

# **KANDHARI RUBBERS LIMITED**

13-C TOWN HALL, UDAIPUR- 313001

**ANNUAL REPORT 2010-11**

## KANDHARI RUBBERS LIMITED

### **NOTICE TO MEMBERS:**

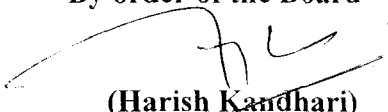
Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the Members of Kandhari Rubbers limited, will be held on Monday, The **25<sup>th</sup> September , 2011** at **4.30P.M.** at 13-C, Town Hall Road Udaipur – 313001 to transact the following business :

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2011 and the profit & Loss account for the year ended on that date together with the report of the Directors and auditors thereon.
2. To appoint a director in place of Shri G.S.Bhagia who retire by rotation and eligible for reappointment..
3. To appoint M/s C K Jagetia & Co, Chartered Accountants, Udaipur as auditors of the Company from the conclusion of this Meeting until the conclusion of next annual General Meeting and to fix their remuneration.

**Place: Udaipur**  
**Date : 25-07-2011**

**By order of the Board**

  
**(Harish Kandhari)**  
**Mg. Director**

### **NOTES:**

1. A member entitled to attend & vote at this meeting is entitled to appoint a proxy to attend & vote instead of himself. A proxy need not be a member of Company. The enclosed proxy form, if intended to be used should reach the registered office of the Company duly completed not less than forty eight hours before scheduled time of the meeting.
2. The register of members and share transfer book of the company will remain closed on 26.09.2011.
3. Members desirous of getting any information about the accounts & operation of the Company are requested to address their query at the registered address well in advance at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
4. Members who are holding shares in identical order of names in more than one folio, are requested to write to our share transfer agent to consolidate their holding in one folio.

## KANDHARI RUBBERS LIMITED

### **DIRECTOR'S REPORT TO THE SHARE HOLDERS:**

Your Directors have pleasure in **presenting the Twenty Fifth Annual Report** together with the Audited Accounts for the financial year **31<sup>st</sup> March, 2011**.

### **FINANCIAL RESULTS:**

|                          | ( Rs.in Lacs )   |                  |
|--------------------------|------------------|------------------|
|                          | <u>2010-2011</u> | <u>2009-2010</u> |
| 1. Sales/ Other Receipts | 03.61            | 24.06            |
| 2. Gross Profit /(Loss)  | (8.91)           | 11.13            |

### **DIRECTORS:**

In pursuance of the provisions of the Companies Act, 1956 and Articles of Association of the Company, **Shri. G.S. Bhageiya**, retire by rotation and eligible for reappointment..

### **INSURANCE:**

All properties of the company including Building, Plant & Machinery, Equipment & other Assets, wherever necessary and to the extent required **have not been insured** as **Assets were illegally possessed and sold by the FI's** . **Your company had Challenged the sale by FI's through writ before Honrable RHC Jodhpur .**

### **INDUSTRIAL RELATION:**

Industrial relations during the year under consideration have been cordial. The Management will always value & cherish the devotion & commitment demonstrated by loyal employees at all levels.

### **PARTICULARS OF EMPLOYEE:**

The Company has no employees whose salary exceeds the limit prescribed under the section 217(2A), of the companies Act, 1956. Hence information required to be given under the said section read with Companies (Particulars of Employees) Rules, 1975 as amended w.e.f. April 17, 2002 has not been provided in this report.

### **DIRECTOR'S RESPONSIBILITY STATEMENT:**

As required under section 217(2AA) of the Companies Act, 1956 your Directors confirm that:

1. In preparation of the Annual Accounts, applicable accounting standard have been followed with proper disclosure of any departure.
2. The accounting policies are consistently applied and reasonable, prudent judgment and estimate are made so as to give a true and fair view of the state of affairs of the company at the end of financial year.
3. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provision of the said Act for safe guarding the assets of the Company and for preventing and deducting fraud and other irregularities.
4. The Annual Accounts have been prepared on a going concern basis.

**KANDHARI RUBBERS LIMITED****CORPORATE GOVERNANCE:**

Pursuant to clause 49 of listing agreement with the Stock Exchanges, Management Discussion & Analysis, Corporate governance Report and Auditor's Certificate regarding compliance of the conditions of Corporate Governance are made a part of this Annual Report.

**LISTING :**

The equity shares of the Company are at present listed with the Stock Exchange, Mumbai, The Stock Exchange, Ahmedabad, The Stock Exchange, Jaipur, Delhi Stock Exchange Association Limited, New Delhi.

**AUDITORS:**

The auditors M/s C.K. Jagetia & Co., Chartered Accountants, Udaipur retire at the ensuing Annual General Meeting and are eligible for re-appointment.

**CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO :**

The information relating to conservation of energy, Technology absorption and Foreign Exchange earning and outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies ( Disclosure of particulars in the report of Board of Directors ) Rules, 1998 is annexed here to and forms part of the report.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record their appreciation for the co-operation received from shareholders, valued customers, and deeply appreciate the commitment and dedication of employees at all levels.

**ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31.03.2010:**

Information in accordance with section 217(1)(e) of the Companies Act, 1956 read with Companies ( Disclosure of particulars in the report of Board of Directors ) , Rules 1988 and forming part of Director's Report :

**1. Conservation of Energy :** The Company is making all round efforts for conservation of energy. To reduce the cost energy efficient equipments were used and the effect of the same has been felt. Total energy consumption per unit of production as prescribed in form 'A' .

**POWER AND FUEL CONSUMPTION:**

|                        | <b>CURRENT YEAR</b>   | <b>PREVIOUS YEAR</b>  |
|------------------------|-----------------------|-----------------------|
|                        | <b><u>2010-11</u></b> | <b><u>2009-10</u></b> |
| <b>1 Electricity</b>   |                       |                       |
| a) <b>PURCHASED</b>    | N.A.                  | N.A                   |
| Units                  |                       |                       |
| Total amounts (in lac) |                       |                       |
| Cost/unit (in Rs)      |                       |                       |

3.

**KANDHARI RUBBERS LIMITED**

**b) Own generation**

|                                    |      |   |
|------------------------------------|------|---|
| Through Diesel Generator (in lacs) | 0.00 | 0 |
| Units                              | 0    | 0 |

|                              |   |   |
|------------------------------|---|---|
| Unit per litre of diesel oil | 0 | 0 |
| Average Rate/Litre (Rs)      | 0 | 0 |
| Average Cost/unit (Rs)       | 0 | 0 |

**2. LDO**

|                            |     |     |
|----------------------------|-----|-----|
| Quantity (K Litre)         | Nil | Nil |
| Total Amounts (Rs in lacs) | Nil | Nil |
| Average Rate (Per litre)   | Nil | Nil |

**2. TECHNOLOGY ABSORPTION:**

EFFORTS MADE IN TECHNOLOGY ABSORPTION AS PER FORM-B OF THE ANNEXURE TO THE RULES:

**1. RESEARCH & DEVELOPMENT ( R&D ) :**

- Specific area in which R&D carried out by the Company: None
- Benefits derived as a result of the above R&D: Not Applicable
- Future plan of action: Efforts are aimed at cost reduction, improvement in quality. The benefit of this will of course be visible in the years to come.
- Expenditure on R&D: NIL

**2. TECHNOLOGY ABSORPTION , ADOPTION AND INOVATION : Not Applicable.**

**3. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- Activity relating to exports initiative taken to increase export market for products and services and export plan.
- The company continues to make Export marketing & survey.

(Rs. In lacs )

|                         | <b>Current<br/>Year<br/><u>2010-2011</u></b> | <b>Previous<br/>Year<br/><u>2009-2010</u></b> |
|-------------------------|--|---|
| Foreign exchange earned | 0.00   | 0.00  |
| Foreign Exchange out go | 0.00   | 0.00  |

**For & on behalf of the Board**

**Place: Udaipur**

**Date: 25.07.11**

**sd**

**( Harish kandhari )**

**Mg. Director**

4.

**CORPORATE GOVERNANCE- CLAUSE 49 OF THE LISTING AGREEMENT :****1 COMPANY PHILOSOPHY ON THE CORPORATE GOVERNANCE:**

The basic philosophy of corporate governance in the company is to achieve business excellence and enhance shareholder value, keeping in view the need and interest of its shareholders.

**2 AUDIT COMMITTEE:**

The Company has already constituted an Audit Committee comprising of two Non- Executive Director for the year 2010-11

|   | Name            | Meeting |          |
|---|-----------------|---------|----------|
|   |                 | Held    | Attended |
| 1 | Shri K.L.Arora  | 3       | 3        |
| 2 | Shri G.S.Bhagia | 3       | 3        |

Shri K.L.Arora is its Chairman.

The Broad terms of reference of the Audit Committee are :

- Review of the company's financial reporting process and its financial statements.
- Review of the remuneration payable to the Statutory Auditors.
- Review of the Internal control system.
- Review of financial & management policies and practices.

**AUDIT COMMITTEE****PURPOSE****MEETING DATES**

|          |   |
|----------|---|
| 31.07.10 | Review financial statements for the year ended 31.03.2009 |
| 31.10.10 | Considered un-audited financial result.                   |
| 31.01.11 | Considered un-audited financial result.                   |

**3 REMUNERATION COMMITTEE:**

The Company has not constituted the Remuneration Committee, as none of the non-executive directors are paid any remuneration. As and when the need arises the committee would be formed.

**4 BOARD OF DIRECTORS:**

THE BOARD OF DIRECTORS MEETING HELD SEVEN TIMES ON 30.04.2010, 31.07.10, 10.08.2010, 31.10.2010 and 31-01-2011. THE ATTENDANCE PARTICULARS ARE:

| S.NO | NAME OF DIRECTOR  | CATEGORY                         | WHEATHEIR ATTENDED<br>AGM HELD ON 24.09.2010 | BOARD MEETING |          | OTHER BOARD |                   |                 |
|------|---|----------------------------------|--|---------------|----------|-------------|-------------------|-----------------|
|      |   |                                  |  | HELD          | ATTENDED | DIRECTOR    | COMMITTEE         | COMMITTEE       |
|      |   |                                  |  |               |          | -SHIP       | CHAIRMAN<br>-SHIP | MEMBER<br>-SHIP |
| 1    | Shri Harish Kandhari<br>Chairman & Managing<br>director | Executive                        | Yes  | 5             | 5        | -           | -                 | -               |
| 2    | Shri K.L.Arora  | Non<br>-Executive                | Yes  | 5             | 5        | -           | -                 | -               |
| 3    | Shri G.S.Bhagia   | Independent<br>Non<br>-Executive | No   | 5             | 4        | -           | -                 | -               |
| 4    | Shri Manoj Kandhari                                     | Executive                        | Yes  | 5             | 5        | -           | -                 | -               |

## **5 SHAREHOLDERS' GRIEVANCE COMMITTEE:**

The entire work relating to share registry in term of physical is done by SEBI registered R & T Agent M/S MCS Limited, New Delhi.

Transfers are normally approved in fifteen days

|                               |     |
|-------------------------------|-----|
| No. of complaints             | NIL |
| Complaints not solved         | NIL |
| No of pending Share transfers | NIL |

## **6 GENERAL MEETING :**

The Annual General Meeting are held at 13 C Town Hall Road Udaipur

The last Annual General Meeting was held at 4.00 P.M. on 24.09.2010

## **7 DISCLOSURES:**

There were no significant related party transaction with its promoters, directors, subsidiaries, or relatives.

There was no non-compliance of any law or regulations and hence no penalties.

## **8 MEANS OF COMMUNICATIONS:**

The Board of directors of the Company approves and taken on record the unaudited financial results in the proforma prescribed by the stock exchange, Mumbai and announces the results to all the stock exchanges where the company's shares are listed.

## **9 GENERAL SHAREHOLDER INFORMATION**

The Next Annual General Meeting will be held on 24 September, 2011 being Friday, at 13 C Town Hall Road , Udaipur- 313 001. at 4.30 P.M.

Financial year is from 01.04.2010 to 31.03.2011.

The Register of Members and Share transfer book shall remain closed on 24.09.2011.

The Security of the Company are listed on the Stock Exchange Mumbai, Ahmedabad, New Delhi, and Jaipur. The security of the Company hardly traded on SES, Market price is not predictable.

The entire work relating to share registry in term of physical is done by SEBI registered R & T Agent M/s MCS Limited, New Delhi.

**The distribution of shareholding as on 31st March, 2011 is as follows**

| No of Equity<br>Shares Held | No. of Share<br>holders | % of Share<br>holders | No of Share<br>held | % of Share<br>holding |
|-----------------------------|-------------------------|-----------------------|---------------------|-----------------------|
| Up to 5000                  | 4867                    | 92.46                 | 880000              | 24.11                 |
| 5001 - 10000                | 225                     | 4.27                  | 197220              | 5.40                  |
| 10001 - 20000               | 74                      | 1.41                  | 113700              | 3.11                  |
| 20001 - 30000               | 19                      | 0.36                  | 49100               | 1.35                  |
| 30001 - 40000               | 14                      | 0.27                  | 50500               | 1.38                  |
| 40001 - 50000               | 25                      | 0.47                  | 122200              | 3.35                  |
| 50001 - 100000              | 13                      | 0.25                  | 97500               | 2.67                  |
| 100001 and above            | 27                      | 0.51                  | 2139980             | 58.63                 |
|                             | <b>5264</b>             | <b>100.00</b>         | <b>3650200</b>      | <b>100.00</b>         |