



**RWTUV**

# 14th Annual Report 2005-2006



## GUJARAT INTRUX LIMITED

Regd. Office

Survey No. 84/P, 17 km. Rajkot-Gondal Road, Village : Shapar,

Taluka : Kotda Sangani, Dist. : Rajkot - 360 002.



# GUJARAT INTRUX LIMITED

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# GUJARAT INTRUX LIMITED

## BOARD OF DIRECTORS

Amrutlal J. Kalaria	Chairman Cum Non-Executive Director
Dhiraj D. Pambhar	Wholetime Director
Raman D. Sabhaya	Director
Dilip M. Dudhagara	Director
Madhubhai S. Patolia	Director
Bharat M. Choksi	Director
Mahendra K. Sheth	Director
Keshavlal H. Patolia	Director
Bhupat O. Jadav	Independent Director
Bharat M. Sanghavi	Independent Director
Yogendra C. Anarkat	Independent Director
Gordhan K. Sorathia	Independent Director

### Registered Office

## GUJARAT INTRUX LIMITED

Survey No.84/P., 17 K.M.-Rajkot-Gondal Highway, Village: Shapar, Taluka: Kotda Sangani,  
District.: Rajkot. Phone No: 02827-252851/52 Fax No. : 02827-252854  
Email : info@gujaratintrux.com

### Auditors

#### H.B.Kalaria & Associates

Chartered Accountants  
203/204, Alap-A,  
Limda Chowk, Rajkot.

### Bankers

#### IDBI Bank Ltd

Shivdarshan,  
Nr. Kathiwar Gymkhana,  
Rajkot.

ISIN	Registrar & Share Transfer Agent	SCRIPT CODE AT BSE
INE877E01015	Intime Spectrum Registry Pvt. Ltd. 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navrangpura, Ahmedabad-380009.	517372



# GUJARAT INTRUX LIMITED

## NOTICE

**NOTICE** is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING OF GUJARAT INTRUX LIMITED** will be held at the Registered Office of the Company at Survey No. 84/p, Rajkot-Gondal Highway, Village :Shapar, Taluka : Kotda Sangani, Dist : Rajkot on Thursday the 28th September, 2006 at 11.00 A.M. to transact the following business :

### ORDINARY BUSINESS :

1. To receive, consider, and adopt the Audited Balance Sheet as on 31st March, 2006 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and the Auditors' there on.
2. To declare dividend for the year 2005-2006.
3. To appoint a Director in place of Shri Bharat M. Sanghvi, who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Shri Yogendra C. Anarkat, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Gordhan K. Sorathia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of Next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS :

7. To pass with or without modification the following resolution as ordinary resolution :

"RESOLVED THAT in accordance with the provisions of section 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or reenactment thereof, for the time being in force) Shri Dhiraj Dharamashibhai Pambhar, Director of the company be and is hereby re-appointed as Wholetime Director for a period of 5 years with effect from 1st April, 2007 on the remuneration and terms and conditions approved by the Remuneration Committee and ratified by the Board of Directors of the company.

"RESOLVED FURTHER THAT in event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is here authorised to vary or increase the remuneration, including salary, perquisites, allowance etc. within such prescribed limit or ceiling without any further reference to the Company in general meeting and to take all steps to give effect to the resolution."

Place : Shapar  
Date : 29th July, 2006.

By Order of the Board  
For, Gujarat Intrux Limited

Amrutlal J. Kalaria  
(Chairman)

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY, TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND NEED NOT TO BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE MEETING.
2. To ensure correct identity of the members of the smooth conduct of the General Meeting, each member and proxy holder attending the meeting is expected to bring with him/ her an appropriate ID document like a Driving Licence, Passport, Voter ID Card, etc.
3. The register of members and Share Transfer Book will remain closed from 23rd September, 2006 to 28th September, 2006 (Both days inclusive)
4. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting.
5. Shareholders are requested to bring their copies of Annual Report at the meeting.
6. Member who are holding shares in physical form are requested to intimate any change in their address immediately to the company's registrar and share transfer Agent Intime Spectrum Registry Pvt. Ltd., 211, Sudarshan Complex, Nr. Mithakhali Under Bridge, Navarangpura, Ahmedabad-380 009, Quoting their folio number. Further, Please note that in case of members holding shares in Demat form, any change(s) required in address, Bank Details, etc. are to be intimated to your DP and not to the company or our Registrar.



# GUJARAT INTRUX LIMITED

## ANNEXURE TO NOTICE

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

ITEM NO. : 7

Shri Dhiraj Dharamashibhai Pambhar was re-appointed as Whole Time Director for the period of 5 (Five) years with effect from 1st April, 2002 and hence his term will expire on 31st March, 2007. It is required to further Re-appoint him seeing his work done and dedicated devotion to the company. The Board of Director recommends Re-appointment of Shri Dhiraj Dharamashibhai Pambhar as Whole Time Director for a period of 5 (Five) years with effect from 1st April 2007 on terms and conditions approved by the Remuneration Committee at its meeting held on 25th July, 2006.

The Board recommends the resolution for your approval.

Except Shri Dhiraj Dharamashibhai Pambhar no other director is deemed to be concerned or interested in the Resolution.

Place : Shapur

Date : 29th July, 2006.

By Order of the Board

For, Gujarat Intrux Limited

Amrutlal J. Kalaria  
(Chairman)

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL REVIEW:

Overall Performance of the company compare to last year has shown growth in terms of sales. Following data shows the same:-

Overall Production	6.63% Grown Up	↑
Overall Turnover (in Rs)	9.31% Grown Up	↑
Domestic Turnover(in Rs)	2.63% Grown Up	↑
Export Turnover (in Rs)	23.60 % Grown Up	↑

The Main products of the company are Stainless Steel, Alloy Steel and Non-Alloy Steel Castings.

Other Income Rs.33.26 Lacs mainly from DEPB Licence Income.

Earning Per Share is Rs. 7.52

### FUTURE OUTLOOK

Your Company has established growth track in last three years. It has enhanced its production capacity from 100 tons to 150 tons last year and achieved production of 120 tons, so there is still scope in production enhancement this year. Company is concentrating in cost reduction that becomes natural process of its internal control.

Your Company is conscious in purchase of raw material and related items however last year there was wide fluctuations in the prices of raw material. Industries relating to scrap and steels and metal have shown none predictability last year. This thing affects all the units in the industry, which is natural. It is accepted that this will be stabilized in very near future. Economic growth in India has shown positive impact to the industry and stability in the raw material price will definitely give good results in the future.

### SEGMENT WISE PERFORMANCE

The Company has only one segments as its total investment is in Sand Castings only. The Production/Turnover of Alloy Steel, and Non-Alloy Steel Castings is quite higher than Stainless Steel Castings.

### OPPORTUNITIES AND THREATS

The Foundry industries depend upon how the raw material prices fluctuates and respective hike in the sales price of finished products, they further depends upon competition among various segments of manufacturers within country and from manufacturers of outside the country. The Threats of competition is comparatively less in the products which your company is manufacturing viz. Stainless Steel, Alloy Steel, Non-Alloy Steel Castings. Awareness towards quality product and potentiality of Indian casting in foreign market will provide opportunity to your company to increase its sale and capture more market share.



# GUJARAT INTRUX LIMITED

## **RISK FACTORS**

Your Company's Basic raw material is Scrap & Ferro Alloys. Prices of Scrap and Ferro Alloys are fluctuating, in furtherance cost of electricity and cost of labour though under watch they are also matter of concern. The company is utilizing some of zircon base product for manufacturing, however zircon is at present in crisis which resulted in the price hike of such Materials. Increasing trend in the price of fuel (Diesel, L.P.G., Kerosin) is always matter of concern for every industry as to ours.

Above this competition in the industry has increased, which has made it hard to raise the price of product though cost of the final product is higher.

Change in Government Policy, Foreign Exchange rate may affect the company. However Company is trying to minimize certain risk by taking the steps, which are in the hand of company.

## **ADEQUACY OF INTERNAL CONTROL**

The Company has adequate system of Internal Control commensurate with its size and operations to ensure orderly and efficient conduct of business. Company has an adequate internal control system to ensure that .

- All assets and resources are acquired economically, used efficiently and are adequately protected.
- Significant financial, managerial and operating information is accurate, reliable and is provided timely; and
- all internal policies and statutory guidelines are complied with.

The Company has an Audit Committee which regularly reviews the reports submitted by internal Audit team. Company has an internal control system towards achieving efficiency in operations, optimum utilization of resources, effective monitoring, and compliances with applicable laws and regulations.

Company has established Internal Audit Panels by In-house team, to ensure reliability of financial and other records, and to prepare financial statements and other data, and to maintain accountability. Audit Committee of the Board reviews the findings and recommendations of the internal audit Panel.

## **QUALITY OF PRODUCTS**

Company is committed to continuous improvement in quality of the products manufactured by the company. Company has full-fledged laboratory and having a Spectrophotometer for Analysis, having Radiographic facilities, etc. Company has achieved ISO 9001: 2000.

## **HUMAN RESOURCE AND DEVELOPMENT**

Your Company has undertaken employees' development initiatives, which have very positive impact on the morale and team spirit of the employees. The Company has continued to give special attention to Human Resources/Industrial Relations development. Company has also adopted appraisal system & performance review system in some key area. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

## **FOREIGN EXCHANGE AND EXPORTS**

During the year 2005-2006 company has earned Foreign Exchange Income of Rs. 725.11 Lacs by way of Export sales. Company Export its product to Israel, U.K., Spain, Germany, U.S.A., and Australia. The company has achieved remarkable growth in the export sale compare to last year. Our marketing team is still making efforts to capturing more export market.

## **CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Place : Shapar  
Date : 29th July, 2006

For and on behalf the Bord of Director's  
**For, Gujarat Intrux Limited**

**Amrutlal J.Kalaria**  
(Chairman)



# GUJARAT INTRUX LIMITED

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION:

Corporate Governance is very important to built confidence and trust which leads to strong, stable and long term partnership with the Investors and all other Stackholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below:

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. It further Envisages commitment to ensure customer satisfaction through better services and satisfaction of grievances if any, of all its stockholders and with due concern for social responsibility

### 2. BOARD OF DIRECTORS:

The Board consists of 12 Directors showing the fair combination of Executive, Non-Executive and Independent Directors. The directors are different in respect of the knowledge and expertise in the field. Some of the directors are professionals from different field; some are having the vast knowledge and experience of marketing/production.

Name	Non-Executive Executive Independent	No. of other Directorship held	Board meetings attended	Membership in the committee	Chairmanship at the committee	Attended at the last AGM 27th September, 2005
Mr. A. J. Kalaria	Non-Executive /Chairman	3	7	3	1	Yes
Mr. D. D. Pambhar	Executive	1	7	1	1	Yes
Mr. R. D. Sabhaya	Non-Executive	2	7	2	Nil	Yes
Mr. M. S. Patolia	Non-Executive	2	7	Nil	Nil	Yes
Mr. D. M. Dudhagara	Non-Executive	2	6	Nil	Nil	Yes
Mr. B. M. Choksi	Non-Executive	1	6	Nil	Nil	Yes
Mr. M. K. Sheth	Non-Executive	Nil	Nil	Nil	Nil	Yes
Mr. K. H. Patolia	Non-Executive	Nil	Nil	Nil	Nil	No
Mr. B. O. Jadav	Independent	Nil	Nil	Nil	Nil	No
Mr. Y. C. Anarkat	Independent	Nil	2	2	1	No
Mr. B. M. Sanghavi	Independent	Nil	2	1	Nil	Yes
Mr. G. K. Sorathia	Independent	1	1	2	Nil	No



# GUJARAT INTRUX LIMITED

## a) Details of the Directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting:

Name Of Director	Shri. Y. C. Anarkat	Shri B. M. Sanghvi	Shri G. K. Sorathia
Date of Birth	21-09-1955	11-12-1958	25-12-1962
Date of Appointment	20-03-2003	20-03-2003	20-03-2003
Expertise is Specific functional Area	Finance	Finance	Civil Works
List of Public Limited Companies in which Directorship held	Nil	Nil	Nil
Chairman/Member of the committees	1. Audit Committee 2. Remuneration Committee	Audit Committee	1. Audit Committee 2. Remuneration Committee
Chairman/Member of the committees of Directors of other companies	Nil	Nil	Nil

## b) Board Procedures:

The Board of Directors meets once in a quarter to review the performance and Financial Results. A detailed Agenda is sent to all the Directors well in time of the Board Meetings. The Chairman/Managing Director briefs the Directors at every Board Meeting, overall performance of the Company. All major decisions/approvals are taken at the Meeting of the Board of Directors such as policy information, business plans, budgets, investment opportunities, Statutory Compliance etc.

## 3. AUDIT COMMITTEE:

The terms of reference of the Audit committee, as specified by the Board, includes the whole as specified in the clause 49 of the listing agreement, including review of audit procedures and techniques, financial reporting systems, internal control systems and procedures besides ensuring compliance with regulatory guidelines. The committee members are all non-executive and majority being the independent directors, collectively having requisite knowledge of finance, accounts and company law. The reports of the statutory as well as the internal auditors are reviewed along with managements' comments and action-taken reports. The committee comprises Shri Y. C. Anarkat, Chairman (Non-Executive Independent Director), Shri A.J. Kalaria (Non-Executive Director), Shri Bharatbhai Sanghvi (Non-Executive Independent Director), Shri Gordhanbhai Sorathiya (Non-Executive Independent Director). The Committee met five times during the financial year 2005-06. Shri Y.C. Anarkat and, Shri A.J. Kalaria & Shri Bharatbhai Sanghvi have attended all the five meetings,





# GUJARAT INTRUX LIMITED

## Whistle Blower Policy

The Audit Committee at its meeting held on 24<sup>th</sup> October, 2005, approved framing of a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company and make Protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the exiting Code of Conduct of the Company, which requires every employee to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. Under the Policy, each employee of the Company has an assured access to the Ethics Counsellor/Chairman of the Audit Committee.

## 4. REMUNERATION COMMITTEE:

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and recommends to the Board Compensation Package for the Managing Director/Wholetime Director. It also reviews from time to time the overall Compensation structure and related policies with a view to attract, motivate and retain employees.

The Committee comprises the following Directors as members:

1. Shri A. J. Kalaria, Chairman - Non-executive Director
2. Shri R. D. Sabhaya, Member - Non-executive Director
3. Shri Y. C. Anarkat, Member - Non-executive Independent Director
4. Shri B. M. Sanghavi, Member - Non-executive Independent Director

One meeting of the Remuneration Committee was held during the financial year at which except Shri Y. C. Anarkat all the members were present.

### DETAILS OF REMUNERATION PAID

1. Shri Dhiraj D. Pambhar, Whole-Time Director was paid Rs. 12,00,000/- as managerial remuneration during the year 2005-06
2. No Sitting Fees, Commission or Stock Option has been offered to the Directors during the Year 2005-2006

## 5. SHARE TRANSFER AND SHAREHOLDERS GRIEVANCE COMMITTEE

The Board has constituted a SHARE TRANSFER AND SHAREHOLDERS GRIEVANCE COMMITTEE for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, Share Transfer, Non-receipt of Balance Sheet, Dividend Warrants etc.

Shri D. D. Pambhar, Chairman and Shri A. J. Kalaria, and Shri R. D. Sabhaya are the Members of the Committee. The Committee met often for share transfer and all related matters.

Shri Sanjay Vagadia, Accounts/Secretarial Executive is the Compliance Officer for the above purpose.

## 6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2002-2003	27.09.2003	11:00 a.m.	Survey No. 84/p, Rajkot-Gondal Highway, Vil. : Shaper, Tal. : Kotda Sangani, Dist. : Rajkot-Gujarat-360 002.
2003-2004	27.09.2004	11:00 a.m.	Survey No. 84/p, Rajkot-Gondal Highway, Vil. : Shaper, Tal. : Kotda Sangani, Dist. : Rajkot-Gujarat-360 002.
2004-2005	27.09.2005	11:00 a.m.	Survey No. 84/p, Rajkot-Gondal Highway, Vil. : Shaper, Tal. : Kotda Sangani, Dist. : Rajkot-Gujarat-360 002.

Pursuant to the provisions of Section 192 A of the Companies Act, 1956, there was no matter required to be dealt by the Company to be passed through postal ballot.



# GUJARAT INTRUX LIMITED

## 7. DISCLOSURES:

- i) The Board has received disclosures from key managerial personnel relating to material, financial and Commercial transactions where they and/or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large.
- ii) The Company has Complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other statutory authorities relating to the above.
- iii) The Company has adopted a Whistle Blower Policy and has established the necessary mechanism in line with clause 7 of the Annexure I D to Clause 49 of the Listing Agreement with the Stock Exchanges, for employees to report concerns about unethical behaviour. No personnel has been denied access to the Ethics Counsellor/Chairman of the Audit Committee.

## 8. MEANS OF COMMUNICATIONS:

- a) In compliance with the requirements of the Listing Agreement, the Company is regularly intimate. Un-audited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in 'Financial Express' or in 'Jansata' in Gujarati and 'Indian Express'/'Western Times' or 'Business Standard' in English. Results are not displayed on Website and are not sent individually to the Shareholders.
- b) During the year ended on 31st March, 2006, no presentation was made to Institutional Investors or analyst or any other enterprise.
- c) Management Discussion and Analysis form part of this Annual Report.

## 9. SHAREHOLDERS' INFORMATION:

Registered Office	Annual General Meeting	Financial Calendar
Survey No.84/P, 17 K.M.Rajkot-Gondal Road, Village: Shapar, Taluka: Kotda Sangani, Dist: Rajkot Pincode-360 002.	Day: Thursday Date : 28th September, 2006 Time : 11.00 a.m. Venue : At the Regd. Office of the Company at Survey No. 84/p, 17 K.M.Rajkot-Gondal Road, Village : Shapar Tal. : Kotda Sangani, Dist. Rajkot. Pincode- 360 002.	1st Quarter Results : End- July, 2006. Half-yearly Results : End-October, 2006. 3rd Quarter Results : End-January, 2007. Audited yearly Results : End-June, 2007.
Book Closure Dates	Listing of Shares on	Stock Code
From : Saturday 23rd September, 2006  To : Thursday, 28th September, 2006. (Both Days inclusive)	1. The Ahmedabad Stock Exchange, Kamdhenu Complex, 1st Floor, Opp. Sahajanand College, Panjara Pole, Ahmedabad-380015. 2. The Saurashtra Kutch Stock Exchange Popatbhai Sorathia Bhavan, Opp. Sadar Police Chowki, Rajkot-360 001. 3. Bombay Stock Exchange Jeejibhoy Tower, Dalal Street, Mumbai-400 003.	BSE : 517372  ASE : 21290