

MADHUR INDUSTRIES LIMITED

REGISTERED OFFICE

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

ANNUAL REPORT

2013-14

Board of Directors

- ❖ **MR. SHALIN VINITEBHAI PARIKH - DIRECTOR**
- ❖ **MR. VINIT R. PARIKH - MANAGING DIRECTOR**
- ❖ **MR. NARENDRA CHAVDA - DIRECTOR**
- ❖ **MR. VITTALLA D. SHETTY - DIRECTOR**

MADHUR INDUSTRIES LIMITED

Regd. Office : Madhur Complex,
Stadium Cross Road,
Navrangpura,
Ahmedabad- 380009

Board of Directors : Mr. Shalin Vinodbhai Parikh - Director
Mr. Vinit R. Parikh - Managing Director
Mr. Narendra Chavda - Independent Director
Mr. Vittal D. Shetty - Independent Director

Auditors : M/s Parushottam Khandelwal & Co.,
Chartered Accountants
216, Madhupura Vyapar Bhavan,
Nr. Gunj Bazar, Madhupura,
Ahmedabad-380004

Stock Exchanges wherein the shares

Of the Company are listed : 1. The Bombay Stock Exchange Ltd.
25th Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001.
2. The Ahmedabad Stock Exchange Limited
Ramdhenu Complex, Opp. Sahjanand College,
Panjarapole, Ambawadi,
Ahmedabad- 380 015

MAADHAR INDUSTRIES LIMITED**Notes**

NOTICE IS HEREBY GIVEN THAT ANNUAL GENERAL MEETING OF MAMMOET INDUSTRIES LIMITED WILL BE HELD AT REGD OFFICE AT MADHUR KINHATA STATION CROSS ROAD, KAVRAYAPUR, ANNEEDUWADI 250004 ON 26 SEPTEMBER, 2012 AT 9.30 A.M. TO TRANSACT THE BUSINESS OF BUSINESS.

1. TO RESOLVE, CONSIDER AND ADOPT THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2014 AND BALANCE SHEET AS AT THAT DATE AND DIRECTOR'S REPORT AND AUDITOR'S REPORT THEREON;
2. TO APPROVE A RESOLUTION IN PLACE OF THE SPECIAL MEETING AND EXTEND THE TERM OF ROTATION 4 YEARS ON SECTION 185 (b) OF THE COMPANIES ACT, 2013, AS AMEND ENLIGHTENED MEMBERS WOULD FOR RE-APPOINTMENT;
3. TO APPOINT THE AUDITORS AND TO FIX THEIR REMUNERATION AND VOTE BEHIND THE PROPOSAL AND IF THERE IS NO TO PASS WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION:

RESOLVED THAT PURSUANT TO THE PROVISIONS OF SECTION 139 OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER, AS AMENDED FROM TIME TO TIME BY PARLIAMENTARY EMENDMENT, & C. (MADE) BY THE COMPANIES (FIRST REGISTRATION) ACT, 1956, THE BOARD ARE HEREBY APPOINTED AS MANAGED BY THE COMPANY TO HOLD OFFICE FROM THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING FOR A CONSECUTIVE PERIOD OF FIVE (5) FINANCIAL YEARS, AT SUCH REMUNERATION AS MAY BE AGREED BETWEEN THE BOARD OF DIRECTORS OF THE COMPANY AND THE SHAREHOLDERS.

Special Business

6. TO DETERMINE AND IF THOUGHT FIT TO PASS WITH OR WITHOUT AMENDMENTS, THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

"RESOLVED THAT PURSUANT TO THE PROVISIONS OF MATTERS 100, 101 AND OTHER APPLICABLE PROVISIONS OF ANY OF THE COMPANIES ACT 1912 AND THE RULES FRAMED THEREUNDER, AND WITHIN THE SCOPE OF THE ACT, AS AMENDED FROM TIME TO TIME OR, SOMETIME LATER, BY 02373052, A DIRECTOR OF THE COMPANY, WHO HAS SUBMITTED A DECLARATION THAT HE MEETS THE CRITERIA FOR INDEPENDENCE AS PROVIDED IN SECTION 149(1)(C) OF THE ACT AND WHO IS ENTITLED FOR APPOINTMENT BE APPOINTED AS AN INDEPENDENT MEMBER OF THE COMPANY WITH EFFECT FROM 20th SEPTEMBER, 2012 FOR A SUCCESSIVE PERIOD OF ONE (1) FINANCIAL YEAR NOT LIABLE TO ELECTION OR RE-ELECTION."

6. TO EXAMINE AND IF THOUGHT FIT TO ASS WITH THE MAJOR APPLICATION, THE FOLLOWING
RESOLUTION AS A COMMUNITY RESOLUTION

"RESOLVED THAT IN ADDITION TO THE PROVISIONS OF SECTIONS 149, 152 AND OTHER APPLICABLE PROVISIONS, IN ANY OF THE COMPANIES ACT, 2013 AND THE RULES THEREUNDER, READ WITH REFERENCE TO THE ACT, AS AMENDED FROM TIME TO TIME, THE CHAIRMAN SHALL BE A MEMBER, AND NOT A DIRECTOR, OF ANY BOARD OF DIRECTORS AT ANY TIME, WHO HAS SUBMITTED DECLARATION THAT HE RESERVES THE CHAIRMAN FOR A PERIOD AS PROVIDED IN SECTION 149(3) OF THE ACT AND WHO IS ELIGIBLE FOR APPOINTMENT, BE APPOINTED AS AN INDEPENDENT DIRECTOR OF THE COMPANY WITH EFFECT FROM 30 SEPTEMBER 2014 FOR A CONSECUTIVE PERIOD OF FIVE (5) FINANCIAL YEARS OR UNTIL 31 MARCH 2019 NOTATIVA

MADHUR INDUSTRIES LIMITED

6. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 149(1) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, Mrs. Bhavnaben Mehta, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, who would be liable for retire by rotation."

7. To consider and if thought fit to pass with or without modification, the following resolution as a **special resolution**:

"RESOLVED THAT in supersession of all the earlier resolutions passed at the previous General Meetings of the Company, the consent of the members of the Company, be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, i.e. reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 100 crores (Rupees Hundred crores)."

8. To consider and if thought fit to pass with or without modification, the following resolution as a **special resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and the rules framed there under, as amended from time to time (previously being Section 372A of the Companies Act, 1956), the consent of the members of the Company, be and is hereby granted to the Board of Directors of the Company to give any loan to any Body Corporate(s)/Person(s), to give any guarantee or to provide any security in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) and to decide limit up to which such investments in securities/loans/guarantees, that may be given or made, notwithstanding that any loan given to any Body Corporate(s)/Person(s), any guarantee given or any security provided in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) may exceed 60% of the aggregate of the paid-up Share Capital and Free Reserves and Securities Premium Account; or 100% of its Free Reserves, whichever is higher at any point of time however it shall not exceed beyond Rs. 50 crores at any point of time; on such terms and conditions, as the Board may think fit."

MADHUR INDUSTRIES LIMITED

Place: Ahmedabad

By order of the Board of Directors,

Date: 13/08/2014

FOR MADHUR INDUSTRIES LIMITED

Vinit Parikh

CHAIRMAN

(Mr. Vinit Parikh)

[DIN: 00494521]

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 26th Sept. 2014 to 30th Sept. 2014 (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.
4. Explanatory statement under section 102 of the companies Act, 2013 is attached with the notice.
5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Clause 35B of Listing Agreement, the Company is providing e-voting facility to its members whose names appear in the Register of Members/Beneficial owners as on the cut-off date i.e. 29th August, 2014, who may cast their vote by electronic mode on all resolutions in respect of business set forth in the Notice through e-voting services provided by CDSL, through their portal <http://www.evotingindia.com>. In this regard, members are notified that (i) The Company has completed the dispatch of notice of AGM through courier to all the members of the Company individually to their registered address along with the Explanatory Statement and Annual Report and (ii) Voting through electronic means shall commence from 09.00 a.m. on 21st September, 2014 and ends at 06:00 p.m. on 23rd September, 2014.

MADHUR INDUSTRIES LIMITED

Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4 & 5:

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement, entered with the Stock Exchange, appointed Mr. Narendra Chavda and Mr. Vittala Shetty as an Independent Director in the past, in compliance with the requirements of the Clause. Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable for retire by rotation.

The Board has recommended the appointments of Mr. Narendra Chavda and Mr. Vittala Shetty as Independent Directors from September 30, 2014 to September 29, 2019. Mr. Narendra Chavda and Mr. Vittala Shetty have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Act. In opinion of the Board, Mr. Narendra Chavda and Mr. Vittala Shetty fulfill the conditions specified in the Act and the rules framed there under for appointment as Independent Director. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Narendra Chavda and Mr. Vittala Shetty as an Independent Director is now being placed before the Members for their approval. The terms and conditions of appointments of Mr. Narendra Chavda and Mr. Vittala Shetty shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Narendra Chavda and Mr. Vittala Shetty is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 & 5.

Item No. 6:

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one-woman Director, who is liable for retire by rotation.

The Board has recommended the appointment of Mrs. Bhavnaben Mehta as a Woman Director w.e.f. September 30, 2014. Mrs. Bhavnaben Mehta has given her consent in Form DIR-2 as required under the Act. She has also given a declaration in Form DIR-8 that she is not disqualified under Section 164 of the Act and is being eligible for appointment as Director. In opinion of the Board, Mrs. Bhavnaben Mehta fulfills the conditions specified in the Act and the rules framed there under for appointment as a Director. In compliance with the provisions of Section 149 of the Act, the appointment of Mrs. Bhavnaben Mehta as a Director is now being placed before the Members for their approval. The terms and conditions of appointment of Mrs. Bhavnaben Mehta shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

MADHUR INDUSTRIES LIMITED

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mrs Bhavnaben Mehta is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

Item No. 7:

In terms of the provisions of Section 180 of the Companies Act, 2013, the Board can exercise certain powers only with the consent of members in general meeting by passing special resolution. In relation to the said provisions and in view of the expected growth in the business of the Company, the Board of Directors on behalf of the Company may borrow monies from various sources consequent to which the amount outstanding could exceed the earlier limit decided by the members/Directors earlier to this resolution but shall not at anytime exceed the limit of Rs. 100 crores. Further, under the Act, it is now required that such a resolution shall be passed by way of a special resolution.

Your Directors accordingly recommend increase in the borrowing powers to Rs. 100 crores as set out in the enabling resolution at Item No. 7 for the approval of the members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

Item No. 8:

The Board of Directors of a Company has been permitted to make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is higher, in terms of Section 186 of the Companies Act, 2013 from time to time, for business purposes.

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the Members by way of Special Resolution is required.

It may be noted that, in terms of Section 372A of the Companies Act, 1956 any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempt while reckoning the overall limit permissible, as per the said provisions of the Act. However, in terms of Section 186 of the Companies Act, 2013 such exemption has been withdrawn and the same shall be included for arriving at the aggregate permissible limit and hence any loan given / investment made / guarantee given / security provided have to be included for the purpose of arriving at the aforesaid overall limit and therefore it is proposed that the shareholders may fix the limit at Rs. 50 crores.

The Board recommends the enabling Special Resolution for shareholders' approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

MADHUR INDUSTRIES LIMITED

Place: Ahmedabad

By order of the Board of Directors,

Date: 13/08/2014

FOR MADHUR INDUSTRIES LIMITED

Vinit Parikh

CHAIRMAN

(Mr. Vinit Parikh)

(DIN: 00494521)

MADHUR INDUSTRIES LIMITED
DIRECTORS' REPORT

To,
The Members of,
M/s MADHUR INDUSTRIES LIMITED

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 2014.

1. <u>Financial Results</u>	(Rs. in lacs)	
	FY 2013-14	FY 2012-13
Particulars		
Sales	997.39	835.95
Other income	12.15	50.79
Depreciation	21.23	21.92
Other expenses	979.18	857.87
Profit/ Loss before Tax	8.22	6.94
Profit/Loss after Tax	8.22	6.94

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

2. **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.

3. **Auditors**

M/s. Parushottam Khandelwal & Co., Chartered Accountants, Statutory Auditor of the Company, (Firm Registration No.: 123825W) holds office until the conclusion of the ensuing Annual General Meeting. As per newly inserted Section 139 of the Companies Act, 2013, they are to be appointed for a term of five consecutive financial years, for which necessary resolution is put to vote in this AGM, as stated in the item no. 3 of the notice, they are eligible for appointment to conduct statutory audit. The company has received certificate from the auditor to the effect that their appointment if made, would be within the prescribed limits under the Companies Act.

Notes to the accounts referred to in Auditor's report are self explanatory and therefore do not call for any further comments.

4. **Deposits**

During the year under review, Company has not accepted any Deposits falling under Section 58A of Companies Act, 1956.

5. **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.

MADHUR INDUSTRIES LIMITED

6. 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, 2014.
- 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.

7. Directors:

As per provisions of Section 152(6) of the Companies Act, 2013, Mr. Virata Shetty, Director liable to retire by rotation, being eligible, offers himself for re-appointment at the general meeting and if appointed as Director, would be appointed as an Independent Director. Mr. Narendra Chavda is being appointed as an Independent Director for consecutive five financial years as per provisions of Section 149 of the Companies Act, 2013. Mrs. Bhavnaben Mehta is being appointed as a Woman Director as per provisions of Section 149 of the Companies Act, 2013. Necessary resolutions for the appointment /re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice. Your directors commend their appointment / re-appointment. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013 (Previously being Section 274(1) (g) of the Companies Act, 1956).

8. Report on Corporate Governance

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

9. Acknowledgements

Your Directors wish to place 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

By order of the Board of Directors,

Date: 13/08/2014

FOR MADHUR INDUSTRIES LIMITED

Vinit Parikh

CHAIRMAN

(Mr. Vinit Parikh)

(DIN: 00494521)