

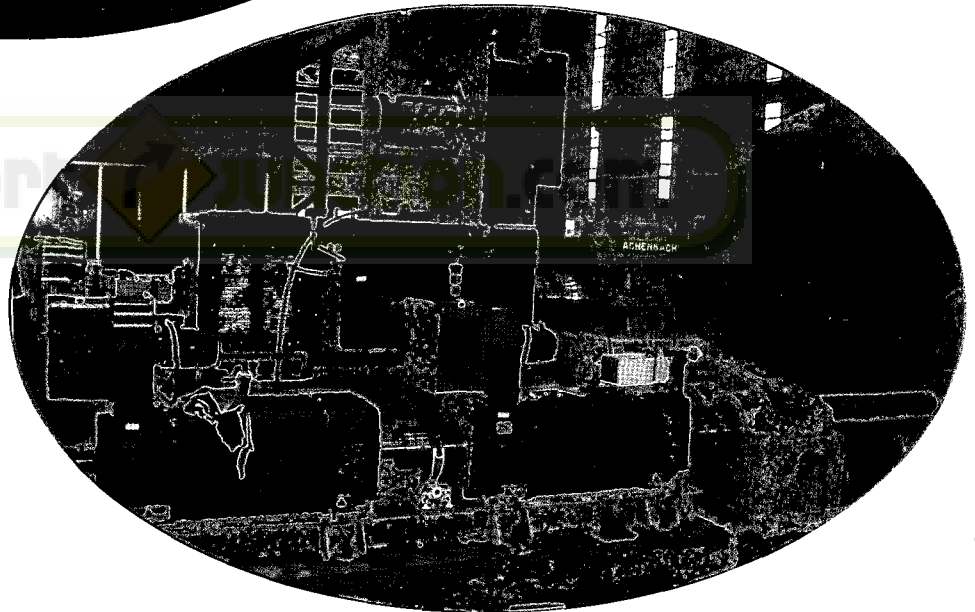
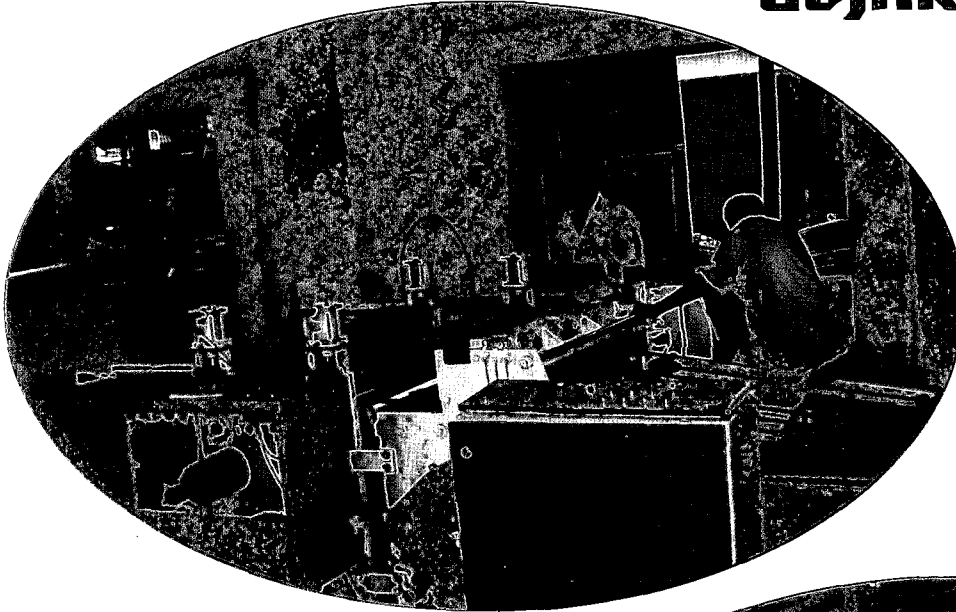
Annual Report 2008-09



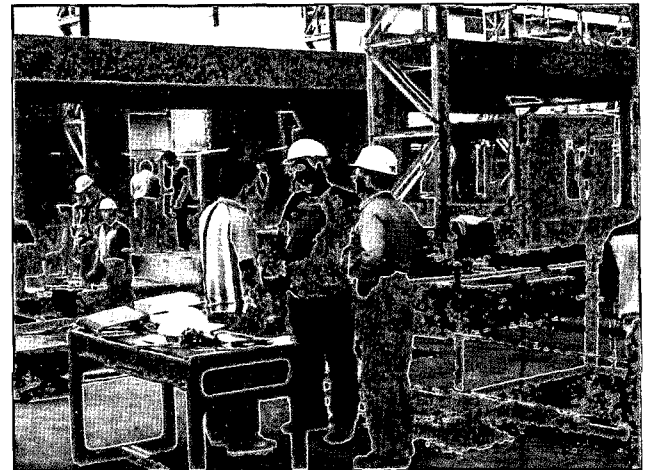
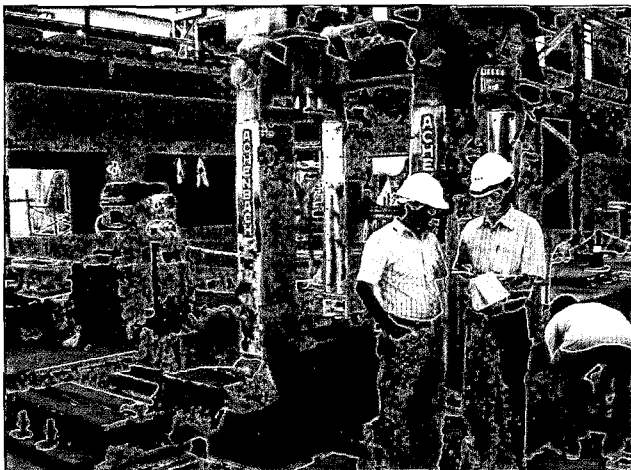
GUJARAT FOILS LTD.



GUJARAT FOILS LTD.



REPORT JUNCTION





GUJARAT FOILS LIMITED

BOARD OF DIRECTORS

Abhay N. Lodha	Chairman
Vimal Kumar Somani	Managing Director
Pradeep J. Saxena	Director
Govindlal Shah	Director
Satish Chandra Gupta	Director w.e.f. 31.01.2009
Vijay Chadha	Director w.e.f. 12.07.2009
Parmod H. Jain	Director
Pramod Kumar Jain	Director

COMPANY SECRETARY

Pranvesh Tripathi

AUDITORS

H. R. Agarwal & Associates
Chartered Accountants
Kolkata

BANKERS

1. Allahabad Bank
Industrial Finance Branch, Parliament Street, New Delhi .
2. Oriental Bank of Commerce,
Mumbai Overseas Branch, Nariman Point, Mumbai.
3. State Bank of India,
Backbay Reclamation Branch, Raheja Chambers,
Nariman Point, Mumbai.
4. Dena Bank,
Corporate Business Branch, Bandra – Kurla Complex,
Bandra – East, Mumbai.

REGISTERED OFFICE & WORKS

Plot No. 3436-3439,
Chhatral GIDC, Phase-IV, Ta : Kalol, Dist. Gandhinagar (Gujarat)

CORPORATE OFFICE

308, Ceejay House
Dr. Annie Besant Road, Mumbai - 400018
Ph. +91-22-24812000
E Mail: info@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

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THE CHAIRMAN'S LETTER TO SHAREHOLDERS,



Dear Shareholders, it gives me immense pleasure to communicate with you after the Takeover of the Company by myself along with Mr. Vimal Kumar Somani who is also Managing Director of your Company.

Company since acquisition has undergone the exercise of debottlenecking and improvement in productivity. The Company, after its takeover saw a steep increase in capacity by 100%.

The Industry across the globe was facing toughest challenges in the Financial Year 2008-09.

The Aluminum Industry was down globally. There was steep price fall in Aluminum, other metals and metal products due to the recessionary economy worldwide. However Indian economy was not as badly affected by the global recession as other economies in the world and started recovering at a better pace compared to other economies. India would be able to maintain an economic growth of 6.2% of GDP.

However, during the year, due to efficient and powerful business strategies, Company survived the global recession and not only we could stand our ground, we could retain our market share as well.

The worst seems to be over and there have been positive results across the industry for the Quarter ended June, 2009 and I believe Global economy will start recovering in this fiscal year.

I take this opportunity to thank all my colleagues on the Board, our Bankers, Buyers, Clients, Suppliers, our professional workforce, employees, consultants, Government Authorities and Various Agencies etc. who have been associated with your Company and without their support we could not have achieved our goals.

Abhay Lodha
Chairman



THE MANAGING DIRECTORS' LETTER TO STAKEHOLDERS,



Dear Stakeholders, it's my pleasure to communicate with you after takeover of the Company and taking responsibility as MD to take forward the Company.

The Company, after its takeover saw a steep increase in capacity by 100% due to the infusion of strategic management and induction of strong, experienced industry professionals.

Indian Economy is a developing economy providing a huge opportunity to your Company to be part of India Vision and Indian growth story. Developing Countries aspire to achieve the developed Countries' heights and it cannot be achieved without the growth in all respect and change in lifestyle, adaptability, attitude and ability to use more and more resources in line with global trends.

Your Company is a downstream industry and involved in prominent growing sectors like pharmaceuticals, wine industry, consumer durables, retail and packaging. Retail & packaging sectors are growing almost in double digit year on year basis and India is becoming a hub in the world in pharma industry. Growth in wine sector and Indian Government focusing on promoting Indian wine industry has added a great potential to the Company's future prospects.

The expansion and new project of aluminum foil Plant likely to be commissioned by October, 2009 is a major milestone achieved by your Company to capitalize on the growing demand of aluminum foil in day to day life, pharmaceuticals, packaging sector etc.

Your Company's performance in the distressed economic conditions has been fairly encouraging, although not to our fullest expectations. Your Company has very robust growth plans and has a team of dedicated professionals making your Company a "Customers' Preferred Choice".

An indepth communication has been detailed in the Directors' Report, Management Discussion and Analysis Section and Financial Reporting, to update you on Company's operations, expansion, future prospects and the financials.

I take this opportunity to express my gratitude to our customers, banks, business associates, colleagues, workforce, management team, suppliers, buyers, Government Authorities/Agencies and stakeholders for their continued support and for the trust they have reposed on us and without their support and trust we could not have achieved our goals.

Vimal Kumar Somani
Managing Director



NOTICE

NOTICE is hereby given that the 17th Annual General Meeting of the members of **GUJARAT FOILS LIMITED**, will be held on 30th September, 2009 at the Registered Office of the Company situated at Plot No. 3436-3439, Chhatral, G.I.D.C., Phase - IV, Ta: Kalol, Dist: Gandhinagar (Gujarat) at 3.00 p.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 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 Pramod kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Jagdish Saxena who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**.

"RESOLVED THAT Shri Satish Chandra Gupta, a Director appointed as an Additional Director in the meeting of the Board of Directors and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Satish Chandra Gupta as candidate for the office of Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**.

"RESOLVED THAT Shri Vijay Chadha, a Director appointed as an Additional Director in the meeting of the Board of Directors and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice u/s 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Shri Vijay Chadha as candidate for the office of Director of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as a **SPECIAL RESOLUTION**.

"RESOLVED THAT pursuant to the provisions of sections 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals, if any, as may be required, the Company hereby accords its approval for the appointment of Mr. Vijay Chadha, as Whole-Time Director of the Company for a period of three years w.e.f. 12th July, 2009 on the remuneration and terms and conditions as given in explanatory statement"

"RESOLVED FURTHER THAT in the case of losses or inadequacy of profits in any financial year, the above remuneration be paid to the Whole-Time Director as the minimum remuneration."

8. To consider, and if thought fit, to pass with or without modifications, the following resolution as an **ORDINARY RESOLUTION**.

"RESOLVED THAT pursuant to provisions of section 94 of the Companies Act, 1956, the Authorized Capital of the Company be and is hereby increased from Rs. 900.00 Lacs divided into 90,00,000 equity shares of Rs.10/- each to Rs. 2500.00 Lacs divided into 2,50,00,000 equity shares of Rs. 10/- each by creation of an additional 1,60,00,000 equity shares of Rs. 10/- each ranking pari-passu with existing equity shares of the Company "

"FURTHER RESOLVED THAT Clause V of the Memorandum of Association be substituted in the following manner: -

"Clause V": The Authorised Share Capital of Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 2,50,00,000 (Two Crores Fifty Lacs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each.

Registered Office:

Plot No. 3436-3439,
Chhatral G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 12.07.2009

By Order of the Board

Pranvesh Tripathi
Company Secretary

**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 28th September, 2009 to 30th September, 2009 (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. Link Intime India Private Limited at 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, 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 TO NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.**

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

ITEM NO. 5

The Board of Directors had appointed Shri Satish Chandra Gupta as Additional Director of the Company with effect from 31st January, 2009 to hold the office upto the date of Annual General Meeting.

Shri Satish Chandra Gupta is a qualified CAIIB and has served in Nationalised Banks in India, State Bank of India, Oriental Bank of Commerce, Indian Overseas Bank & Punjab National Bank. He retired as Chairman & Managing Director of Punjab National Bank. He has also served as member of Indian Banks Association and was also one of the Deputy Chairman. He has extensive knowledge in Personnel & General Administration, Credit & Fund Management, Marketing, Business Development, Treasury Operations, Investments, Inspection, etc. supported by long years of field level experience of heading large branches and regions and also important positions at Head Offices of various Nationalised Banks.

As required under section 257 of the Companies Act, 1956 notice has been received by the Company from a member of the Company signifying his intention to propose Shri Satish Chandra Gupta as the candidate for the office of Director of the Company. The Company has also received the deposits of Rs. 500/- from the said member as required under the Act.

The Board of Directors recommend his appointment as Director.

None of the Director except Shri Satish Chandra Gupta is in any way concerned or interested in passing of the Resolution.

ITEM NO. 6

The Board of Directors had appointed Shri Vijay Chadha as Additional Director of the Company with effect from 12th July, 2009 to hold the office upto the date of Annual General Meeting.

Shri Vijay Chadha is a B.Sc. with over 39 years of experience in Aluminium Casting and Quality Systems.

As required under section 257 of the Companies Act, 1956 notice has been received by the Company from a member of the Company signifying his intention to propose Shri Vijay Chadha as the candidate for the office of Director of the Company. The Company has also received the deposits of Rs. 500/- from the said member as required under the Act.

The Board of Directors recommend his appointment as Director.

None of the Director except Shri Vijay Chadha is in any way concerned or interested in passing of the Resolution.

ITEM NO. 7

Shri Vijay Chadha is a B.Sc. with over 39 years of experience in Aluminium Casting and Quality Systems.

Looking at the experience of Shri Vijay Chadha and the future growth of the Company the Board at their meeting held on 12.07.2009 has decided to appoint Shri Vijay Chadha as Whole Time Director of the Company. The terms and conditions including the remuneration payable to him are as under and be treated as disclosures in compliance with the requirements of Section 302 of the Companies Act, 1956 :

- a) Basic Salary at the rate of Rs. 50000/- per month.
- b) Free accommodation the cost of which shall not exceed Rs. 7000/- per month.
- c) Free furnishing at the accommodation, the cost of which shall not exceed Rs. 3000/- per month.



- d) Reimbursement of utility expenses at the accommodation such as electricity, gas, water etc. including maintenance charges for electrical equipment, if any, subject to a maximum of Rs. 1000/- per month.
- e) Reimbursement of expenses for sweeper/watchman/gardener/servant/cook at the accommodation subject to a maximum of Rs. 500/- per month.
- f) One suitable chauffeur driven car for official and personal use.
- g) Medical insurance premium subject to a maximum of Rs. 5000/- p.a. All reasonable medical expenses incurred in India for self and family subject to a maximum of Rs. 10000/- p.a. shall be borne by the company.
- h) LTA (Passage money) for self and family twice in a year for visiting his home town as per the provisions of the Income Tax Act, 1961.
- i) Free telephone at residence.
- j) Reimbursement of personal accident insurance premium subject to a maximum of Rs. 500/- per annum.

The Board of Directors recommend his appointment as the Whole Time Director not liable to retire by rotation.

None of the Directors except Shri Vijay Chadha, is in any way concerned or interested in passing of the Resolution.

ITEM NO. 8

The Company is proposing to expand the Business Activities. The present Authorised Share capital of the Company is Rs. 9,00,00,000/- (Rupees Nine Crores Only). Looking at the Company's expansion plans, it has become necessary to issue, allot new Equity Shares. The Company cannot issue equity shares in excess of its Authorized Capital. Hence, as per the provisions of the Companies Act, 1956 it is necessary to increase the Authorized Capital of the Company.

None of the Directors are concerned or interested in the resolution except to the extent of their shareholdings in the Company.

Registered Office:

Plot No. 3436-3439,
 Chhatral G.I.D.C., Phase-IV,
 Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 12.07.2009

By Order of the Board

Pranvesh Tripathi
Company Secretary



17TH ANNUAL REPORT 2008-2009

ANNEXURE FORMING PART OF AGM NOTICE

PARTICULARS OF DIRECTORS SEEKING APPOINTMENT/ REAPPOINTMENT AT THE ENSUING 17TH ANNUAL GENERAL MEETING PURSUANT TO PROVISIONS OF CLAUSE 49 OF THE LISTING AGREEMENT:

Name of director	Shri Satish Chandra Gupta	Shri Pramod kumar Jain	Shri Pradeep Saxena	Shri Vijay Chadha
Date of Birth	05.05.1947	12.10.1961	03.03.1948	04.02.1947
Date of initial appointment	31.01.2009	20.10.1997	14.07.2008	12.07.2009
Qualification	CAIIB	B.Com.	M.M.S.	B.Sc.
Expertise in specific functional area	Banking	Management	Management	Technical
No. of shares held in the company	Nil	17,63,918	Nil	Nil
List of other companies in which holds Directorship as on 31.03.2009	7	1	5	Nil
Chairmanship/ membership of committee of Director of the company	Nil	Nil	Member Audit Committee	Nil
Chairmanship/ membership of committee of Director of other company	Nil	Nil	Nil	Nil

Registered Office:

Plot No. 3436-3439,
Chhatral G.I.D.C., Phase-IV,
Ta: Kalol, Dist: Gandhinagar (Gujarat)
Date: 12.07.2009

By Order of the Board

Pranvesh Tripathi
Company Secretary



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting herewith their 17th Annual Report and together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2008-2009	(Rs. In lacs) 2007-2008
Sales	8212.80	9220.41
Purchase & Expenditure	7468.16	8067.06
Profit/(Loss) before taxation & Depreciation	150.17	313.97
Depreciation	86.89	83.92
Provision for taxation	41.20	92.00
Deferred Tax	(3.04)	(10.50)
Fringe Benefit Tax	2.25	1.03
Tax Adj.for earlier years(net)	6.60	(0.39)
Profit for the year	29.46	147.13
Loss on Sale of Investments	-	25.86
Profit Brought Forward	29.46	121.27

DIVIDEND

Looking at the ongoing development and working capital requirements and further to conserve resources, your Directors express their inability to declare any dividend.

PRESENT OPERATIONS

The company's operations were satisfactory during the year under review. The sales of the company ended to Rs 8212.80 Lacs in comparison to the previous year of Rs 9220.41 lacs. The sales were less as company had to go through the price fall in Aluminium and other metals and metal products which was a resultant of recessionary economy worldwide. The profit for the year has also reduced due to the reduction in sales. Your Directors are confident of achieving better results in future.

FUTURE PROSPECTS

The Company has now embarked on about US \$ 12 Million Brown Field Downstream Expansion of installing foil capacities. The Foil rolling mill is the state of art mill imported from M/s. ACHENBACH BUSCHHUTTEN GMBH, Germany and will enable Company to produce International Quality foil.

The Company, as part of Brown Field Downstream Expansion, is also establishing the state of art Testing/Inspection Laboratory. The existing sheet/coil rolling facility is at present undergoing process of acquiring accreditation to ISO 9000 Quality System and is expected to get accredited by September 09. The spade work has already started for

acquiring accreditation to ISO 9000 Quality System

accreditation for New Foil Plant earliest possible after commissioning. Upon completion of Brown Field project by October 09, Company will have capacity of about 20000 TPA of Sheet and foil. Post expansion Gujarat Foils Limited will produce bare foil in gauge range 100 to 7 micron for varied applications like Heat Exchanger Fins for Auto Radiators, Tagger & Lids for containers, House foil, and Packaging laminates for Pharma including Blister packs, Confectioneries. Tetrapacks, Cigarettes etc.

