

# **SHRI KHODIYAR INDUSTRIES LIMITED**

## **ANNUAL REPORT**

**2010-2011**

**BOARD OF DIRECTORS**

Mr. Ramniklal M. Patel	Chairman
Mr. Dalsukh D. Patel	Director
Mr. Vitthalkumar K. Jajoo	Director
Mr. Shiv Shankar Bhootra	Director

**AUDITORS**

Vishves A. Shah & Co.,  
Chartered Accountants  
Ahmedabad

**REGISTERED OFFICE**

VIJAPUR ROAD, MANSA, GANDHINAGAR-382845

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON FRIDAY 30<sup>TH</sup> SEPTEMBER, 2011 AT 11.00 A.M. AT VIJAPUR ROAD, MANSA, GANDHINAGAR – 382845 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 and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Shiv Shankar Bhootra who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

On Behalf of the Board of Directors



*Rm Patel*  
Director  
Ahmedabad, 31.05.2011

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 24.09.2011 to 30.09.2011 (both days inclusive)
4. Members desiring any information regarding the accounts are requested to write to the Company at least Seven Days before the meeting so as to enable the management to keep the same ready.

On behalf of the Board of Directors



*Rm Patel*  
Director  
Ahmedabad, 31.05.2011

## **DIRECTORS REPORT**

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To,  
The Members  
Shri Khodiyar Industries Limited

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2011.

### **FINANCIAL RESULTS :**

The summarized financial results for the year ended 31st March, 2011 are as under:

Particulars	(Amt in Rupees)	
	For the Year Ended on 31.03.2011	For the Year Ended on 31.03.2010
Sales	71154850	3654451
Other Income	---	---
Purchase	68839550	3241236
Total expenses	1839400	293819
Profit / (Loss) before Tax	475900	119396
Provision for Income Tax	----	----
Profit / (Loss) after Tax	475900	119396

### **DIVIDEND :**

Your Directors do not recommend the dividend for financial year ended on March 31.03.2011.

### **DIRECTORS :**

Mr. Shiv Shankar Bhootra, Director of the company is retiring by rotation and being eligible, offer himself for reappointment. Board recommends his reappointment.

### **FIXED DEPOSITS :**

During the year under review your Company has neither invited nor accepted any public deposit or deposits from the public as defined under Section – 58A of the Companies Act, 1956 and Rules made there under.



#### **CORPORATE GOVERNANCE :**

A separate section on Corporate Governance and a Certificate from Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement together with the Management Discussion and Analysis of the financial position of the company forms part of the Annual Report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report is attached herewith and forms part of the Director Report.

#### **DIRECTORS RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under section 217 (2AA) of the Companies Amendment Act, 2000 with respect to Director Responsibility Statement it is hereby confirmed:

1. That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a 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 the year under review.
3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2011 on a going concern basis.

#### **AUDITORS :**

M/S Vishves A. Shah & Co., Chartered Accountants, Auditors of the Company retires at the conclusion of this Annual General Meeting and being eligible, are recommended for reappointment.

#### **AUDITORS REPORTS :**

The observations of the Auditors in their Report and Notes Attached to the Accounts to the Accounts are Self-Explanatory and do not require any Further Clarifications.

#### AUDIT COMMITTEE :

The company's present Board of Directors is properly constituted and the company has also formed an Audit Committee in compliance with provisions of Section – 292A of the Companies Act, 1956 and also in compliance with the Clause 49 relating to Corporate Governance. The duties, powers, responsibilities assigned to the Audit Committee are in line with the Clause 49 of the Listing Agreement.

#### LISTING :

Equity Shares of the company are listed on Ahmedabad Stock Exchange (ASE) and Bombay Stock Exchange Limited (BSE). Suspension in trading of shares of the company with Bombay Stock Exchange Limited has been revoked and Trading in the shares of the company has been started on BSE w.e.f. July, 2011. The Company has paid the Listing Fees to the Stock Exchange.

#### PARTICULARS OF THE EMPLOYEES :

Company has no employee who were in receipt of the remuneration of Rs. 24,00,000/- in the aggregate, if employed for the year and in receipt of the monthly remuneration of Rs. 2,00,000/- p.m. if employed for a part of the year as per the provision of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975. Hence the information required under S-217(2A) of the Companies Act, 1956 being not applicable are not given in this report.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO :

The Additional information required under Section 217(1)(e) of the Companies Act, 1956 relating to Conservation of energy, technology absorption are not applicable to the Company, as the company is not engaged in the manufacturing activities. The Company has no any Foreign exchange earnings or outgoes during the financial year.

#### ACKNOWLEDGMENT :

Your company & Directors wish to place on record their appreciation of the assistance and co-operation extended by Investors, Bankers, Customers, Business Associates, Suppliers and Government. We are deeply grateful to shareholders for their continued faith, confidence and support to the company. The Directors wishes to place on record its appreciation of sincere and dedicated work of employees at all levels, which has largely contributed to the present growth of the Company.

On behalf of the Board of Directors



Rm Patel

Director  
Ahmedabad, 31.05.2011



## REPORT ON CORPORATE GOVERNANCE

### **Governance Philosophy**

The Company's philosophy on Corporate Governance is based on the principles of ethical and responsible decision making, transparency and accountability, integrity in financial reporting and recognizing the interest of the stakeholders. Company has a focused Board of Directors with expertise and integrity which is supported by a strong and professional management team. Your Company is committed to good corporate governance practices that create a long term relation of trust and harmony between the company and stakeholders.

### **BOARD OF DIRECTORS**

#### **a) Size and Composition of the Board:**

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. The Board consists of Four members, One being Executive Director and Three being non-executive Directors.

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

During the financial year April 1, 2010 to March 31, 2011 Six meetings of the Board of Directors were held on 30.04.2010, 31.07.2010, 04.09.2010, 31.10.2010, 17.01.2011 and 31.03.2011.

Name of Director	Category of Director	No. of Board Meetings attended	Attendance at the last AGM	Directorships in other Indian Public Companies	Other Mandatory Committee memberships	
					Chairman	Member
Mr. Ramniklal M. Patel	Promoter, Non Executive	6	Yes	NIL	NIL	NIL
Mr. Dalsukh D. Patel	Promoter, Executive	6	Yes	NIL	NIL	NIL
Mr. Vitthalkumar K. Jajoo	Non Executive, Independent	6	Yes	NIL	NIL	NIL
Mr. Shiv shankar Bhootra	Non Executive, Independent	6	Yes	NIL	NIL	NIL

#### **b) Management & Function of the Board:**

The day-to-day management of the Company is conducted by the Executive Director in consultation with other Directors and subject to the supervision and control of the Board of Directors. The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

### c) Committees of the Board

Currently the Board has three committees viz:

#### 1) Audit Committee

##### Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause – 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of three Directors. Details of the composition, number of meetings held during the year and attendance thereat are as under :

Name	Position held	Attendance at Audit Committee meeting held on				
		30.04.10	31.07.10	04.09.10	31.10.10	17.01.11
Mr. Vitthalkumar Jajoo	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Dalsukh D. Patel	Member	Yes	Yes	Yes	Yes	Yes
Mr. Shiv Shankar Bhootra	Member	Yes	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise. The Statutory Auditors, Internal Auditor and the Chief Financial Officer are invited to attend and participate at meetings of the Committee.

Powers of the audit committee includes :

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under :

- a. Oversight of the company's financial reporting process and the disclosure of its financial Information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
  - Matters required to be included in the Director's Report in terms of clause 2AA of Section 217 of the Companies Act, 1956
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.



- Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- j. Reviewing the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

## 2) Shareholders'/Investors Grievance Committee

The Shareholders'/Investors' Grievance Committee of the Company comprises of the following members of the Board:

Mr. Shiv Shankar Bhootra - Chairman  
 Mr. Vitthalkumar K. Jajoo - Member  
 Mr. Ramniklal M. Patel - Member

During the financial year Five meetings were held on 30.04.2010, 31.07.2010, 31.10.2011, 17.01.2011 and 31.03.2011.

Attendance at Shareholders / Investors Grievance Committee meetings is as under :

Name	No. of meetings attended
Mr. Shiv Shankar Bhootra	5
Mr. Vitthalkumar Jajoo	5
Mr. Ramniklal M. Patel	5

The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days except in case of dispute over facts or other legal constraints.

During the year company has not received any complaints from shareholders.

No requests for share transfers are pending except those that are disputed or sub-judice. Mr. Dalsukh D. Patel, Director is the Compliance Officer of the Company.