

# **GUJARAT TOOLROOM LIMITED**

Report  Junction.com

**25th ANNUAL REPORT  
2008-09**

## GUJARAT TOOLROOM LIMITED

## 25TH ANNUAL REPORT 2008-09

Board of Directors	Shri Sanjiv N. Kinariwala	Chairman (upto 25/08/2009)
	Shri Suresh S. Jain	Director (upto 23/03/2009)
	Shri G. S. Davar	Director (upto 23/03/2009)
	Shri Siddharth C. Kinariwala	Director (upto 17/09/2008)
	Shri Ramesh S. Patel	Director (upto 23/03/2009)
	Smt. Nirali A. Gandhi	Director (upto 25/08/2009)
	Shri Kalpesh J. Jariwala	Director
	Shri Devang J. Gadoya	Director (w.e.f. 23/03/2009)
	Smt. Sangita D. Gadoya	Director (w.e.f. 23/03/2009)
	Shri Hemantparvat K. Goswami	Director (w.e.f. 25/08/2009)

AUDITORS	M/s. Ashit N. Shah & Co. Chartered Accountants Ahmedabad (upto this AGM)
----------	---

PANKER	Union Bank of India Ahmedabad
--------	----------------------------------

REGISTERED OFFICE	A-61, Dhaval Avenue, B/h Associated Petrol Pump, Panchvati, Off C.G. Road, Ahmedabad - 380 009. E-MAIL: gujtoolroom@gmail.com
-------------------	---

REGISTRAR FOR TRANSFER	Pinnacle Shares Registry Private Ltd. Near Ashok Mills, Naroda Road Ahmedabad-380025 Phone: 079-2220 0338, 079-2220 04226 Fax: 079-22202963 E-mail: gautam.shah@psrpl.com
------------------------	--

CONTENTS	PAGE NOS.
Notice	2-4
Directors' Report	5-14
Auditors' Report	15-17
Balance Sheet	18
Profit & Loss Account	19
Schedules	20-22
Notes on Accounts	23-26
Cash Flow Statement	27

## 25th ANNUAL REPORT

### NOTICE

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of Gujarat Toolroom Limited will held on Wednesday, the 30<sup>th</sup> September, 2009 at 2.00 p.m. at Ground Floor, Dhaval Avenue, B/h Associated Petrol Pump, Panchvati, Off C.G. Road, Ahmedabad – 380 009 to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2009 and the Audited Profit & Loss Account for the year ended on that date, together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Kalpesh J. Jariwala, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS:

4. **Appointment of Mr. Devang J. Gadoya as Director of the Company.**

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

**"RESOLVED THAT** Mr. Devang J. Gadoya who was appointed as an Additional Director of the Company with effect from 23/03/2009 and who holds the office up to the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

5. **Appointment of Smt. Sangita D. Gadoya as Director of the Company.**

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

**"RESOLVED THAT** Smt. Sangita D. Gadoya who was appointed as an Additional Director of the Company with effect from 23/03/2009 and who holds the office up to the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

6. **Appointment of Mr. Hemantparvat K. Goswami as Director of the Company.**

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

**"RESOLVED THAT** Mr. Hemantparvat K. Goswami who was appointed as an Additional Director of the Company with effect from 25<sup>th</sup> August 2009 and who holds the office up to the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a Notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

#### Registered Office:

A-61, Dhaval Avenue  
B/h Associated Petrol Pump, Panchvati  
Off. C.G. Road, Ahmedabad – 380 009  
Date : 25<sup>th</sup> August 2009

By Order of the Board of Directors

**Devang J. Gadoya**  
Chairman

#### NOTES

1. The relevant Explanatory Statement, pursuant to section 173(2) of the Companies Act, 1956, in respect of the Special Business at item No.4, 5 and 6 set out in the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED TO BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.

## GUJARAT TOOLROOM LIMITED

3. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and shares Transfer Books of the Company will remain closed from Friday, 25<sup>th</sup> September, 2009 to Wednesday, the 30<sup>th</sup> September, 2009 (both Days inclusive).
4. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
5. Members are requested to:
  - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts into one account.
  - b) Notified immediately the change in their registered address, if any, to the Company.
6. The Equity Share of the Company are now available for dematerialization, as the Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Securities (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE145J01016.**

### Brief resume of the Director seeking re-election at the 25<sup>th</sup> Annual General Meeting

Name	Mr. Kalpesh J. Jariwala
Age (Date of Birth)	08/09/1977
Date of Appointment	06/06/2008
Qualification and experience in specific functional area	Graduation in Commerce, having 5 years of experience in the field of Account and Taxation.
Directorship held in other companies	None*
Membership/Chairmanships of Committee in other Public Companies	None
*Pvt. Ltd. company excluded.	

### Brief resume of the Director appointed since last Annual General Meeting held on 23<sup>rd</sup> August, 2003

Name	Mr. Devang J. Gadoya
Age (Date of Birth)	30/09/1966
Date of Appointment	23/03/2009
Qualification and experience in specific functional area	Graduate in Commerce having good experience of administration, marketing and taxation.
Directorship held in other companies	Nisharg Share Broking Ltd.
Membership/Chairmanships of Committee in other Public Companies	None
*Pvt. Ltd. company excluded.	

### Brief resume of the Director appointed since last Annual General Meeting held on 23<sup>rd</sup> August, 2008

Name	Mrs. Sangita D. Gadoya
Age (Date of Birth)	03/02/1968
Date of Appointment	23/03/2009
Qualification and experience in specific functional area	Graduate in Commerce having experience of general administration and management.
Directorship held in other companies	Nisharg Share Broking Ltd.
Membership/Chairmanships of Committee in other Public Companies	None
*Pvt. Ltd. company excluded.	

## 25th ANNUAL REPORT

### Brief resume of the Director appointed since last Annual General Meeting held on 23rd August 2008

Name	Mr. Hemantparvat K. Goswami
Age (Date of Birth)	28/01/1983
Date of Appointment	25 <sup>th</sup> August 2009
Qualification and experience in specific functional area	Graduation in Commerce, having 4 years experience in the field of Accounts and Taxation.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

### ANNEXURE TO THE 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, following Explanatory Statement sets out all material facts relating to the Special Business mentioned at item No. 4, 5 and 6 of the accompanying notice dated 25<sup>th</sup> August, 2009 and should be taken as forming part of notice.

##### ITEM No. 4:

Under Section 260 of the Companies Act, 1956, Mr. Devang J. Gadoya was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 23<sup>rd</sup> March 2009. Mr Devang J. Gadoya holds his office upto the date of the ensuing Annual General Meeting. Due Notice under section 257 of the Act has been received from a member proposing the appointment of Mr Devang J. Gadoya as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr Devang J. Gadoya and Mrs. Sangita D. Gadoya are concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

##### ITEM No. 5:

Under Section 260 of the Companies Act, 1956, Mrs. Sangita D. Gadoya was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 23<sup>rd</sup> March 2009. Mrs. Sangita D. Gadoya holds his office upto the date of the ensuing Annual General Meeting. Due Notice under section 257 of the Act has been received from a member proposing the appointment of Mrs. Sangita D. Gadoya as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mrs. Sangita D. Gadoya and Mr. Devang J. Gadoya are concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

##### ITEM No. 6:

Under Section 260 of the Companies Act, 1956, Mr. Hemanparvat K. Goswami was appointed as an Additional Director of the Company in the meeting of the Board of Directors held on 25<sup>th</sup> August 2009. Mr. Hemanparvat K. Goswami holds his office upto the date of the ensuing Annual General Meeting. Due Notice under section 257 of the Act has been received from a member proposing the appointment of Mr. Hemanparvat K. Goswami as Director of the Company liable to retire by rotation.

None of the Director of the Company except Mr. Hemanparvat K. Goswami is concerned or interested in this resolution. The Board of Directors recommends the resolution for approval of shareholders.

#### Registered Office:

A-61, Dhaval Avenue  
B/h Associate Petrol Pump, Panchvati,  
Off C.G. Road, Ahmedabad - 380 009

By Order of the Board of Directors

**Devang J. Gadoya**

Date : 25<sup>th</sup> August 2009

**Chairman**

## GUJARAT TOOLROOM LIMITED

## DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 25th ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2008-09 ended on 31<sup>st</sup> March, 2009.

# 1. FINANCIAL RESULTS :

	(Rs. in Lacs)	
	2008-09	2007-08
Sales	132.36	22.36
Other Income	2.04	0.99
Total Income	134.40	23.35
Less: Expenses	176.53	51.97
Operating Profit	(42.13)	(28.62)
Less: Interest	1.65	8.80
Depreciation	0.99	3.32
Profit/ Loss before Tax	(44.77)	(40.74)
Less: Taxation for the year (Fringe Benefit Tax)	0.00	(0.16)
Net Profit / (Loss) after Tax	(44.77)	(40.90)
Balance brought forward	(152.91)	(112.01)
Balance Carried to Balance-Sheet	(197.68)	(152.91)

# 2. OPERATIONS OF THE COMPANY:

During the year under review, the company achieved a sale of Rs.132.36 lacs as against sales of Rs.22.36 lacs in the previous year. Your company has suffered an Operating Loss of Rs.42.13 lacs and Net Loss of Rs.44.77 lacs the Company is mainly engaged in syringe moulding and manufacturing of moulds.

In view of the loss suffered by the Company, your Directors express their inability to recommend dividend for the year under review.

# 3. DEPOSITS:

At the end of the Financial Year under Report, no Fixed Deposit remains unpaid which was due for repayment. The Company has NIL balance outstanding towards Fixed Deposits.

# 4. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- that the Directors 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 31<sup>st</sup> March, 2009 being end of the financial year 2008-09 and of the Profit of the Company for the year.
- that the Directors have taken proper and sufficient care for 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 the Directors have prepared the annual accounts on a going concern basis.

# 5. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1958.

## 25th ANNUAL REPORT

### 1. CONSERVATION OF ENERGY :

- A. Energy Conservation measures taken : The Company gives top most priority to energy conservation.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas NIL.
- D. Total energy consumption and energy consumption per unit of production: NIL.

### 2. TECHNOLOGY ABSORPTION :

- A. Adoption and innovation : Only the latest technology has been adopted in the Company .
- B. Research and development ( R & D ) : NIL

### 3. FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL

### 6. PARTICULARS OF EMPLOYEES:

There is no person drawing remuneration requiring disclosure under Section 217(12-A) of the Companies Act, 1956.

### 7. DIRECTORS:

During the year 2008-09 following directors resigned from the Board of the Company;

- Mr. Siddarth S. Kinariwala, resigned from the post of Director of the Company w.e.f. 17/09/2008
- Mr. Suresh S. Jain, resigned from the post of Director of the Company w.e.f. 23/03/2009.
- Mr. G.S. Davar, resigned from the post of Director of the Company w.e.f. 23/03/2009.
- Mr. Ramesh S. Patel, resigned from the post of Director of the Company w.e.f. 23/03/2009.
- Mr. Saurabh.N. Kinariwala, resigned from the post of Director of the Company w.e.f. 25/08/2009.
- Mrs. Nirali A. Gandhi, resigned from the post of Director of the Company w.e.f. 25/08/2009.

The Board has placed on record its appreciation for the valuable services rendered and the contribution made by all the above referred directors during their term as Director of the Company.

One of your Directors Mr. Kalpesh J. Jariwala retires by rotation in terms of Articles of Association of the Company, he however, being eligible, offers himself for reappointment.

During the year Mr. Devang J. Gadoya and Mrs. Sangita D. Gadoya were appointed as an additional directors w.e.f. 2<sup>nd</sup> March 2009 and Mr. Hemantparvat K. Goswami was appointed as an additional director w.e.f. 25<sup>th</sup> August 2009, and resolution to appoint all these three as Directors of the Company is proposed for your approval.

### 8. AUDITORS:

The present Auditors of the Company M/s Ashit N. Shah, Chartered Accountants, Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s Ashit N. Shah, Chartered Accountants, have informed the Company about their inability to continue as Auditors of the Company and therefore the Company has approached Shyam Sundar Kumar, Chartered Accountants to act as Auditors of the Company. Shyam Sundar Kumar, Chartered Accountants has submitted certificate for his eligibility for appointment under Section 224(1B) of the Companies Act, 1956. The appointment of Shyam Sundar Kumar, Chartered Accountants as the Statutory Auditor of the Company will be effective from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting. Your Directors recommend the appointment of Shyam Sundar Kumar as Auditor of the Company.

The notes and remarks of Auditors' are self-explanatory. The specific remarks of the Auditors for non-compliance of section 58-A of the Companies Act, 1956 regarding deposits. The Board like to explain that all such unsecured loans were taken by the Company from Directors, relative and members of the Company to run the business activity of the Company and now at the end of the year 2008-09, the outstanding balance of unsecured loan is NIL.

### 9. CORPORATE GOVERNANCE :

The Report on Corporate Governance required under Clause 49 of the Listing Agreement is annexed hereto.

### 10. ACKNOWLEDGEMENT :

Your Directors express their sincere gratitude for the assistance and co-operation extended by Promoters, Banks, Government Authorities, Employees and Shareholders.

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 25<sup>th</sup> August, 2009.

**DEVANG J. GADODA**  
Chairman



## GUJARAT TOOLROOM LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS

**a. Industry Structure and Developments:**

The core area of the Company is syringe moulding and manufacturing of moulds. The Company now does not see bright future for those manufactures who are operating at smaller level. The competition in this field has increased and now major players are influencing the market. Therefore now management is looking for various other opportunity of business and even exploring for diversification in other area non related to present line of business.

**b. Opportunities and Threats :**

The management does not see major opportunity in the field of syringe moulding and manufacturing of moulds for those who are operating at smaller level. The Company is not doing well in the present line of its business and exploring the possibility of diversification. The present business requires good amount of working capital and your Company is operating at very lower level of working capital and such shortage of working capital effecting adversely to the Company. The management therefore is doing exercise for diversification and after zeroing on such new business, the management will approach the shareholders for their necessary approvals and will also explain them about the opportunities and threats of any such new activity.

**c. Segment wise Performance :**

The Company's primary business is syringe moulding and manufacturing moulds.

**d. Recent Trend and Future Outlook :**

The market seems to be looking up for those who are operating at larger level and do not seems bright for smaller players.

**e. Risks and Concerns :**

Like any other industry this industry is also exposed to risk of competition. Volatility in prices of commodities like metals etc. also increase risks of profit margin as increase in prices of final product is governed by so many factors therefore it is not easy to increase the price of final products. The Company is taking necessary steps to safeguards itself from the volatility.

**f. Internal Control Systems and their Adequacy :**

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

**g. Financial Performance with respect to operational performance :**

The Financial performance of the Company for the year 2003-09 is described in the Directors' Report under the head operations.

**h. Material Developments in Human Resources and Industrial Relations Front :**

Your Company has undertaken certain 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. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

**i. 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.

For and on behalf of the Board of Directors

Place : Ahmedabad  
Date : 25<sup>th</sup> August, 2009.

DEVANG J. GADGOYA  
Chairman



## 25th ANNUAL REPORT

### ANNEXURE 'B'

#### REPORT ON CORPORATE GOVERNANCE

## 1) COMPANY 'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance Involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Your Company has made necessary Changes in the system and procedures required for effective control, for the steady Growth of the Company and to increase the value for all stakeholders Mandatory Provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

## 2) BOARD OF DIRECTORS

## a) Composition and category of Directors

The composition of Board is in Compliance with the requirements of Clause 49(1)(A).

Name of Directors	Designation	Category	No of other Directorship held	No of Board Committee Memberships held	No of Board Meetings Attended out of 8	Attendance at the last Annual General Meeting
Mr. Saurabh N. Kinariwala (upto 25/08/2009)	Chairman	Promoter Non-Executive	4	2	8	Yes
Smt. Nirali A. Gandhi (upto 25/08/2009)	Director	Independent Non-Executive	1	1	5	Yes
Mr. Suresh S. Jain (upto 23/03/2009)	Executive Director	Executive	NIL	1	8	Yes
Mr. Kalpesh J. Jariwala	Director	Independent Non-Executive	-	-	8	Yes
Mr. G. S. Davar (upto 23/03/2009)	Director	Independent Non-Executive	NA	NA	2	No
Mr. Siddharth S. Kinariwala (upto 17/09/2008)	Director	Non-Executive	4	1	5	Yes
Mr. Ramesh S. Pate (upto 23/03/2009)	Director	Independent Non-Executive	Nil	2	3	Yes
Mr. Devang J. Gadoya (w.e.f. 23/03/2009)	Director	Independent Executive	1	Nil	1	N.A.
Mrs. Sangita D. Gadoya (w.e.f. 23/03/2009)	Director	Independent Non-executive	1	Nil	1	N.A.
Mr. Hemantparvat K. Goswami (w.e.f. 25/08/2009)	Director	Independent Non-executive	Nil	Nil	N.A.	N.A.

## b) Brief resume of the Director seeking re-election/appointment:

Brief resume of the Director seeking re-election at the 25<sup>th</sup> Annual General Meeting

Name	Mr. Kalpesh J. Jariwala
Age (Date of Birth)	08/09/1977
Date of Appointment	06/06/2008
Qualification and experience in specific functional area	Graduation in Commerce, having 5 years of experience in the field of Account and Taxation.
Directorship held in other companies	None*
Membership/Chairmanships of Committee in other Public Companies	None

\*Pvt. Ltd. company excluded.