

**MADHUR INDUSTRIES LIMITED**

**ANNUAL REPORT**

**2010-2011**

**MADHUR INDUSTRIES LIMITED**

**NOTICE**

Notice is hereby given that the Annual General Meeting of Madhur Industries Limited will be held at Regd. Office at Madhur Complex, Stadium Cross Road, Navrangpura, Ahmedabad on 30<sup>th</sup> September, 2011 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 31<sup>st</sup> March 2011 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. Vitthala Shetty, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

Place: Ahmedabad

By order of the Board of Directors,

Date: 18/08/2011

FOR MADHUR INDUSTRIES LTD.

*Unit Parikh.*  
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 27<sup>th</sup> Sept. 2011 to 30<sup>th</sup> Sept. 2011 (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 31<sup>st</sup> March 2011.

1. Financial Results (Rs. in lacs)

Particulars	2010-11	2009-10
Sales	458.33	252.99
Other income	16.93	20.36
Depreciation	20.70	26.49
Other Expenditure	446.10	234.68
Profit/ Loss before Tax	8.63	(148.58)
Profit/Loss after Tax	8.63	(143.48)

During the current year your company has achieved a reasonable level of growth. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. Directors

Mr. Vitthala Shetty, Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

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 Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad, Auditor of the Company retire at 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. Energy, Technology And Foreign Exchange

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

7. 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, 2011.
- 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.

8. 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 initiated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

9. Report on Corporate Governance

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

10. 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 : 18/08/2011

FOR AND ON BEHALF OF THE BOARD

*Vinit Parekh*

CHAIRMAN

## **Madhur Industries Limited 2010-11**

### **ANNUAL REPORT 2010-11**

#### **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 has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the report of the Directors on the Corporate Governance.

#### **REPORT ON CORPORATE GOVERNANCE**

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

The Company believes 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 stakeholders, in compliance thereof. The following information is placed before the shareholders.

##### **BOARD OF DIRECTORS**

Name of Director	Category	No. of Board Meeting	Attended	Last AGM Attendance
Shri Vinit R. Parikh	Mg. Director	9	9	Yes
Shri Shalin V. Parikh	Chairman & Whole-time Director	9	9	Yes
Shri Hitesh Gandhi	Independent Director	9	9	Yes
Shri Vittala Shetty	Independent Director	9	7	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Company)
Shri Vinit Parikh	1
Shri Shalin Parikh	1
Shri Hitesh Gandhi	3
Shri Vittala Shetty	No

In line with the requirements of the code of the corporate governance, the board of directors comprises of four members. However, Your Company is trying its level best to accomplish the revised clause-49 of listing agreement.

A declaration signed by Shri Vinit Parikh, Managing Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

## **Madhur Industries Limited 2010-11**

### **2. AUDIT COMMITTEE**

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. Shalin Parikh    | - Member   |
| (iii) Mr. Vitthala Shetty | - Member   |

The scope of committee includes.

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

### **3. REMUNERATION COMMITTEE**

Remuneration paid to directors of the company is as follow.

1. Mr. Vinit R. Parikh Rs. 900,000/-
2. Mr. Shalin Parikh Rs. 360,000/-

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

### **4. SHAREHOLDERS' COMMITTEE**

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- |                          |            |
|--------------------------|------------|
| (i) Mr. Vinit Parikh     | - Chairman |
| (ii) Mr. Vitthala Shetty | - Member   |

During the year, the company and their Registrar and Share Transfer Agents M/s Link Intime India Pvt. Ltd. has resolved all investors complaints. 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 15<sup>th</sup> and 30<sup>th</sup> of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Link Intime India Pvt. Ltd continued to provide its services as common Agent for electronic as well as physical share transfer work.

## **Madhur Industries Limited 2010-11**

### **5. GENERAL BODY MEETING:**

Date	Type	Time	Location
30/09/2008	AGM	11.00 AM	Madhur Complex, Stadium Cross Road, Navarangpura, Ahmedabad
30/09/2009	AGM	11.00 A.M.	
30/09/2010	AGM	09.30 A.M.	

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

### **6. DISCLOSURES:**

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of lying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri Vinit Parikh, Managing Director of the company as 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. Steps are being taken to display the corporate results on the EDIFAR & Corporate website, which is being developed.

### **8. GENERAL SHAREHOLDERS' INFORMATION**

Annual General Meeting:  
(Date, Time & Venue)

Date: 30/09/2011

Time : 9.30 a.m.

Venue: Madhur Complex, Stadium Cross Road,  
Navrangpura, Ahmedabad- 380009

## **Madhur Industries Limited 2010-11**

Financial Calendar  
Date of Book Closure

1<sup>st</sup> April 2010 to 31<sup>st</sup> March 2011  
From 27<sup>th</sup> Sept.2011 to 30<sup>th</sup> Sept. 2011  
(Both days inclusive)

Dividend Payment Date

No Dividend declared

### **9. LISTING OF STOCK EXCHANGE:**

Bombay Stock Exchange Limited  
Ahmedabad Stock Exchange Limited

### **10. MARKET PRICE DATA AT BOMBAY STOCK EXCHANGE LIMITED:**

MONTH	HIGH (RS.)	LOW (RS.)
April, 2010	22.45	15.00
May, 2010	14.30	11.30
June, 2010	14.20	9.40
July, 2010	17.70	10.50
August, 2010	18.56	9.04
September, 2010	30.70	17.45
October, 2010	54.25	31.55
November, 2010	76.00	46.20
December, 2010	75.40	48.85
January, 2011	73.00	47.45
February, 2011	40.75	41.30
March, 2011	49.40	33.10

### **11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2011:**

No. of Equity shares held	No. of shareholders	% of total s.holders	No. of shares held	% of shareholding
1 to 500	2933	86.90	435396	10.65
501 to 1000	158	4.68	131194	3.21
1001 to 2000	72	2.13	111063	2.72
2001 to 3000	63	1.87	163397	4.00
3001 to 4000	18	0.53	65159	1.59
4001 to 5000	41	1.22	198536	4.85
5001 to 10000	49	1.45	365731	8.94
10001 to above	41	1.22	2619524	64.05
<b>TOTAL</b>	<b>3375</b>	<b>100.00</b>	<b>4090000</b>	<b>100.00</b>



## Madhur Industries Limited 2010-11

### **12. DISTRIBUTION PATTERN AS ON THE 31<sup>ST</sup> MARCH, 2011:**

Category	No. of shares held	% of shareholding
Promoters & relatives	1950660	47.69
Banks/FII/ FI	4800	0.12
Public	1521257	37.20
Body Corporate	554141	13.55
NRI	17100	0.42
Clearing Members	42042	1.03

### **13. REGISTRAR AND SHARE TRANSFER AGENT:**

M/s. Link Intime India Pvt. Ltd.  
211, Sudarshan Complex,  
Nr. Mithakhali underbridge,  
Navrangpura,  
Ahmedabad-380009

### **14. 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 lodgements if the transfer documents are correct and valid in all respects.

### **15. DEMATIRIALISATION OF SHARES:**

Outstanding GDRs/ADRs/Warrants or any Convertibles : N.A.  
instruments and conversion date and likely impact on Equity

Address for Correspondance : Madhur Complex,  
Stadium Cross Road,  
Navrangpura,  
Ahmedabad-380009

3172600 shares out of 4090000 Equity shares of the company have been dematerialized as at 31<sup>st</sup> March, 2011 representing 77.57% of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 18/08/2011  
Place : Ahmedabad

*Vinit Parikh*  
VINIT PARIKH  
Managing Director

## **Madhur Industries Limited 2010-11**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **1. Overall Review :**

The overall performance during the financial year 2010-11 has been satisfactory.

#### **2. Financial Review :**

Total turnover for the year ended 31<sup>st</sup> March, 2011 was Rs. 458.33 lacs. This increase was mainly on account of improvement in manufacturing process and 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 different 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.

The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

For **Madhur Industries Limited**

Date : 18/08/2011

*Vinit Parikh*

Mr. Vinit Parikh

Chairman