

**12th Annual Report
2003-2004**

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GUJARAT FOILS LIMITED

BOARD OF DIRECTORS	Pramodkumar Jain	Chairman & Managing Director
	Nishikant Jain	Director
	Shishir Garg	Director
	Pramod H. Jain	Director

AUDIT COMMITTEE	Shishir Garg	Chairman
	Pramod H. Jain	Member
	Nishikant Jain	Member

AUDITORS	Doctor & Patel Chartered Accountants Ahmedabad
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BANKERS	Andhra Bank Caunaught Circus, New Delhi
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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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REGISTRAR & SHARE TRANSFER AGENT	Intime Spectrum Registry Limited 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad - 380 009. Telefax : 079-26465179 Email: ahmedabad@intimespectrum.com
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NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the Shareholders of **GUJARAT FOILS LIMITED** will be held on Friday the 24th September, 2004 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 businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 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 Director in place of Shri Shishir Garg who retires by rotation and being eligible offers himself for re-appointment.
3. 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: 16th August, 2004

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 20th September, 2004 to 24th September, 2004 (both days inclusive) for the purpose of Annual General Meeting.
- (c) All correspondence relating to Change of Address & Shares of the Company may please be addressed to the Company's Registrar and Share Transfer Agent M/s. Intime Spectrum Registry Ltd at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad-380 009.
- (d) 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 atleast TEN days before the date of the Meeting.

ANNEXURE FORMING PART OF AGM NOTICE**PARTICULARS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ENSUING 12TH ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:**

Mr. Shishir Garg is B.Sc., PGDFM and pursuing course of Chartered Accountant. Mr. Garg was appointed as additional director at the meeting of the Board of Directors of the Company held on 30th July, 2001 and his appointment was approved at the meeting of the shareholders held on 28th September, 2001. Mr. Garg is a young and dynamic person and having experience of accounts & finance. Mr. Garg is supervising and guiding in the matter of Accounts & Finance of the Company.

Mr. Garg is a chairman of the Audit committee of the Company.

Mr. Garg is not holding directorship & membership in other companies.

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(Pramodkumar Jain)
Chairman - Managing Director


DIRECTORS' REPORT

To,
 The Members,
GUJARAT FOILS LIMITED

Your Directors have pleasure in presenting herewith their 12th Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	2003-2004	(Rs. In lacs) 2002-2003
Sales	5993.11	4865.92
Expenditure	5922.94	4797.80
Profit/(Loss) before taxation & Depreciation	70.17	68.12
Less :		
Depreciation	18.58	15.66
Provision for taxation	4.30	4.50
Profit for the year	47.29	47.96
Less : Deferred Tax	5.68	0.27
Profit carried to Balance Sheet	<u>41.61</u>	<u>47.69</u>

DIVIDEND

Looking to the conserve resources and inadequate profit available for appropriation, 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 to Rs. 5993.11 Lacs in comparison to the previous year of Rs. 4865.92 Lacs. The Profit for the year was amounted to Rs.47.29 Lacs as compared to Rs.47.96 Lacs of that of the previous financial year. However the Profitability has been decreased by Rs. 0.67 Lacs as compared to that of previous financial year, this was due to heavy cost of raw materials, interest charges, depreciation and deferred tax provisions as compared to that of previous financial year. Your directors are hopeful to maintain the same encouraging trend for the next financial year.

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 which forms part of this report.

PARTICULARS OF EMPLOYEES

Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company, since none of the employees of the Company was in receipt of total remuneration of Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. during the financial year under review.

DIRECTORS

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



DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departures from the same;
- b) 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;
- c) 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;
- d) 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 & Clause 49 of the Listing Agreement executed with the Stock Exchanges, your Company has constituted the Audit Committee of the Board of Directors. Details of the Committee is given in Annual Report on corporate Governance.

LISTING

The shares of the Company are listed at The Stock Exchange, Ahmedabad (regional Stock Exchange) and The Stock Exchange, Mumbai.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate Report on Management Discussion and Analysis is attached herewith and form part of the Director's Report.

REPORT ON CORPORATE GOVERNANCE

As required under Clause 49 of the Listing Agreement executed with Stock Exchanges, a separate report on Corporate Governance is attached and forming part of the Annual Report for the year 2003-2004.

AUDITORS AND AUDITOR'S REPORT

M/s. Doctor & Patel, 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. Doctor & Patel, Chartered Accountants signifying that the appointment if made, at the ensuing Annual General Meeting, will be within the limits specified. Your Directors recommend to re-appoint and fix the remuneration of Auditors.

With regard to Note No. 2(f) (i) of the Auditors Report for non-provision of Doubtful Debts & Note No. 2(f) (ii) for non-provision in respect of interest and other charges payable to GIIC, attention of members is drawn to Note No. 8 & 9 of Schedule 14 of the Balance Sheet as on 31st March, 2004. In view of position narrated in the said Note, no provision is required to be made at present.

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.

APPRECIATION

Your directors wish to thank the Company's valued customers and various department of Central & State Government, Local Authorities, Banks, devoted staff and other business associates for continued support to the Company's growth and looking to their continued support in the future.

The Directors also express their gratitude to the shareholders for the confidence reposed in the management.

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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>2003-2004</u>	<u>2002-2003</u>
POWER AND FUEL CONSUMPTION			
1) Electricity			
a) Purchased			
Unit		1041760	554528
Total Amount (Rupees)		5569516.80	3333338.55
Rate/Unit (Rupees)		5.35	6.01
b) Own Generation			
1) Through Diesel Generator Unit			
Unit per Ltr. of Diesel Oil		NIL	NIL
2) Through Steam Turbine Generation			
Units			
Units per Lt. of Fuel/Oil/Gas Cost/		NIL	NIL
Unit			
2) Coal (Specify Quality and where used)			
Qty. (M.T.) Lignite		NIL	NIL
Total Cost (Rs.)			
Avg. Rate (Rs.)			
Cost of Consumption per unit of			
Production (M.T.)			
3) Furnace Oil			
Qty. (K.Ltrs.)		NIL	NIL
Total Amount			
Avg. Rate (Rs.)			
4) Others/Internal Generation			
(Please give details)		NIL	NIL
Qty.			
Total Cost			
Rate/Unit			

12TH ANNUAL REPORT 2003-2004**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 programme. 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	
	<u>2003-2004</u>	<u>2002-2003</u>
Foreign Exchange Earned :	NIL	NIL
Export of Goods on FOB Basis		
Foreign Exchange Used :	NIL	NIL
Foreign Travelling		
Bank Charges		
Membership & Subscription		
Finished Goods Purchased		
Telephone Expenses		

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On behalf of the Board

(Prmodkumar Jain)
Chairman - Managing Director