




GUJARAT FOILS LIMITED

BOARD OF DIRECTORS	Pramodkumar Jain	Chairman & Managing Director
	Kishor H. Patel	Director
	Naresh H. Patel	Director
	Nilkamal P. Kajiwala	Director
	Nishikant Jain	Director
	Shishir Garg	Director

AUDIT COMMITTEE	Shishir Garg	Chairman
	Nilkamal Kajiwala	Member
	Nishikant Jain	Member

AUDITORS	V. Patel & Co. Chartered Accountants Ahmedabad
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BANKERS	Andhra Bank
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REGISTERED OFFICE & WORKS	Plot No. 3436-3439, Chhatral, G.I.D.C., Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat)
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NOTICE

NOTICE is hereby given that the Tenth Annual General Meeting of the Shareholders of GUJARAT FOILS LIMITED will be held on Saturday the 28th September, 2002 at the Registered office at Plot No. 3436-3439, Chhatral, G.I.D.C., Phase - IV, Ta: Kalol, Dist: Gandhinagar (Gujarat) at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002 and the Profit & Loss Account for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Directors in place of Shri Kishor H. Patel who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Directors in place of Shri Shishir Garg who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office:

Plot No. 3436-3439,
Chhatral G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar
Date: July 31, 2002

By Order of the Board

(Pramodkumar Jain)
Chairman & Managing Director

NOTES

- (a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER**

THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- (b) The Register of Members and Share Transfer Books will remain closed from 23rd September, 2002 to 30th September, 2002 (both days inclusive) for the purpose of Annual General Meeting.
- (c) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the shareholders after making the requisite endorsement thereon.
- (d) Members are requested to intimate the change in their registered address, if any, to the Company's Registered Office.
- (e) Members are requested to bring this copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
- (f) Members seeking further information about the Accounts and/or operations of the Company, are requested to send their queries to the Company at its Registered Office at least TEN days before the date of the Meeting.
- (g) Members desiring for nomination facility may kindly send the form duly filled and signed to the Registered Office of the Company.

**DIRECTORS' REPORT**

To,
The Members,
GUJARAT FOILS LIMITED
Ahmedabad.

Your Directors have pleasure in presenting herewith their Tenth Annual Report and together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2002.

FINANCIAL RESULTS

	2001-2002	(Rs. In lacs) <u>2000-2001</u>
Sales & Other Income	3851.57	3021.87
Profit/(Loss) before taxation & Depreciation	67.43	60.27
Depreciation	14.57	13.79
Provision for taxation	3.87	3.50
Deferred Tax	2.27	0.00
Profit for the year	46.72	42.98

DIVIDEND

In view of inadequate profit made by the Company during the year, your Directors express their inability to declare any dividend.

PRESENT OPERATIONS & FUTURE PROSPECTS

The Company's operations were encouraging during the year under review as compared to the previous year. The sales of the Company has increased by Rs.829.69 Lacs in comparison to the previous year. Profit for the year was Rs.46.72 Lacs as compared to Rs.42.98 Lacs of previous year.

However, the profitability has been affected due to the recession period being faced by the industry as a whole and the increased cost of raw materials.

The sales for the quarter ended as on 30 th June, 2002 was Rs. 1503.08 Lacs and your directors are hopeful to maintain the same trend during the current year.

Your Directors are pleased to inform that the working of present financial year is satisfactory and Directors are hopeful to achieve better results in future.

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.

PARTICULARS OF CONSERVATION OF ENERGY ETC.

The statement of particulars with respect to conservation of energy, technology absorption and Foreign Exchange earning 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 annexed herewith as Annexure A which forms part of this report.

PARTICULARS OF EMPLOYEES

The particulars of Employees falling under the purview of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules, 1975 are Nil, hence no details have been given.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 (the Act) and the Company's Articles of Association, Shri Kishor H. Patel and Shri Shishir Garg retires from the Board by rotation and being eligible, offers himself for re-appointment.



RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of Companies (Amendment) Act, 1956, the Directors confirm :-

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures from the same;
- 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 true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- that 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 on the going concern basis.

AUDIT COMMITTEE

In terms of provisions of section 292A of the Companies Act, 1956, your Company has constituted the Audit Committee of the Board of Directors. The composition of the Audit Committee are given below:

Sl.No.	Names of Members	Category	No. of Meetings Attended
1.	Shishir Garg	Independent/Non-Executive	3
2.	Nilkamal Kajiwala	Independent/Non-Executive	3
3.	Nishikant Jain	Independent/Non-Executive	2

The terms of reference of the Audit Committee mandated by your Board of Directors which is also in line with the statutory and regulatory requirement are:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function including structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussions to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.

LISTING

The shares of the Company are listed at Ahmedabad and Mumbai Stock Exchange, and the Company is regular in payment of listing fees to both the stock exchange, Company has paid annual listing fees to the Stock Exchanges for the year 2002-2003.

DEMATERIALISATION OF EQUITY SHARES

As per direction of the SEBI and Mumbai Stock Exchange, the shares of the Company are under compulsory demat form. The Company has established connectivity with both the Depositories, i.e. National Securities Depository Limited and Central Depository Services (India) Limited and ISIN No. for the equity shares of the Company is **INE587F01017**.

AUDITORS

M/s. V. Patel & Co., Chartered Accountants Auditors, of the Company hold office upto the date of Annual General Meeting. The Company has received Certificate under section 224(1)(B) of the Companies Act, 1956 from M/S V. Patel & Co., Chartered Accountants signifying that the appointment if made, at the ensuing Annual General Meeting, will be within the limits specified. Your Directors recommend to appoint and fix the remuneration of Auditors.



With regard to Note No. 2(f) of the Auditors Report for non-provision of Doubtful Debts, attention of members is drawn to Note No. 9 of Schedule 13 of the Balance Sheet as on 31st March, 2002. In view of position narrated in the said Note, no provision is required to be made at present. Your Directors are hopeful to receive the full amount. Your Directors are pleased to inform that till date an amount of approximately Rs. 35.00 lacs have been received.

INDUSTRIAL RELATIONS

The industrial relations with employees remained cordial through out the year. Your Directors wish to place on record their appreciation of the devoted services rendered by the workers, staff and employees of the Company.

ACKNOWLEDGMENT

Your Directors place on record their sincere thanks for continuous support of the Financial Institutions, Banks, Central and State Governments, valued customers and devoted employees for their continuous contribution to the company.

The Directors also express their gratitude to the Shareholders for the confidence reposed in the Management of the Company.

Registered Office:

Plot No. 3436-3439,
 Chhatral G.I.D.C., Phase-IV,
 Ta: Kalol, Dist: Gandhinagar
 Date: July 31, 2002

On behalf of the Board

(Pramodkumar Jain)
 Chairman & Managing Director

ANNEXURE TO THE DIRECTORS REPORT

Particulars pursuant to section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Directors' Report) Rules, 1988:

A. CONSERVATION OF ENERGY

1) Energy Conservation measures taken

The Company has formed a strong technical department headed by a senior personnel to continuously monitor energy consumption and plan and execute energy conservation schemes. Effective measures are being taken for overall technological upgradation of plant and machinery.

2) Total energy consumption and energy consumption per unit of production

FORM 'A'

	<u>2001-2002</u>	<u>2000-2001</u>
A) POWER AND FUEL CONSUMPTION		
1) Electricity		
a) Purchased		
Unit	490030	893080
Total Amount (Rupees)	3206915.28	5177829.27
Rate/Unit (Rupees)	6.54	5.80
b) Own Generation		
1) Through Diesel Generator Unit	NIL	NIL
Unit per Ltr.of Diesel Oil		
2) Through Steam Turbine Generation		
Units		
Units per Lt.of Fuel/Oil/Gas Cost/	NIL	NIL
Unit		



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	2001-2002	2000-2001
2) Coal (Specify Quality and where used)	NIL	NIL
Qty. (M.T.) Lignite		
Total Cost (Rs.)		
Avg.Rate (Rs.)		
Cost of Consumption per unit of Production (M.T.)		
3) Furnace Oil	NIL	NIL
Qty. (K.Ltrs.)		
Total Amount		
Avg.Rate (Rs.)		
4) Others/Internal Generation	NIL	NIL
(Please give details)		
Qty.		
Total Cost		
Rate/Unit		

B) TECHNOLOGY ABSORPTION :**a) Research and Development**

i) Specific areas in which R&D carried out by the Company :

Your Company continue to test and work with technologies and engage in Research & Development program. Efforts of the Company are directed towards quality control and improvement of in-house expertise.

ii) Benefits derived as a result of the above R&D :

The above R&D activities have resulted in improvement of product quality and cost effectiveness.

b) Technology Absorption and Innovation:

The Company has been putting emphasis to train its technical personnel by way of providing training to them for the latest technology available. It has resulted in a better quality of product which has been brought to the International Standard, besides improving the productivity and reducing the wastages.

C. FOREIGN EXCHANGE EARNINGS / OUTGO

Particulars	Rupees	
	2001-2002	2000-2001
Foreign Exchange Earned :	Nil	Nil
Export of Goods on FOB Basis	Nil	Nil
Foreign Exchange Used :	Nil	Nil
Foreign Travailing		
Bank Charges		
Membership & Subscription		
Finished Goods Purchased		
Telephone Expenses		

On behalf of the Board

Place : Ahmedabad
Date : July 31, 2002

(Prmodkumar Jain)
Chairman & Managing Director