Rs. 12.00 Crore as compared Rs. 5.20 Crore during the last financial year. Net Profit after Tax stood at Rs.1.87 Crore on account of higher depreciation and Interest cost for the project which got commenced during the year.

DIVIDEND

Keeping in view the financial position of the Company for the year under review, your Directors have not recommended any dividends to conserve the resources.

CAPITAL OVERVIEW

During the year there is an increase in the Authorised capital of the Company from Rs. 9 Crore to Rs. 15 Crore vide the resolution passed in the EGM dated 10th April, 2010. However there is no change in the paid up Capital of the Company.

INSURANCE

The Company took adequate insurance to cover the risks to its assets and third parties.

FIXED DEPOSITS

During the year under review, the Company has not accepted any deposits from the public in terms of section 58A & 58AA of the Companies Act, 1956.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiary company.

BOARD OF DIRECTORS

Mr. Abhay Lodha has been appointed as Chairman cum Managing Director of the Company, at the meeting of Board of Directors held on 14th May, 2011.

Mr. Kanchan Murarka has been appointed as an Additional Director on the Board of the Company with effect from 16th May, 2011.

Mr. Prasenjit Datta has been appointed as an Additional Director and designated as Director –Operations by the Board of Directors with effect from 1st March,2011.

Mr. Vimal Kumar Somani has resigned from the Directorship of the Company with effect from 14th May, 2011. Mr. Govind Shah has resigned from the Directorship of the Company with effect from 14th July, 2011. The Board appreciated their contributions and guidance provided for the growth of the Company.



Mr. Parmod H. Jain, Mr. Satish Chandra Gupta and Mr. Pardeep J. Saxena, retire by rotation but being eligible, offer themselves for re-appointment. They have brought rich experience and professional knowledge to the board's decision making process whereby professional management team has been strengthened. Board acknowledges their contribution in the growth of the Company.

Necessary resolutions for appointment, reappointment and remuneration of the Managing Director are being put to the shareholders for their approval.

CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement with the Stock Exchange, the Report on Corporate Governance together with the Auditors' Certificate regarding Compliance of the SEBI Code of Corporate Governance Report annexed is a part of the Director's Report .

MANAGEMENT DISCUSSION AND ANALYSIS

The Annual Report also contains a separate section on the Management Discussion and Analysis which is a part of the Directors' Report.

DISCLOSURE UNDER SECTION 217 OF THE COMPANIES ACT, 1956.**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 217 (2AA) of the Companies Act, 1956, Directors state as follows:

- that in the preparation of the Annual Accounts for the year ended 31st March, 2011, the applicable Accounting Standards has been followed along with proper explanation relating to material departures;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2011 and the profits of the Company for that year;
- that to the best of their knowledge and information they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they have prepared the Annual Accounts for the year ended 31st March, 2011 on going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO.

The statement of particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 217(1)(e) of the Companies Act, 1956 read with The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure forming part of the Director's Report for the year ended 31st March, 2011.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956 AND THE RULES MADE THERE UNDER FOR THE YEAR ENDED 31ST MARCH, 2011.

(In Rs.)

Name & Designation	Salary & Perquisite Received	Qualification	Experience (Years)	Date of commencement of Employment	Age (Years)	Previous employment held
Mr. Prasenjit Promode Datta	2,75,281/-	Bachelor of Technology with honours in Metallurgical Engineering from IIT Kharagpur	25 Yrs.	01/03/2011	48 years	



AUDITORS

M/s. H.R. Agarwal & Associates, Chartered Accountants, the Auditors of the Company will retire from the office of the Auditors at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The remuneration for the current year to be fixed by you.

AUDITOR'S REPORT

The Auditors' Report read together with the Notes on Accounts are self explanatory and therefore, do not call for any further explanation.

EMPLOYEES

Your Directors express their deep appreciation for the un-relented co-operation and support rendered by the employees at all levels of the Company. Your Directors have laid emphasis on safe working culture in the organisation.

COMPLIANCE CERTIFICATE

A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report along with report on Corporate Governance.

LISTING

As stipulated under Clause 32 of the Listing Agreement, the names and addresses of Stock Exchange on which the Company's equity shares listed are:

1. Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

Your Company confirms that Annual Listing Fees for the year 2011-2012 have been paid to BSE.

HUMAN RESOURCES

Your Company places significant emphasis on recruitment, training & development of human resources, which assumes utmost significant in achievement of corporate objectives. Your Company integrated employee growth with organisational growth in a seamless manner through empowerment and by offering a challenging work place, aimed towards realisation of organisational goals to this knowledge-sharing and imparting need based training to its employees.

ACKNOWLEDGEMENT

The Directors also place on record their appreciation for the assistance and co-operation received from the Financial Institutions, bankers, Government Authorities, vendors and members during the year under review. Your Directors wish to place on record their appreciation for the committed services of the executives, staff and workers of the Company. The Directors also express their gratitude to the members for the confidence reposed in the management.

Registered Office:

Plot No. 3436-3439,
Chhatral G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 10th August, 2011

For and on behalf of the Board

Vijay Chadha
Director

Abhay Lodha
Chairman & Managing Director

**ANNEXURE TO THE REPORT OF THE DIRECTORS**

Statement of particulars required under the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988

A. CONSERVATION OF ENERGY

Company believes in maintaining clean environment which is our obligation to mother earth. This is achieved by controlling wastages and not polluting air and water used for production purpose. Since Company uses electricity for operation of plant and equipments, no harmful gas or liquids are generated. Automatic machines are regularly serviced and preventive maintenance help to keep energy (power) consumption very low. Consumption of raw material, its movements and wastages are highly controlled as per technical norms adopted by the Company to minimise cost and keep the environment clean and healthy. Company's entire production facility does not generate any air, water or solid pollution. As a part of Green Energy Initiative, we have already started generation of energy through WIND MILL.

FORM 'A'

A) POWER AND FUEL CONSUMPTION	2010-2011	2009-2010
1) Electricity		
a) Purchased		
Unit	60,63,570	33,87,788
Total Amount (Rupees)	3,86,48,492.70	2,22,45,387.63
Rate/Unit (Rupees)	6.37	6.56
b) Own Generation		
1) through Diesel Generator Unit	N I L	N I L
Unit per Ltr.of Diesel Oil		
2) Through Steam Turbine Generation		
Units		
Units per Lt.of Fuel/Oil/Gas Cost	N I L	N I L
3) Through Wind Mill		
Units	11,17,119	11,76,176
2) Coal (Specify Quality and where used)	N I L	N I L
Qty. (M.T.) Lignite		
Total Cost (Rs.)		
Avg.Rate (Rs.)		
Cost of Consumption per unit of Production (M.T.)		
3) Furnace Oil	N I L	N I L
Qty. (K.Ltrs.)		
Total Amount		
Avg.Rate (Rs.)		
4) Others/Internal Generation (Please give details)	N I L	N I L
Qty.		
Total Cost		
Rate/Unit		

B) Technology Absorption, Research & Development and resultant benefits:

Company believes in continuous up-gradation of technology and adoption of latest production techniques. Company constantly upgrades / refurbishes equipments to offer quality products and minimise production cost. It also helps in increased productivity and shortens production cycle. The technology is constantly absorbed and employees are provided on the job training so that production system is operated at minimum cost. This results in lowest down time and higher production. Market research and customer feedbacks are used to design and develop new/improved Products. This provides edge in retaining existing customers and gaining new customers for value added products.

C) FOREIGN EXCHANGE EARNINGS and OUTGO

Particulars	2010-2011	2009-2010
Foreign Exchange Earning	373.64	204.28
Foreign Exchange Outgo	1780.30	3174.89

Registered Office:

Plot No. 3436-3439,
Chhatral G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 10th August, 2011

For and on behalf of the Board

Vijay Chadha
Director

Abhay Lodha
Chairman & Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INTRODUCTION**

A detailed review of the progress and the future outlook of the Company and its business, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange. The main objective of this report is to present the various challenges and opportunities before the Company as well to provide performance analysis of the Company.

OVERALL INDUSTRY STRUCTURE

Aluminium Industry in India is one of the leading Industries in the Indian economy. The growth of the Aluminium metal industry in India would be sustained by the diversification and exploration of new horizons for the Industry. India has huge deposits of natural resources in the forms of minerals like copper, chromite, iron ore, bauxite, gold etc. The Indian Aluminium Industry falls under the category of non iron based which include the production of copper, tin, brass, lead, zinc aluminium and manganese. The main operations of Indian aluminium industry is mining of ores, refining of the ore, casting , alloying, sheet and rolling into foils. India has to develop Research & development to assist production and improve quality. The Indian aluminium industry has a bright future in the global market to cater international need for aluminium which is used worldwide for its several applications.

ALUMINIUM FOIL- There are around 07 Major Aluminium Foil manufacturers in India with rolling capacity of around 6000 tons per month to cater the total demand of around 8000 tons per month in different field mainly in pharmaceuticals and other packaging industries. In the present scenario, market demand of the product is growing with a rate of 12% p.a.

OPPORTUNITIES & THREATS, RISKS & CONCERNS

India is a growing market for Aluminium Foil industry. High cost of production, slower machinery can become a threat for the industry. Cheaper Imports from China & Korea is a major threat to local industry.

The domestic sales also increased but the increase in sale is disproportionate to the increase in domestic consumption. The capacity utilization of Domestic Industry decreased by 10% in 2010-11 with the increase in import.

COMPANY & BUSINESS OVERVIEW

Your Company is presently dealing in Manufacturing and supply of Aluminium Foils, Strips and Containers for Food, Pharmaceuticals & Packaging Applications.

Considering the advantage of aluminium foil in preventing exposure to light, oxygen, moisture, odors, flavors and specifically bacteria; the pharmaceutical industry uses aluminium foil extensively and regularly for packaging of different medicines such as tablets and capsules etc. They also form the seal under the bottle top for several bottled medicinal mixtures in syrups or bundled pill bottles. In view of shorter dosages and less recuperative time these days as prescribed by doctors the importance of Aluminium based Foil Packaging is the uppermost today.

In order to achieve better value addition we have embarked upon an expansion plan for in house conversion for supplies to the Pharmaceutical industry. In order to gain a foothold in the direct pharma industry GFL has set up a battery of Gravure Printing Machines for the printing of the Aluminium Foils which are processed in the Laminators. These couples with Surface Slitters as well as Doctoring/ Rewinding machines makes GFL a prudent quantity supplier to the Pharmaceutical Industry.



The above mentioned facility with the availability of foil from the existing state of the art Achenbach Mill which is in the same premises will ensure that GFL will be one of the most preferred vendors to the Pharmaceutical Industry. Considering the limited availability of such kind of facilities today in the country this will enable GFL to considerably enrich the product mix and bring about better realisation for the Company.

RISK MANAGEMENT

Your Company has identified major focus areas for Risk Management to ensure organisational objectives are achieved and has a well defined structure and proactive approach to assess, monitor and mitigate risk associated. This is periodically examined and updated to tackle prevailing operating conditions, in the area of energy cost and hazard management, special attention is given for the replacement of old and obsolete electrical equipment, instrumentation, electric cables etc.

QUALITY MANAGEMENT

Your Company has been accredited Certificate of Registration for Food Safety Management System, Certificate of Registration for Environmental Management System from renowned agencies:

Certification	System	Certifying Agency
ISO 22000:2005	Food Safety Management System	BSCIC
ISO 14001:2004	Environmental Management System	BSI
ISO 18001:2007	Occupational Health & Safety Management System	BSI
ISO 9001:2008	Management System	TUV NORD

CAUTIONARY STATEMENT

Statements to this "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, projects, may be forward looking Statements based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectation Company's actual results, performance or achievements could thus differ materially from those projected in any such forward looking statements. The Company assumes no responsibility to publically amend, modify or revise any forward looking statements on the basis of any subsequent developments, information or events.

Registered Office:

Plot No. 3436-3439,
Chhatral, G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 10th August, 2011

For and on behalf of the Board

Vijay Chadha
Director

Abhay Lodha
Chairman & Managing Director

**REPORT ON CORPORATE GOVERNANCE**

Corporate Governance is the system by which companies are directed, controlled and managed. In effect, it is concerned with systems, processes, controls, accountabilities and decision making at the heart of and at the highest level of an organisation. It is about the way in which management executes its responsibilities and authority and how they account for that authority in relation to those that have entrusted them with assets and sources.

- Company's Philosophy:

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

- Board of Directors — Composition:

Company's board consist of both Executive as well Non-executive directors. All directors except Managing Director are liable to retire by rotation as per the provisions of the Companies Act, 1956. Mr. Abhay Lodha heads the Board as its Chairman cum Managing Director. He seeks guidance and direction from non-executive directors who are professional in their core area. They bring rich experience and high skill in management and administration of the business. Together they provide dynamic leadership to the Company on all areas of operations. All directors make contribution to those areas where their skills are most beneficial to the Company. However, final decisions are joint decisions.

The board composition is in accordance with Clause 49 of the Listing requirement of the stock exchange. Particulars of the board of directors as at 31st March 2011, is given below:-

Director	Category	**Member of Board	Other Companies *	
			Chairman	Member
Mr. Abhay Lodha	Executive CMD	29	-	-
Mr. Satish Chandra Gupta	Director / NE / I	17	-	-
Mr. Prasenjit Datta	Director operations	-	-	-
Mr. Vimal Kumar Somani	Director /NI / E	5	-	-
Mr. Parmod H. Jain	Director / NE / I	-	-	-
Mr. Pradeep Saxena	Director / NE / I	16	-	-
Mr. Vijay Chadha	Director / E	1	-	-
Mr. Govind N. Shah	Director / NI / NE	-	-	-

E: Executive ; I: Independent, NE: Non-Executive * Excludes Foreign Companies. ** Including Pvt. Ltd. Co.

BOARD OF DIRECTORS PROFILE

Brief profile of all the directors, nature of their expertise in specific functional areas.

Mr. Abhay N. Lodha

Entrepreneur, 40 years of age with Commerce and Law background. Initiated Steel Trading in 1999 and has been able to drive his Company from a small trader to a large industrial house.

Mr. Vijay G. Chadha

Over 40 years of Experience in Aluminium Casting and Quality Systems.

Mr. Prasenjit Datta

Mr. Prasenjit Datta is having 25 years of experience in aluminium foil manufacturing and Packing industry. His last assignment was as whole time Director Ess Dee Alumunium Limited. Responsible for Profit Centre Management, Manufacturing, Sales and Marketing, Business development etc. His wide experience covers areas like handling large Greenfield projects, including Project Financing, multi vocational manufacturing plants, business process mapping, requirement study and defining the various specifications for application implementation, organisation building through effective technical, planning and man management skills

**Mr. Pradeep J. Saxena**

He has wide international experience in Finance, Banking, IT Industry and Administration. He also sits on the Management Committee of Assocham and the Western India Regional Council of CII. He is a fellow of the Institute of Financial Services, London.

Mr. Satish Chandra Gupta

M.Com, CAIIB, a renowned banker, and former CMD of Punjab National bank and Indian Overseas Bank.

Mr. Parmod H. Jain

He is a former promoter of Gujarat Foils Ltd. He is an experienced Industrialist and Entrepreneur and Continues on GFL Board.

Board Meetings & Annual General Meeting (AGM):

During the year under review Eight Board Meetings were held, the dates 30th April, 2010, 7th May, 2010, 3rd July, 2010, 11th August, 2010, 24th September, 2010, 1st November, 2010, 11th February, 2011, 14th March, 2011.

The last AGM was held on 20th September, 2010

Details of attendance-

Director	No. of Board Meeting Attended	Whether attended last AGM
Mr. Abhay Lodha*	8	Yes
Mr. Vimal Kr. Somani**	8	Yes
Mr. Govind G. Shah***	8	Yes
Mr. Parmod H. Jain	8	Yes
Mr. Satish Chandra Gupta	8	Yes
Mr. Vijay Chadha	8	Yes
Mr. Pramod H. Jain	8	Yes
Mr. Prasenjit Datta ^^	-	No

* Chairman and appointed as Managing Director wef 14th May, 2011

** Resigned wef 14th May, 2011

*** Resigned wef 14th July, 2011

^^ Appointed as Director Operations on 1st March, 2011

- Audit Committee:

The Company has complied with the requirements of Clause 49 of the Listing Agreement of the Stock Exchange and Section 292A of the Companies Act, 1956, as regards composition of Audit Committee.

The Audit Committee consisting of 3 members has held five meetings during the financial year 2011 i.e. on 30th April, 2010, 3rd July, 2010, 11th August, 2010, 1st November, 2010, 11th February, 2011 during the year.

Name	Status	No. of Audit Committee Meetings attended
Mr. Pradeep J. Saxena	Chairman	5
Mr. Vimal Kr. Somani*	Member	5
Mr. Satish Chandra Gupta	Member	5
Mr. Vijay Chadha **	Member	N.A.

*: Resigned wef 14th May, 2011; **: New member

Statutory Auditors and Managing Director are permanent invitee and they have attended all the meetings. The meetings are also attended by Accounts Manager (in charge of accounts). The committee discusses and reviews, inter-alia following matters:

- o Internal control system and its compliance
- o Compliance with accounting standards and code of conduct
- o Related party transaction
- o Quarterly financial statements with a view to comply with all the legal requirements.
- o Advising the board about implications of financial decisions taken

**Share Transfer and Investors Grievance Committee:**

The composition and attendance of the members at the Grievance Committee Meetings are as follow;

Name	Status	No. of Meetings attended
Mr. Govind N. Shah*	Chairman	5
Mr. Pradeep J. Saxena	Member	5
Mr. Pranvesh Tripathi *	Secretary	5
Mr. Vijay Chadha **	Chairman	NA
Mr. Pramod H. Jain **	Member	NA

* Mr. Govind Shah & Mr. Pranvesh Triathi Resigned. ** New Member

Details of complaints received, redressed and pending during the financial year

Pending at the beginning of the year	:	NIL
Received during the year	:	NIL
Redressed / Replied during the year	:	NIL
Pending at the year end	:	NIL

General Body Meetings :

Last three Annual General Meetings were held as under:

Date	Location	Time
20-09-2010	Plot No. 3436-3439, Chhatral, G.I.D.C., phase-IV, Ta:Kalol, Dist. Gandhinagar, Gujarat	3.00 P.M.
30-09-2009	—do—	3.00 P.M.
30-09-2008	— do —	3.00 P.M.

Extra -Ordinary General Meetings during the year were held as under:

Date	Location	Time
10-04-2010	Plot No. 3436-3439, Chhatral, G.I.D.C., phase-IV, Ta:Kalol, Dist. Gandhinagar, Gujarat	11.00 A.M.
07-06-2010	—do—	11.00 A.M. ADJOURNED
14-06-2010	— do —	11.00 A.M.

All the Special Resolutions placed before the shareholders at the above meeting were approved. There were no resolutions requiring approval through Postal Ballot.

Code of Conduct:

The Company has a code of conduct for Directors and senior management that reflects high standard of ethical business practices. The Directors and senior management of the Company have affirmed their adherence to the Code of Conduct with a view to avoid conflict of interest in financial and commercial transactions which are material in nature between them and the Company. As required by Clause 49 of the Listing agreement, the Managing Director's Declaration on the Code of Conduct has been annexed to this Report.

Other Disclosures:**o Materially significant related party transactions:**

Disclosure on materially significant related party transaction i.e. transactions of the Company which are materially significant with its promoters, directors, with the management or with relatives of directors that may have potential conflict with the interest of the Company at large.

There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

o No penalties / strictures have been imposed on the Company by any regulatory authority for non-compliance of any laws on any matter related to capital markets during the last three years.

**- Means of Communication:**

- o Half yearly report is not sent to each shareholder. However, same is published in the leading English and Regional language newspapers and communicated to the stock exchange.
- o Quarterly results are published in the News Paper Western Times in English and Gujarati language newspapers.
- o Annual audited results, on approval by Board, are also published in the same way. They are also put on company's web site.
- o Company's Website à www.gujaratfoils.com

- Shareholder Information:

AGM date, time and venue	30 th September, 2011 at 3.00 p.m. at the Registered Office of the Company
Financial Year	April to March every year
Date of Book Closure	28 th September, 2011 to 30 th September, 2011(Both Days Inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange Limited (BSE) 531410-GUJFOIL (at BSE)
ISIN Code	INE587F01017

- Important Communication

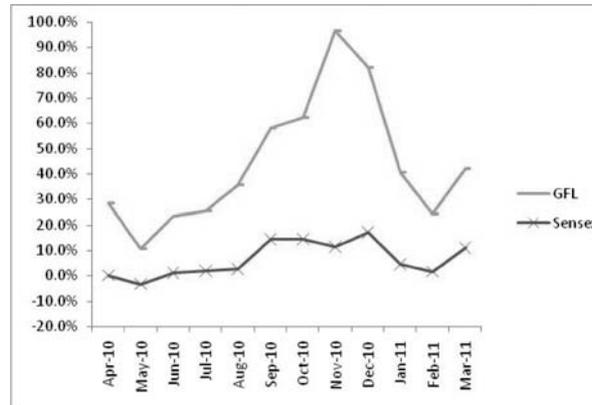
The Ministry of Corporate Affairs , vide its Circular No. 18/2011 dated 29th April,2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report (i.e. documents listed in section 219(1) of the Companies Act,1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's RTA, M/s Link Intime India Pvt. Ltd. by filling the form available on the Company's website and also update the e-mail address as and when there is any change.

(a) **Share Price Movement Vs BSE Sensex** relating to EQUITY SHARES of the Company for the period from 1st Aartil,2010 to 31st March,2011.

Month	Sensex		GFL	
	High	Low	High	Low
Apr-10	18,047.86	17,276.80	71.00	56.05
May-10	17,536.86	15,960.15	73.00	56.05
Jun-10	17,919.62	16,318.39	70.60	58.25
Jul-10	18,237.56	17,395.58	73.05	61.95
Aug-10	18,475.27	17,819.99	76.05	67.00
Sep-10	20,267.98	18,027.12	84.95	61.10
Oct-10	20,854.55	19,768.96	94.00	72.60
Nov-10	21,108.64	18,954.82	101.90	70.50
Dec-10	20,552.03	19,074.57	118.75	79.50
Jan-11	20,664.80	18,038.48	101.70	71.10
Feb-11	18,690.97	17,295.62	85.20	59.00
Mar-11	19,575.16	17,792.17	89.45	68.00



b. Stock Return v/s Sensex Retrun over the year.



(c) Distribution of shareholding as on 31-03-2011:

Group of Shares	No. of Shares	Amount (Rs.)	% To Capital	No. Of Holders	% To Total Holders
1 to 500	98434	984340	1.20	480	72.29
501 to 1000	83218	832180	1.02	96	14.46
1001 to 2000	38952	389520	0.48	24	3.61
2001 to 3000	39692	396920	0.48	16	2.41
3001 to 4000	25700	257000	0.31	7	1.05
4001 to 5000	34707	347070	0.42	7	1.05
5001 to 10000	68659	686590	0.84	9	1.36
10001 and above	7812448	78124480	95.25	25	3.77
Grand Total	8201810	82018100	100.00	664	100.0

(d) Shareholding Pattern As of 31st March 2011

Category	No. of Shareholders	No. of Shares Held	% to Shareholding
Promoter & Promoter Group	11	56,77,712	69.23
Institution	0	0	0
Body Corporate	37	2,92,748	3.57
Individuals	602	22,28,993	27.18
Others	14	2627	0.03
Totals	664	82,01,810	100.00

e) As on 31-03-2011, 7,915,435 [96.51 %] shares out of total equity shares issued by the Company have been dematerialised.

- Share Transfer System :

Share transfer request received in respect of physical form are processed within 30 days if all requisite documents are submitted. Similarly physical shares received for dematerialisation are processed and completed normally within a period of 15 days. The Board of Directors have delegated powers to the Registrars & Transfer Agents for effecting Share Transfers, splits, consolidation, sub-division, issue of duplicated share certificates, rematerialisation, and dematerialisation etc.



Such transfers are processed by Link Intime India Pvt. Ltd. (formerly known as Intime Spectrum Registry Ltd.), which is registered with SEBI. Their addresses and details of contact persons are as follow:

Link Intime India Pvt. Ltd.
211, Sudarshan Complex,
Nr. Mithakhali Under Bridge,
Navrangpura, Ahmedabad-380009.
Tel. : 079-26465179
E-mail: ahmedabad@linktime.co.in

Plant Location:

Unit I

3436-3441, GIDC, Phase IV,
Chhatral, Tal: Kalol,
Dist: Gandhinagar 382729

Unit II

Shree Shyam Estate, Gala No 1,
Bapane Village, NH 08,
Naigaon – EastDist: Thane

Unit III

Jaikishan Agro Compound,
33 B-A, Sector 6,
SANwer Road, Indore 452003

Address for Correspondence:

For Physical & Demated Shares

AHMEDABAD

Link Intime India Pvt. Ltd
211 Sudarshan Complex,
Near Mithakhali Underbridge,
Navrangpura, Ahmedabad – 380009

Company's Share Department at:

3436-3441, GIDC, Phase IV, Chhatral,
Tal: Kalol, Dist: Gandhinagar 382729



CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:

To,
The Members of
GUJARAT FOILS LIMITED,
Ahmedabad.

I, Vijay Chadha, Whole-time Director of the Company, hereby certify that all the Board Members and Senior Management Personnel of the Company have affirmed their compliances with the Code of Conduct in accordance with Caluse-49.I.D of the Listing Agreement entered into with the Stock Exchange.

As required by Clause 49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the Company issued by the Auditors is given as an annexure to the Directors' Report.

The above report of Compliance was adopted by the Board at its meeting held on 10.08.2011.

For and on Behalf of the Board of Directors

Place : Chhatral, Gandhinagar
Date : 10.08.2011

Vijay Chadha
Whole-time Director



CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY

I, Abhay Lodha, Chairman & Managing Director of Gujarat Foils Limited (the Company), hereby certify to the Board that:

- (a) I have reviewed the financial statements and the cash flow Statements for the year and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statements or omit any material fact or contain statement that might be misleading;
 - (ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) I am responsible for establishing and maintaining internal controls for financial reporting in company and I have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the audit Committee:
 - (i) Significant changes in internal controls over financial reporting during the year.
 - (ii) Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
 - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system.
- (e) I affirm that we have not denied any personal access to the Audit committee of the Company.
- (f) I further declare that all the Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Place : Chhatral, Gandhinagar
Date : 10.08.2011

(Abhay Lodha)
Chairman & Managing Director



CERTIFICATE

To
The Members of Gujarat Foils Limited,

We have examined the compliance of conditions of Corporate Governance by **GUJARAT FOILS LIMITED** for the year ended on March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement and that no investor grievance (s) is / are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ Investors Grievance Committee.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR H. R. Agarwal & Associates
Chartered Accountants
Firm Regn. No. 323029E

Place : Chhatral, Gandhinagar
Date : 10/08/2011

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



AUDITORS' REPORT

**To the Members of
Gujarat Foils Limited**

1. We have audited the attached Balance Sheet of **M/S. GUJARAT FOILS LIMITED** as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 (the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further, 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 the books of the company
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of the written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is prima-facie disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true & fair view in accordance 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 31st March, 2011.
 - ii) In the case of the Profit & Loss account of the Profit of the Company for the year ended on that date and
 - iii) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For H. R. Agarwal & Associates
Chartered Accountants
Firm Regn. No. 323029E

Place : Chhatral, Gandhinagar
Date : 10/08/2011

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



ANNEXURE TO THE AUDITORS' REPORT

- i) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year. There is a regular program of physical verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company has not disposed of any substantial/major part of fixed assets during the year.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals during the year by the management.
- (b) In our opinion, 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.
- 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) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(iii) (f) and (g) of the Order are not applicable.
- iv) 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 service. During the course of our audit, no major weaknesses have been noticed in the internal control system.
- v) (a) The particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (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 58 A and 58 AA of the Companies Act, 1956.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) To the best of our knowledge and according to the information given to us, the Central Government has not prescribed maintenance of cost record under section 209 (1) (d) of the Companies Act, 1956.
- ix) (a) The company is regular in depositing undisputed statutory dues including Provident Fund, Investor education and protection fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities.
- (b) There are no dues of Income tax ,Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess outstanding on account of any dispute.
- x) The company has no accumulated losses as at 31st March,2011 and the company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- xi) The company has not defaulted in repayment of dues to any financial institutions / 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 the order are not applicable to the Company.



- xiv) In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
- xv) According to the information & explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) The term loans were applied for the purpose for which the loans were obtained.
- xvii) In our opinion and according to the information and explanations given to us, there are no Funds raised on a short term basis which have been used for long term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures during the year.
- xx) The company has not raised any funds by way of public issue during the year.
- xxi) No fraud on or by the company has been noticed or reported during the year.

For H. R. Agarwal & Associates

Chartered Accountants

Firm Regn. No. 323029E

Place : Chhatral, Gandhinagar

Date : 10/08/2011

(CA. Hari Ram Agarwal)

Partner

M. No. FCA 057625



BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCH. NO.	31.03.2011	31.03.2010
		AMOUNT (Rs.)	AMOUNT (Rs.)
SOURCES OF FUNDS			
Shareholders Funds			
A. Share Capital	1	43,94,18,400	32,04,18,400
B. Reserves & Surplus	2	18,38,65,210	16,52,11,522
		<u>62,32,83,610</u>	<u>48,56,29,922</u>
Deferred Tax Liability	3	4,07,32,206	2,70,26,241
Loan Funds			
A. Secured Loans	4	1,01,44,36,006	70,65,72,802
B. Unsecured Loans	5	12,78,71,520	-
Total.....		<u><u>1,80,63,23,342</u></u>	<u><u>1,21,92,28,965</u></u>
APPLICATION OF FUNDS			
1. Fixed Assets			
Gross Block	6	99,52,53,541	82,03,60,620
Less : Depreciation		13,42,13,519	5,68,25,214
Net Block		86,10,40,022	76,35,35,406
Add : Capital Work-in-Progress		28,44,15,603	4,38,12,171
		<u>1,14,54,55,625</u>	<u>80,73,47,577</u>
2. Current Assets, Loans & Advances	7	1,14,77,56,904	80,67,63,455
Less : Current Liabilities & Provisions	8	48,68,89,187	39,48,82,067
Net Current Assets		<u>66,08,67,717</u>	<u>41,18,81,388</u>
Total		<u><u>1,80,63,23,342</u></u>	<u><u>1,21,92,28,965</u></u>
Significant Accounting Policies & Notes on Accounts	14		

The Schedules referred above form an integral part of the Balance Sheet.
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 : Chhatral, Gandhinagar

Date : 10/08/2011

For Gujarat Foils Ltd.

Abhay Lodha Managing Director

Vijay Chadha Director

Richa Gole Company Secretary

Place : Chhatral, Gandhinagar

Date : 10/08/2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCH. NO.	2010-2011	2009-2010
		AMOUNT (Rs.)	AMOUNT (Rs.)
INCOME			
Sales		2,40,81,50,259	1,37,30,44,284
Less : Excise Duty		16,92,63,216	6,46,94,568
		2,23,88,87,043	1,30,83,49,716
Other Income	9	1,24,66,161	12,45,262
Total.....		2,25,13,53,204	1,30,95,94,978
EXPENDITURES			
Raw Materials Consumed	10	1,95,92,39,468	1,21,78,67,188
Decrease/(Increase) in Stock	11	-9,83,32,263	(88649140)
Manufacturing & Other Exps.	12	16,85,41,534	9,50,22,038
Interest	13	10,18,32,371	3,32,81,099
		2,13,12,81,110	1,25,75,21,185
Profit Before Depreciation & Tax		12,00,72,094	5,20,73,793
Depreciation		7,92,27,442	1,24,66,537
Net Profit Before Taxation		4,08,44,652	3,96,07,256
Current Tax		84,85,000	67,19,000
Deferred Tax		1,37,05,965	1,38,86,914
Tax Adjustment for earlier year (Net)		-	33,454
Profit for the year after Tax		1,86,53,687	1,89,67,888
Add : Balance Brought Forward		6,73,17,322	4,83,49,434
Balance available for Appropriation		8,59,71,009	6,73,17,322
Balance carried to Balance Sheet		8,59,71,009	6,73,17,322
Basic & Diluted Earnings Per Share		2.27	2.31
Significant Accounting Policies & Notes on Accounts	14		

The Schedules referred to above form an integral part of Profit & Loss Account.
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 : Chhatral, Gandhinagar

Date : 10/08/2011

For Gujarat Foils Ltd.

Abhay Lodha Managing Director

Vijay Chadha Director

Richa Gole Company Secretary

Place : Chhatral, Gandhinagar

Date : 10/08/2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2011**

(PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT)

	2010-11 Amount (Rs.)	2009-10 Amount (Rs.)
A. CASH FLOW FROM OPERATION ACTIVITIES		
Net Profit Before Tax	4,08,44,652	3,96,07,256
Adjustment for		
(a) Depreciation	7,92,27,442	1,24,66,537
(b) Interest Paid	10,18,32,371	3,32,81,099
(c) Short/Excess Tax provision	-	-
(d) Direct Taxes	-	-
(e) Interest Received	32,04,364	8,53,020
(h) Loss on Sale of Vehicle	15,792	6,80,500
(i) Profit on sale of Car	-	(33180)
	<u>21,87,15,893</u>	<u>8,51,49,192</u>
Operating Profit Before Working Capital Changes		
Adjustment For:		
(a) Trade & Other Receivables	-30,90,63,432	-12,98,44,687
(b) Inventories	-6,28,83,778	-25,06,98,611
(c) Trade Payable/Provisions	9,74,73,015	14,13,53,404
CASH GENERATED FROM OPERATIONS	-27,44,74,195	-23,91,89,894
Payment of Direct Tax	-1,19,80,360	-16,17,068
Cash Generated / (used) - Operating Activities	-6,77,38,663	-15,56,57,770
CASH FLOW BEFORE EXTRAORDINARY ITEMS	-6,77,38,663	-15,56,57,770
Extraordinary Items	Nil	Nil
NET CASH FROM OPERATING ACTIVITIES	<u>(6,77,38,663)</u>	<u>(15,56,57,770)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
(a) Purchase of Fixed Assets (including capital work-in-progress)	-35,93,23,966	-44,57,83,497
(b) Sale of Fixed Assets	3,60,619	14,82,000
(c) Purchase of Investment	Nil	Nil
(d) Sale of Investment	Nil	1,05,71,605
(e) Profit on Sale of Investment	Nil	Nil
(f) Interest Received	32,04,364	8,53,020
NET CASH USED IN INVESTING ACTIVITIES	<u>-35,57,58,983</u>	<u>-43,28,76,872</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
(a) Proceed from issue of Share Application Share Capital (including premium)	11,90,00,000	23,84,00,000
(b) Share Issue Expenses	-	-
(c) Interest Paid	-10,18,32,371	-3,32,81,099
(d) Increase /(Decrease) in Long Term Borrowing	12,78,71,520	-
(e) Increase /(Decrease) in Bank Borrowing	30,78,63,204	40,13,78,085
	<u>45,29,02,353</u>	<u>60,64,96,986</u>
Net increase /decrease in Cash (A+B+C)	2,94,04,708	1,79,62,344
Opening Balance of Cash Equivalents	3,14,97,937	1,35,35,593
Closing Balance of Cash & Cash Equivalents	<u>6,09,02,645</u>	<u>3,14,97,937</u>

As per our report of even date

FOR H. R. AGARWAL & ASSOCIATESChartered Accountants
Firm Regn. No. 323029E**(CA. Hari Ram Agarwal)**Partner
M. No. FCA 057625**Place** : Chhatral, Gandhinagar**Date** : 10/08/2011**For Gujarat Foils Ltd.****Abhay Lodha** Managing Director**Vijay Chadha** Director**Richa Gole** Company Secretary**Place** : Chhatral, Gandhinagar**Date** : 10/08/2011

**SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31.03.2011 AND
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

	31.03.2011 Amount (Rs.)	31.03.2010 Amount (Rs.)
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED		
150,00,000 Equity shares of Rs.10/ each (Previous Year 90,00,000)	<u>15,00,00,000</u>	<u>9,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
82,01,810 Equity Shares of Rs.10/- each paid in cash	8,20,18,100	8,20,18,100
Add : Share Application Money	35,74,00,000	23,84,00,000
Add : Forfeited Shares	300	300
	<u>43,94,18,400</u>	<u>32,04,18,400</u>
SCHEDULE - 2 : RESERVES & SURPLUS		
Securities Premium	9,78,94,200	9,78,94,200
PROFIT & LOSS ACCOUNT		
Opening Balance	6,73,17,322	4,83,49,434
Add: Profit during the year	1,86,53,688	1,89,67,888
Total	<u>8,59,71,010</u>	<u>6,73,17,322</u>
Total	<u>18,38,65,210</u>	<u>16,52,11,522</u>
SCHEDULE - 3 : DEFERRED TAX LIABILITIES		
Opening Balance	2,70,26,241	1,31,39,327
Add : for the year	1,37,05,965	1,38,86,914
	<u>4,07,32,206</u>	<u>2,70,26,241</u>
SCHEDULE - 4 : SECURED LOANS		
State Bank Of India	12,49,69,144	15,15,89,245
Dena Bank	18,74,07,412	22,08,51,272
Allahabad Bank	55,58,718	1,03,58,718
Bank of India	14,51,36,185	-
Cash Credit		
Allahabad Bank	14,73,24,707	10,89,49,604
Oriental Bank of Commerce	7,21,53,191	6,53,90,282
State Bank Of India	9,06,18,878	5,01,10,594
Dena Bank	8,86,17,541	9,84,20,627
IDBI Bank	14,96,03,620	-
Car Loans		
HDFC Bank	13,94,017	6,42,174
Axis Bank	7,27,032	-
Kotak Mahindra Prime Ltd	9,25,561	2,60,286
	<u>1,01,44,36,006</u>	<u>70,65,72,802</u>
(Refer Note No. 02)		
SCHEDULE - 5 : UNSECURED LOANS		
Body Corporate	<u>12,78,71,520</u>	<u>-</u>



SCHEDULE - 6 : FIXED ASSETS

(Amount In Rs.)

Name of Assets	Gross Block at Cost on 01.04.2010	Addition	Deletion	As at 31.03.2011	As at 01.04.2010	For the Adjustment Year	As at 31.03.2011	As at 31.03.2011	Net Block 31.03.2010	
Land & Leasehold	1,27,66,612	2,50,000	-	1,30,16,612	-	-	-	1,30,16,612	1,27,66,612	
Building Factory	4,20,54,678	45,11,931	-	4,65,66,609	34,00,449	14,05,039	-	48,05,488	4,17,61,121	3,86,54,229
Non Factory Building	51,51,315	1,39,85,950	-	1,91,37,265	68,735	1,17,763	-	1,86,498	1,89,50,767	50,82,580
Plant & Machinery	72,53,20,046	14,90,88,756	-	87,44,08,802	4,81,49,753	7,29,65,433	-	12,11,15,186	75,32,93,616	67,71,70,292
Vehicles	47,32,081	50,06,126	20,79,928	76,58,278	22,30,604	4,43,967	18,39,136	8,35,435	68,22,843	25,01,476
Furniture & Fixtures	20,58,048	13,13,506	-	33,71,554	3,39,666	1,43,878	-	4,83,544	28,88,010	17,18,382
Office Equipment	50,03,336	13,69,758	-	63,73,094	18,83,461	2,63,800	-	21,47,261	42,25,833	31,19,875
Computer	2,32,74,504	14,46,822	-	2,47,21,326	7,52,545	38,87,561	-	46,40,106	2,00,81,220	2,25,21,959
TOTAL	82,03,60,620	17,69,72,849	20,79,928	99,52,53,541	5,68,25,213	7,92,27,442	18,39,136	13,42,13,519	86,10,40,022	76,35,35,405
Capital Work in Progress								28,44,15,603	4,38,12,171	
TOTAL								1,14,54,55,625	80,73,47,576	
<i>Previous Year</i>	<i>9,94,35,739</i>	<i>72,29,32,409</i>	<i>20,07,528</i>	<i>82,03,60,620</i>	<i>4,43,58,677</i>	<i>1,24,66,536</i>	<i>-</i>	<i>5,68,25,214</i>	<i>80,73,47,577</i>	<i>32,84,58,363</i>

31.03.2011 31.03.2010
Amount (Rs.) Amount (Rs.)

SCHEDULE - 7 : CURRENT ASSETS, LOANS & ADVANCES

A. Inventory (as taken, valued & certified by management)		
Raw Materials	6,57,61,191	13,47,14,442
Goods In Transit	6,34,59,541	3,18,18,763
Finished Goods	25,44,73,591	16,44,30,699
Work-in Process	7,72,11,217	6,89,21,846
Stores & Spares	97,81,578	79,17,590
Total (A)	47,06,87,118	40,78,03,340
B. Sundry Debtors (Unsecured & considered good)		
1. More than Six Month	5,44,42,587	50,71,129
2. Others	47,37,36,011	21,40,44,037
Total (B)	52,81,78,598	21,91,15,166
C. Cash & Bank Balances		
1. Cash On Hand (As taken & Certified by the management)	2,89,570	17,48,968
2. Balance With		
Schedule Banks - in Current accounts	1,62,83,944	55,55,514
- Fixed Deposits	4,43,29,131	2,41,93,455
Total (C)	6,09,02,645	3,14,97,937
D. Loans & Advances (Unsecured & Considered good)		
1. Advance recoverable in cash or kind for value to be received		
a. Advance Income Tax & TDS Receivable	2,21,82,241	1,02,01,881
b. Others	5,65,98,987	12,97,54,251
2. Deposits	92,07,315	83,90,880
Total (D)	8,79,88,543	14,83,47,012
Total = (A+B+C+D)	1,14,77,56,904	80,67,63,455



19TH ANNUAL REPORT 2010-2011

	31.03.2011 Amount (Rs.)	31.03.2010 Amount (Rs.)
SCHEDULE - 8		
A. Current Liabilities		
Sundry Creditors	31,39,40,272	28,50,20,022
Sundry Creditors - Capital Goods	9,15,47,159	4,77,01,574
Other Liabilities	<u>7,29,16,756</u>	<u>5,54,41,471</u>
	<u>47,84,04,187</u>	<u>38,81,63,067</u>
B. Provisions	<u>84,85,000</u>	<u>67,19,000</u>
	<u><u>48,68,89,187</u></u>	<u><u>39,48,82,067</u></u>

	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
SCHEDULE- 9 : OTHER INCOME		
Bank Interest	264	256
Interest on GEB Deposit (Tds Rs. 38546 P.Y. Rs. Nil)	3,85,464	-
Interest on FDR (Tds Rs 146090 P. Y. Rs. 107068)	28,18,636	8,52,763
Sundry Balance written off/ Written back (Net)	39,46,838	-
DEPB Income	-	2,47,823
Profit on sale of Car	-	33,180
Previous Year Income (Tds. Rs. Nil P.Y. Rs. Nil)	-	1,11,240
Job work Charges Income (Tds Rs. 4344 P.Y. Nil)	1,22,621	-
Exchange Rate Difference	51,92,338	-
	<u>1,24,66,161</u>	<u>12,45,262</u>

SCHEDULE- 10 :RAW MATERIALS CONSUMED		
Opening Stock	16,65,33,205	99,74,268
Add: Purchase - Inland	1,71,30,03,874	1,13,22,91,557
Purchase - Import	<u>14,54,63,580</u>	<u>24,21,34,568</u>
	<u>2,02,50,00,659</u>	<u>1,38,44,00,393</u>
Less: Closing Stock	6,57,61,191	16,65,33,205
Raw Materials Consumed.....	<u><u>1,95,92,39,468</u></u>	<u><u>1,21,78,67,188</u></u>

SCHEDULE -11 : DECREASE/ (INCREASE) IN STOCK		
Work in process, Finished Goods & Scrap		
Closing Stock	33,16,84,808	23,33,52,545
Opening Stock	<u>23,33,52,545</u>	<u>14,47,03,405</u>
	<u><u>-9,83,32,263</u></u>	<u><u>-8,86,49,140</u></u>

SCHEDULE - 12 : MANUFACTURING AND OTHER EXPENSES		
(A) MANUFACTURING EXPENSES		
Machinery Stores, Spares & Repairs	1,86,36,116	1,13,97,741
Power & Fuel	2,16,04,905	82,07,210
Electric Repairing	3,23,027	1,64,238
Water Charges	91,552	30,501
Job Work Charges	<u>1,34,30,064</u>	<u>1,29,33,448</u>
Total (A)	<u><u>5,40,85,664</u></u>	<u><u>3,27,33,138</u></u>

**19TH ANNUAL REPORT 2010-2011**

	2010-2011 Amount (Rs.)	2009-2010 Amount (Rs.)
(B) STAFF EXPENSES		
Wages, Salary, Gratuity, Bonus & Leave Encashment	1,44,40,588	92,78,920
Staff Welfare	27,77,617	2,22,733
Total (B)	<u>1,72,18,205</u>	<u>95,01,653</u>
(C) SELLING EXPENSES		
Freight & Octroi	2,84,90,476	1,69,15,669
Sales Commission	76,40,140	19,24,349
Packing Expenses	1,58,47,627	50,30,951
Total (C)	<u>5,19,78,243</u>	<u>2,38,70,969</u>
(D) ADMINISTRATION EXPENSES		
Advertisement	25,62,954	28,37,384
Auditors Remuneration	4,00,000	3,86,050
Tax Audit Fees	1,00,000	55,150
Audit - Out of Pocket Exp.	63,550	31,484
Bank Commission/charges	81,69,672	43,58,724
Business Promotion	18,72,135	24,13,417
Computer Exps	2,45,593	65,904
Cash Discount	29,07,598	18,97,882
Exhibition Exp.	9,54,395	6,40,387
Export Expenses	11,65,911	5,92,126
Fees & Subscription	34,53,362	18,14,050
General Expenses	10,86,158	4,31,238
Insurance	20,89,175	10,84,497
Internal Audit Exp.	1,26,000	1,26,180
Legal Fees	95,321	30,650
Interview & Joining Exp.	87,283	29,044
Office Electricity Exps.	3,04,158	1,08,014
Office Exp.	4,76,633	1,85,518
Printing & Stationery	11,71,686	2,48,921
Prior Period Expenses	-	1,25,621
Professional Charges	39,61,397	21,36,007
Rent Rates & Taxes	46,13,302	24,68,181
Security Charges	3,80,690	1,39,483
Telephone Telex & Communication	14,50,411	6,61,314
Travelling	59,56,117	32,83,661
Sundry Balances written off	-	1,00,338
VAT & CST Demand	15,50,129	1,56,250
Loss on Sale of Cars	15,792	6,80,500
Currency F&O	-	4,77,371
Excise duty on finished Goods	-	13,50,934
Total (D)	<u>4,52,59,422</u>	<u>2,89,16,278</u>
Total (A+B+C+D).....	<u>16,85,41,534</u>	<u>9,50,22,038</u>

SCHEDULE -13 : INTEREST

Interest to Banks	10,12,83,201	3,31,97,674
Interest to Others	5,49,170	83,425
	<u>10,18,32,371</u>	<u>3,32,81,099</u>

**SCHEDULE -14 : SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :****A. SIGNIFICANT ACCOUNTING POLICIES****1. 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.

2. 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.

3. 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.

4. 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

5. 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.

6. Revenue Recognition

- (i) Sales
 - a) Sales is recognized when the products leave the premises of the company.
 - b) Sales is net of Excise Duty, VAT and CST.
- (ii) Other operation
Time is essence when Interest Income is accounted for.

7. Retirement benefits

Retirement benefits have been recognized as per actuarial valuation

8. 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.

9. Provisions

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

**10. 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.

11. 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.

12. Contingent Liability

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

13. 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.

B. NOTES ON ACCOUNTS

1. The Shareholders Fund includes money received on account of proposal of the promoters/Directors or key management personnel to subscribe the share of the company amounting to Rs. **35,74,00,000** for which shares will be allotted/refunded in due course.
2.
 - a. Term Loan from State Bank of India, Mumbai has been secured by pari-passu charge on the Land, Building, Plant & Machinery & other fixed assets of the company on Plot No. 3436 to 3439 and 3442 to 3446 at Chhatral Industrial Area of GIDC, Phase-IV, Tal: Kalol, Dist. Gandhinagar, Gujarat and second pari-passu charge on all the current assets with other working capital lenders.
 - b. Term Loan from Dena Bank, Mumbai has been secured by pari-passu charge on the Land, Building, Plant & Machinery & other fixed assets of the company on Plot No. 3436 to 3439 and 3442 to 3446 at Chhatral Industrial Area of GIDC, Phase-IV, Tal: Kalol, Dist. Gandhinagar, Gujarat and second pari-passu charge on all the current assets with other working capital lenders.
 - c. Wind Mill Term Loan from Allahabad Bank, IFB, New Delhi has been secured by exclusive charge over land, Plant & Machinery and other fixed assets of the wind mill of the company.
 - d. Term Loan from Bank of India, Ahmedabad has been secured by exclusive equitable mortgage/hypothecation charge on fixed assets of Aluminium Pharma Foil Project.
 - e. Working capital cash credit loan from Allahabad Bank, IFB, New Delhi, has been secured by Hypothecation on first pari passu charge basis of entire stocks, book debts and other current assets of the company ranking pari-passu with other Working Capital Lenders.
 - f. The loans at (c) and (e) above are further secured by Second charge on Entire fixed assets of the company except wind mill ranking pari-passu with other Working Capital Lenders.
 - g. Cash Credit from Oriental Bank of Commerce, Mumbai, secured by first pari passu charge by way of hypothecation of Stock of Raw Material, Stock in process, finished goods, Stores & Spares and Receivables on pari-passu with other working capital lenders.
 - h. Working capital cash credit from state bank of India, Back Bay reclamation Branch, Mumbai has been secured by first charge on pari passu basis on entire current assets of the company with other working capital lenders and second pari passu charge on entire fixed assets of the company with Dena bank, Allahabad Bank, and OBC.
 - i. Working capital cash credit from Dena Bank, Corporate business branch, Mumbai has been secured by first pari passu charge by way of hypothecation of entire current assets with other working capital lenders and second pari passu charge on entire fixed assets of the company with SBI, Allahabad Bank, and OBC.
 - j. Working capital cash credit from IDBI Bank, New Delhi has been secured by first pari passu charge by way of hypothecation of entire current assets with other working capital lenders and second pari passu charge on entire fixed assets of the company with Dena Bank, SBI, Allahabad Bank, and OBC.
 - k. Car loans have been secured by hypothecation of respective cars.

**19TH ANNUAL REPORT 2010-2011**

3. Payment to Auditors :	2010-11 (Rs.)	2009-10 (Rs.)
Statutory Audit Fees	4,00,000	3,50,000
Tax Audit Fees	1,00,000	50,000
In other Capacities	1,45,000	1,25,000
	6,45,000	5,25,000
Service Tax	79,980	49,751
	7,24,980	5,74,751

4. Estimated amount of contracts remaining to be executed on capital account Rs. 93.80 Lacs (Previous year Rs. 1312.25 Lacs).

5. Quantitative Details

a. Installed Capacity : Not Applicable

b. Stock & Turnover :

	2010-11		2009-10	
	Amount (Rs. in Lacs)	Quantity (Kgs.)	Amount (Rs. In Lacs)	Quantity (Kgs.)
ROLLED PRODUCT & FOILS				
Opening Stock	2,333.53	17,12,035.234	1,295.59	9,61,021.345
Sales	22,388.87	1,44,09,570.51	13,083.5	8,560,125.134
Closing Stock	3,316.85	18,08,867.895	2,333.53	17,12,035.234
RAW MATERIAL CONSUMED				
Aluminium Coils	19,592.391	74,31,335.54	12,178.67	92,92,102.43

6. Foreign Exchange Earnings and Outgo :

	2010-11 Amount (Rs. In Lacs)	2009-10 Amount (Rs. In Lacs)
a. Value of Imports on CIF basis		
(i) Raw Material	1350.38	1281.87
(ii) Components & Spare Parts	NIL	NIL
(iii) Capital Goods	347.88	1620.08
b. Expenditure in foreign currency :	82.04	272.94
c. Earnings in foreign exchange		
(i) Exports of goods on FOB basis	73.64	204.28
(ii) Others	NIL	NIL

7. Balances of Sundry Debtors and Creditors are subject to confirmation.

8. Amount due to Micro, Small and Medium Enterprises

There are no Micro and Small Scale Business Enterprises, to whom the Company owes, which are outstanding for more than 45 days as at March 31, 2011. This information is as required to be disclosed under the Micro, Small and Medium Enterprises development Act, 2006 has been determined to the extent such parties are identified on the basis of information available with the company. Therefore, the prescribed disclosures for liability of interest on overdue payments are not applicable to the company.

9. (A) Related party transaction:

(a) Key Management Personnel :	i) Shri Vimal Kumar Somani
	ii) Shri Vijay G. Chadha
	iii) Presenjit Dutta (w.e.f. 01.03.2011)



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

Name of Related Party	Nature of Transaction	2010 - 2011		2009 - 2010	
		Transaction Value Amount (Rs.)	Outstanding amount carried in the Balance sheet Amount (Rs.)	Transaction Value Amount (Rs.)	Outstanding amount carried in the Balance sheet Amount (Rs.)
A. Key Managerial Personnel					
Shri Vimal Kumar Somani	Salary	2,70,000	NIL	2,70,000	NIL
Shri Vijay Chadha (Including Perquisites)	Salary	9,30,000	NIL	6,70,000	NIL
Shri Vimal Kumar Somani	Share Application Money Received	NIL	NIL	32,50,000	32,50,000

10. Earning Per Share

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
1. Net Profit attributable to shareholders (Rs.)	1,86,53,688	1,89,67,888
2. Weighted average no. of Equity Shares (Nos.)	82,01,810	82,01,810
3. Basic earning per share of Rs. 10/- each	2.27	2.31

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.

11. Deferred Tax

Major Components of Deferred Tax arising on account of temporary timing differences are:

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
(Rs. in Lacs)		
Deferred Tax		
Opening Balance (A)	270.26	131.39
Depreciation as per I.Tax (B)	1263.40	627.89
Less : Dep. as per Book (C)	792.27	124.68
Deferred Tax Liability (D)	471.13	503.21
Income Tax	156.49	171.04
Current Year Dep. Loss C/f. (F)	58.51	94.65
Income Tax	19.43	32.17
Net Deferred Tax H=(E-G)	137.06	138.87
Closing Balance (A+H)	407.32	270.26

12. Fixed Deposits with Banks amounting to **Rs.4,43,29,131** have been earmarked against Margin Money for Letters of Credit facility from Banks

13. Employees Retirement benefits :

Provident Fund Contribution by the Company

Defined Contribution Plan

Contribution to defined Contribution Plan, recognized as expense for the year are as under :

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Contribution to Provident Fund	Rs. 9,32,243	Rs. 4,39,134
Contribution to ESIC	Rs. 4,80,017	Rs. 1,40,195

**Defined Benefit Plan**

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

Sr.No.	Particulars	Gratuity Funded Life Insurance Corporation of India Policy	
		Year ended 31.03.2011 Amount (Rs.)	Year ended 31.03.2010 Amount (Rs.)
I	Reconciliation of opening and closing balance of Defined Benefit Obligation		
	Present Value of obligations as at 01.04.2010	18,58,378	8,40,008
	Current Service Cost	9,08,310	3,02,060
	Present Value of obligations as at 31.03.2011	27,66,688	10,80,211
II	Reconciliation of opening and closing balance of Fair value of Plan Assets		
	Fair Value of Plan Assets as at 01.04.2010	16,36,441	6,38,831
	Fair Value of Plan Assets as at 31.03.2011	16,36,441	10,59,624
III	Reconciliation of Fair Value of Assets and Obligations		
	Present value of obligations as at 31.03.2011	27,66,688	10,80,211
	Fair Value of Plan Assets as at 31.03.2011	16,36,441	10,59,624
IV	Expense recognized during the year		
	Current Service Cost	11,30,247	20,587
V	Acturial Assumptions		
	Discount Rate	8%	8%
	Salary Escalation	7%	7%

14. Previous year's figures have been regrouped / rearranged wherever considered necessary.
15. Amount is rounded off to the nearest rupee.
16. The statement of Significant Accounting Policies and the Notes numbered 1 to 15 above form an integral part of the accounts for the year ended 31st March, 2011.

Subject to our report of even date

FOR H. R. AGARWAL & ASSOCIATES

Chartered Accountants
Firm Regn. No. 323029E

(CA. Hari Ram Agarwal)

Partner
M. No. FCA 057625

Place : Chhatral, Gandhinagar

Date : 10/08/2011

For Gujarat Foils Ltd.

Abhay Lodha Managing Director

Vijay Chadha Director

Richa Gole Company Secretary

Place : Chhatral, Gandhinagar

Date : 10/08/2011



Schedule - 15 : Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. State Code
Balance Sheet Date

II. CAPITAL RAISED DURING THE YEAR

Public Issue Right Issue
Bonus Issue Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities Total Assets

Sources of Funds

Paid up Capital

(including Share Application Money)
Reserves & Surplus

Secured Loans

Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investment

Net Current Assets

Misc. Expenditure

Accumulated Losses

IV. PERFORMANCE OF THE COMPANY

Turnover Total Expenditure

Profit Before Tax Profit After Tax

Earnings Per Share in Rs. Dividend Rate %

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY
(AS PER MONETARY TERMS)

Item Code	Products
76071991	Aluminium Foil/Sheet/Strip
76061200	Aluminium Coil/Sheet/Strip
76069290	Aluminium Coil/Sheet/Strip

Subject to our report of even date

FOR H. R. AGARWAL & ASSOCIATES

Chartered Accountants
Firm Regn. No. 323029E

(CA. Hari Ram Agarwal)

Partner
M. No. FCA 057625

Place : Chhatral, Gandhinagar

Date : 10/08/2011

For Gujarat Foils Ltd.

Abhay Lodha Managing Director

Vijay Chadha Director

Richa Gole Company Secretary

Place : Chhatral, Gandhinagar

Date : 10/08/2011



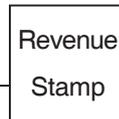
GUJARAT FOILS LTD.

Regd. Office : Plot No. 3436-3439, Chhatral G.I.D.C., Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat)

FORM OF PROXY

I/We _____
of _____ being a member/members of the above
of _____
or failing him _____
of _____ as my/our proxy to vote for me/us and on
my/our behalf at the 19th Annual General Meeting of the Company at Plot No. 3436-3439, Chhatral G.I.D.C., Phase-IV,
Ta : Kalol, Dist. Gandhinagar (Gujarat) at 3.00 p.m. on 30th September, 2011.

Signed this _____ day of _____ 2011.



Note :-

1. The form should be signed across the stamp as per the specimen signature registered with the Company.
2. This proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

GUJARAT FOILS LTD.

Regd. Office : Plot No. 3436-3439, Chhatral G.I.D.C., Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat)

ATTENDANCE SLIP

(To be handed over, duly filled in, at the Entrance of the Meeting Place)

Name of the attending Member/Proxy (in block letters) :

Member's Folio No. :

No. of Shares held :

I hereby record my presence at the 19th Annual General Meeting of the Company to be held at Plot No. 3436-3439, Chhatral G.I.D.C., Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat) at 3.00 p.m. on 30th September, 2011.

Place : Chhatral, Gandhinagar

Member's/Proxy's Signature



Addendum to Notice of the 19th Annual General Meeting of the Members of the Company

Item No 12

“**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals as may be necessary, the appointment of Mr. Prasenjit Datta as a Whole Time Director of the Company for a period of five years with effect from March 1, 2011 be and is hereby approved on the terms and conditions as set out in the draft agreement to be entered between the Company and Mr. Prasenjit Datta placed before meeting, with authority to the Board of Directors to alter, vary or modify the terms and conditions of appointment of Mr. Prasenjit Datta in such manner as may be required and agreed between the Company and Mr. Prasenjit Datta.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Prasenjit Datta, this remuneration shall be payable as minimum remuneration in terms of Section 198(4) read with Schedule XIII to the Companies Act, 1956, as may be decided by the Board of Directors.

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

Registered Office:

3436-3439, Chhatral G.I.D.C. Phase-IV,
Ta. Kalol, Dist: Gandhi Nagar,
Gujarat-364001.
Date : 10.08.2011

By Order of the Board

Richa N. Gole
Company Secretary

Explanatory Statement

The Board of Directors at its meeting held on March, 14, 2011 appointed Mr. Prasenjit Datta as a Whole Time Director of the Company for a period of 5 years with effect from March 1, 2011, subject to the approval of members in the General Meeting, on the following terms and conditions:

1. Tenure of Appointment : 1st March 2011 to 29th February 2016 (5 Years)
2. Tenure for payment of Remuneration: 1st March 2011 to 28th February 2014 (3 Years)
3. Remuneration payable:
 - a) Salary: Rs. 38,00,000 Per annum.
 - b) Perquisites:
 - i. Medclaim Policy, Personal Accident Insurance as per the rules of the Company.
Perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such rules, perquisites will be valued at actual cost.
 - c) He will also be entitled to the following in accordance with the Company's policies, practices and procedures:
 - i. Contribution to Provident Fund, superannuation fund or annuity fund to the extent these either singly or put together, are not taxable under the Income Tax Act, 1961.
 - ii. Gratuity payable as per Payment of Gratuity Act and rules made there under.
 - iii. Encashment of leave at the end of the tenure, as per the Company Policy, if any.
 - d) Mr. Datta shall be entitled to followings as per the policy of the Company:
 - i. Free use of the Company's car for the business of the Company.
 - ii. Mobile, telephone and other communication facilities at residence for use on Company's business will not be considered as perquisites.



- iii. The Company shall reimburse to the Whole Time Director, expenses incurred by him for the purpose of the business of the Company in accordance with the Company's policies, practices and procedures.
4. Commission on the annual net profits of the Company as may be decided by the Board at its sole discretion at the end of each financial year, computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject to the ceilings laid down in Sections 198 and 309 of the Companies Act, 1956 on the total remuneration.

As per the provisions of section 309 of the Companies Act, 1956, (Act) read with Schedule XIII to the Act, the remuneration payable to Mr. Prasenjit Datta is not in conformity with overall remuneration which can be paid to managerial personnel. As per the provisions of Clause (B) of Part II of Schedule XIII to the Act, the remuneration payable to Mr. Prasenjit Datta can be approved only for 3 years at a time by passing special resolution at the general meeting of the Company. Hence, approval of the members for payment of remuneration is sought for 3 years only w.e.f 1st March 2011.

The details as required under (B) of Part II of Schedule XIII to the Act are given below:

I. GENERAL INFORMATION:**(1) Nature of Industry:**

Aluminium and related products

(2) Date or expected date of Commencement of Commercial Production:

The Company is already in operation since 1992

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable as the Company has already commenced the business.

(4) Financial Performance based on given indicators:

(Rs. In Lacs)

Particulars	2008-09	2009-10	2010-11
Sales	8212.80	13730.44	24081.50
Profit before Tax	63.27	396.07	408.45
Profit after Tax	29.46	189.68	186.54
Earnings Per share (Rs.)	0.43	2.31	2.27

(5) Export Performance and net foreign exchange collaborations:

(Rs. In Lacs)

Particulars	2008-09	2009-10	2010-11
Export (F.O.B)	2.80	204.28	73.64

(6) Foreign investments or collaborators, if any: NIL**II. INFORMATION ABOUT THE APPOINTEE:****1) Background details:**

Mr. Prasenjit Datta is a B. E (Honours) in Metallurgical Engineering from the Indian Institute of Technology (IIT), Kharagpur. He has over 25 years of experience in the field of Metallurgical Engineering. He has vast experience in the field of Aluminum Industry.

2) Past remuneration:

Before joining the Board of the Company, Mr. Prasenjit Datta was working with Jindal Polyester Limited as President (Aluminium Division) and was drawing an annual remuneration of Rs 36,00,000Lacs.

3) Job profile and his suitability

Mr. Prasenjit Datta has over 25 years of experience in the field of Metallurgical Engineering. He has vast experience in the field of Aluminium Industry and has acted on very senior position during his earlier assignments



with various corporates engaged in the business of Aluminum and related goods. He had worked with India Foils Limited (part of Sterlite Group) as Chief operating Officer. He has worked with Ess Dee Aluminium Limited as Whole Time Director. His last assignment was with Jindal Polyester Limited as President-Aluminium Division). His vast experience in the field of Aluminum Industry will help the Company in achieving its future goal.

4) Remuneration proposed:

The proposed overall remuneration payable to Mr. Prasenjit Datta shall not exceed Rs. 38,00,000/- (Rupees Thirty Eight Lacs) p.a. and other perquisites.

5) Comparative remuneration profile:

The proposed remuneration payable to Mr. Prasenjit Datta is at par with the industry standards, in which it operates

6) Pecuniary relationship:

Mr. Prasenjit Datta has no other pecuniary relationship with the Company except receiving remuneration as Whole-time Director.

III. OTHER INFORMATION:

(1) Reason for loss or inadequate profits and Steps taken or proposed to be taken for improvement:

The Company has started its business activities from 1992, however the actual performance of the Company ramped up in the last three years with its expanded capacity. The Company's sales have improved, substantially during the last three years. However the profit margin could not improve in line with the sales volume, mainly because of higher depreciation and higher interest cost. The Company is getting new orders and is expected to increase its turnovers in coming years. The higher turnover shall also result in higher profitability.

(2) Expected increase in productivity and profits in measurable terms

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

	(Rs. in Lacs)		
Year	2011-12	2012-13	2013-14
Sales	25475.00	28164.00	30980.00
Profit	868.00	1023.00	1229.00

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

The above may be treated as an abstract of the terms of appointment in terms of section 302 of the Companies Act, 1956.

Your Directors recommend for the passing of the resolution as set out at item no. 12 of the notice for his appointment as Whole Time Director of the Company.

Except Mr. Prasenjit Datta, no other Director of the Company is interested / concerned in the above re-appointment.

Registered Office:

3436-3439, Chhatral G.I.D.C. Phase-IV,
Ta. Kalol, Dist: Gandhi Nagar,
Gujarat-364001.
Date : 10.08.2011

By Order of the Board

Richa N. Gole
Company Secretary