

MADHUR INDUSTRIES LIMITED

NOTICE

The Annual General Meeting of Madhur Industries Limited will be held at Regd. Office at Madhur Complex, Stadium Cross Road, Navrangpura, Ahmedabad on 30th September, 2010 at 9.30 A.M. at the registered office of the company to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2010 and the Report of the Directors and auditors thereon.
2. To appoint Auditors, and to fix their remuneration.
3. To appoint Director in place of Mr. Hitesh Gandhi, who retires by rotation and eligible for re-appointment.

Place: Ahmedabad

By order of the Board of Directors,

Date: 03/09/2010

FOR MADHUR INDUSTRIES LTD.

Sd/-

Unit Patel
CHAIRMAN

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th Sept. 2010 to 30th Sept. 2010 (both days inclusive).
3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

MADHUR INDUSTRIES LIMITED

DIRECTORS' REPORT

To,
The Members.

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2010.

1. Financial Results (Rs. in lacs)

Particulars	2009-10	2008-09
Sales	252.99	656.33
Other income	20.36	40.39
Depreciation	26.49	24.62
Other Expenditure	234.68	582.98
Profit/Loss before Tax	(141.58)	(116.91)
Profit/Loss after Tax	(143.48)	(111.44)

2. Dividend

On account of accumulated losses, your directors' did not recommend any dividend.

3. Personnel

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

4. Auditors

M/s. Ram N. Agarwal & Co., Chartered Accountants, Ahmedabad, Auditor of the Company has resigned during the year. Shareholders of the company has appointed M/S Purushottam Khandelwal & co, Chartered Accountants, Ahmedabad as statutory auditors of the company for the F.Y 2009-10 and they will hold office till the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

5. Deposits

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

6. Directors:

Mr. Hitesh Gandhi Director of the company retires at the ensuing AGM and eligible for reappointment.

7. Energy, Technology And Foreign Exchange

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

8. Directors' Responsibility Statement

Pursuant to Section 217(2A) of Companies Act, 1956, the Directors confirm that:

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2010.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. The Annual Accounts have been prepared on going concern basis.

9. Auditor's Qualification

Auditors have qualified their report to the members of the Company. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have imitated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

10. Report on Corporate Governance

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

11. Acknowledgements

Your Directors wish to please on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE: AHMEDABAD
DATE: 03/09/2010

FOR AND ON BEHALF OF THE BOARD

Sd/- *Unit Perik*
CHAIRMAN

ANNEXURE 'A'

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the committee on Corporate Governance to promote and raise the standard of corporate governance of listed companies. The committee made recommendations on the composition of the board of directors, audit committee, board procedure etc.

The Company has taken necessary steps to comply with the newly amended clause 49 of the Listing Agreement. Given below is the report of the Directors on the corporate governance:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company believe in functioning in a transparent manner with the basic philosophy being to enhance the shareholder value, keeping in mind the needs and interest of other share holders. In compliance thereof, the following information is placed before the shareholders.

(1) BOARD OF DIRECTORS

Name of Director	Category	Date of Board Meeting						AGM 30/09/2009
		30/04/2009	31/07/2009	12/08/2009	31/10/2009	31/01/2010	31/03/2010	
Shri Vinit Parikh	CMD	P	P	P	P	P	P	P
Shri Shalin Parikh	Whole-Time Director	P	P	P	P	P	P	P
Shri Hitesh Gandhi	Non-executive independent	P	P	P	P	P	P	P
Shri Vitthala Shetty	Non executive independent	P	P	P	P	P	P	P

P – Present

A – Leave of absence granted

Details of other Directorships

Name of Director	Other Directorship
Shri Vinit Parikh	1
Shri Shalin Parikh	Nil
Shri Hitesh Gandhi	3
Shri Vitthala Shetty	Nil

In line with the requirements of the code of the Corporate Governance, the board of directors comprises four members. The composition of the Board is in conformity with the revised agreement, having one Whole Time Director. One promoter Director and remaining two directors are Non – Executive Independent Directors.

Company do not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held six times.

A declaration signed by Shri Vinit Parikh, Mg. Director of the Company according compliance of sub – Clause (1D) of Clause 49 of Listing Agreement as amended is attached herewith forming part of this Annual Report.

(2) **AUDIT COMMITTEE**

Presently the company has four Directors. The company has independent internal Auditors who submit the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit Committee consisting of followings:

- | | | |
|-------|-----------------------|----------|
| (i) | Mr. Hitesh Gandhi – | Chairman |
| (ii) | Mr. Vitthala shetty – | Member |
| (iii) | Mr. Shalin Parikh – | Member |

Function of audit committee is as under.

- (a) To review financial reporting process and financial statement.
- (b) To review internal control system and functioning of internal audit process.
- (c) Post Audit review with statutory auditors.

During the year Audit Committee met six times and reviewed performance of the company.

(3) **REMUNERATION COMMITTEE**

Remuneration paid to Directors of the company was Rs. 1050000/- No sitting fees are payable to any Director.

Remuneration committee consists of Mr. Hitesh Gandhi and Mr. Vitthala Shetty.

(4) **SHAREHOLDERS COMMITTEE**

The company has complied the requirements of the Clause 49 of the Listing Agreement. Mr. Vinit Parikh, Director heads the committee.

During the year, the company and their Registrar and Share Transfer Agents M/S Link Intime Share Registry Pvt. Limited received no complaint. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI / Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s Link Intime Share Registry Pvt. Limited was appointed as common Agent for electronic as well as physical share transfer work.

(5) **GENERAL BODY MEETING**

The Company's shares are listed on Bombay Stock Exchange and Ahmedabad Stock Exchange. Annual General Meeting of the Shareholders was held on 30-09-2009 at 9.30 A.M. at Registered office of the Company.

(6) **DISCLOSURES**

- (a) Company has followed all accounting standards diligently.
- (b) Further, Company is in the process of laying down risk assessment systems.
- (c) Further, Company has not received any funds through capital market during the year.
- (d) Management Discussion & Analysis report is attached and forms part of this Report.
- (e) During the year, transaction with related parties has been properly disclosed in Notes to accounts and discussed at arms length by Audit Committee.

- (6) Further, Shri Shalin Parikh, Whole Time Director of the company has certified to Board of Directors of the company regarding compliance of sub – clause (v) of clause 49 of listing Agreement.

(7) **MEANS OF COMMUNICATION**

The means of communication between the Shareholders and Company are transparent and investor friendly. The quarterly results of the Company are published in English and Gujarati news papers as required by the listing agreement. Steps are being taken to display the same on the corporate website, which is being developed.

(8) **GENERAL SHAREHOLDER INFORMATION**

Date of Annual General Meeting : 30/09/2010.
 Financial Calendar : 1st April, 2009 to 31st March, 2010
 Dividend Payment Date : No dividend declared.
 Date of Book Closure : 24th September 2010 to 30th September, 2010.

(9) **LISTING OF STOCK EXCHANGE**

Bombay Stock Exchange Limited	519279
Ahmedabad Stock Exchange Limited	-

(10) **MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED**

MONTH	HIGH (Rs.)	LOW (Rs.)
April, 2009	50.00	14.30
May, 2009	17.95	10.45
June, 2009	18.33	13.15
July, 2009	13.12	9.65
August, 2009	10.47	9.05
September, 2009	20.11	10.00
October, 2009	21.00	15.60
November, 2009	17.50	17.00
December, 2009		
January, 2010	17.20	12.10
February, 2010	18.15	14.50
March, 2010	19.85	15.00

Performance in Comparison to	Not applicable.
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board based indices such as BSE
sensex, CR S:L Index etc.

(11) **REGISTRAR AND SHARE TRANSFER AGENT**

M/S Link Intime Share Registry Pvt. Ltd.
Sudarshan Complex, Mithakhali,
Ashram Road,
Ahmedabad.

(12) **SHARE TRANSFER SYSTEM**

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

(13) **DISTRIBUTION PATTERN AS ON 31st March, 2010**

	No of Shares	Percentage
Promoters and Relatives	3067500	75.00
Banks / FII / FI	--	--
Public	976793	23.88
Body Corporate	29907	00.73
NRI	15800	00.39

(14) **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

Outstanding GDRs / ADRs / Warrants or any Convertibles instruments and conversion date and likely impact on equity	Not Applicable
Address for Correspondence	3 rd Floor, Madhur Complex, Stadium Corss Road, Navrangpura, Ahmedabad-380009.
Registrar for electronic connectively as well as physical share transfer dept	M/S Link Intime Share Registry pvt. Ltd., Sudarshan Complex, Mithakhali, Ahmedabad.

3017800 shares out of 4090000 Equity shares of the company have been dematerialized as at 31st March, 2010 representing 73.78% of total paid up capital of the company.

Place Ahmedabad

Date 03/09/2010

By order of the Board of Directors
For Madhur Industries Ltd.

Vinit Parikh

(Mr. Vinit Parikh)
Mg. Director

ANNEXURE 'B'

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review

The overall performance during the financial year 2009-2010 has not been satisfactory at all.

2. Financial Review

Total turnover for the year ended 31st March, 2010 were Rs. 252.99 Lacs. This decrease was mainly on account of slackness in FMCG sector and lower sales promotion drive. Better working capital management was also one of the emphasis on which proper weightage was laid upon.

3. Internal Control System and their adequacy

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern

The building, plant and machinery, vehicle and stocks of the Company are adequately insured.

6. Cautionary Statement

Statements in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.