

**AUDIT REPORT**  
**OF**  
**OMNI DYE-CHEM**  
**EXPORTS LTD.**

**F.Y. 2009-10**

**A.Y. 2010-11**



## **DIRECTORS' REPORT**

To  
The Members,

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

### **FINANCIAL RESULTS**

(Rs. In Laacs)		
Particulars	Current Year	Previous Year
Sales/ Income from operation	523.20	377.11
Other Income	21.04	18.92
Profit/(loss) before Depreciation	(58.80)	4.34
Depreciation	30.37	28.32
Profit / (Loss) after Depreciation before tax	(89.18)	(23.99)
Profit / (Loss) after Taxation	(85.06)	(21.71)
Balance carried to Balance Sheet	319.70	234.64

### **DIVIDEND**

In view of the loss incurred during the year, your Directors are unable to recommend dividend for the year under review.

### **DEPOSITS**

During the year under review, the Company has not accepted any deposits from the public.

### **DIRECTORS**

Shri Minesh Amratlal Chudgar, Director of the Company retires by rotation and being eligible offers himself for the re-appointment.

Brief resume of the Director retiring by rotation at the ensuing Annual General Meeting, nature of the experience in specific functional areas and names of the Companies in which they hold the directorship and the membership / chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with Stock Exchange, are given in the section on Corporate Governance elsewhere in the Annual Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, your Directors confirm:

- (i) that in preparation of the annual accounts, all the applicable accounting standards have been followed;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 of the Company for the year under review ;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities ;
- (iv) that the Directors have prepared the Annual Accounts for the financial year ended 31st March, 2010 on a 'going concern' basis.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report as required under the Listing Agreement with the Stock Exchange is annexed hereto.

## **CORPORATE GOVERNANCE**

The report on Corporate Governance as required under Clause 49 of the Listing Agreement is annexed hereto.

## **AUDITORS**

The shareholders are requested to re-appoint M/s. Mehra Anil & Associates, Chartered Accountants, as the Auditors of the Company and to fix their remuneration. The Company has received a letter from the said Auditors to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

Notes forming part of Accounts are self-explanatory and therefore, do not call for any further comments.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC.**

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed as annexure 'A'.

## **PARTICULARS OF EMPLOYEES**

There was no employee drawing remuneration in excess of limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

## **ACKNOWLEDGEMENT**

Your Directors would like to place on record their grateful appreciation for assistance and co-operation received from the Banks, Government Authorities and Shareholders during the year under review. Your directors also express their deep sense of appreciation for the devoted services of the staff members and workers of the company.

Place: Ahmedabad  
Date 31/08/2010

For and on behalf of the Board of Directors,

  
Chairman & Managing Director

## ANNEXURE 'A' TO DIRECTORS' REPORT

Information required under Companies (Disclosure of Particular in the Report of the Board of Directors) Rules, 1988.

### A. CONSERVATION OF ENERGY

The company endeavored to improve methods of energy conservation and utilization through continuous monitoring of fuel and energy consuming machinery.

POWER AND FUEL CONSUMPTION:		2009-10	2008-09
1.	Electricity		
	a. Purchased Units	360054	290600
	b. Total Cost (Rs.)	1979329	1717685
	Rate /Units (Rs.)	5.497	5.910
	c. Own Generation		
	Through Diesel Generating Set (LDO/FO)		
	Quantity (K L)	17080	14440
	Total Cost (RS)	652216	458963
	Average Rate / KL	38.19	31.78
2.	Oil		
	In Thermic Heater		
	Quantity(Liters)	-	-
	Total Cost(RS)	-	-
	Average Rate / Liter	-	-
3.	Consumption per kg. of production		
	Electricity (Units)		
	LDO (KL)		

### B. Technology Absorption, Research & Development (R & D)

#### Chapter 2 Specific areas in which R & D carried out by the company.

- Improvement of product quality.	-	-
- Process Improvement	-	-
- Cost Effectiveness	-	-

#### Chapter 3 Benefits derived as a result of the above R & D

Improvement in yield and product quality.	-	-
---	---	---

#### Chapter 4 Future plan of action.

The company's efforts will continue in the areas of new product development, technology and packing.

Technology absorption, adaptation & innovation:

- (i) The company is using indigenous technology
- (ii) The product is now well accepted in the market due to techno-economical development achieved by the company.

### C. Foreign Exchange Earnings and Outgo :

The company generated Foreign Exchange Earnings (though direct & indirect exports) of Rs. 4,01,12,619/- through exports.

There was no Foreign Exchange Outgo during the year.

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At Omni, we believe that Corporate Governance is a blend of rules, regulations, laws and voluntary practice that enables us to attract financial and human capital, perform efficiently and thereby maximize long term value for their Shareholder besides respecting the aspiration of the multiple Stakeholders including that of the society. It is also about promoting corporate fairness, transparency and accountability.

### 2. COMPOSITION OF BOARD OF DIRECTORS

Your Company has optimum combination of Board of Directors. The Present Board comprises five Directors. The Board duly met 4 times respectively on 02/05/2009, 31/07/2009, 31 /10/2009 and 30/01/2010 during the year under review.

Name	Category	No. of Board Meeting attended	Whether attended the last AGM	Directorship in other Public Ltd. Cos.	No. of Committee Members
Mr. Satish C. Brahmbhatt	Chairman & Mg. Director	4	Yes	-	-
Mr. Navin C. Brahmbhatt	Director	4	Yes	-	-
Mr. Sudhanshu V. Sarpotdar	Director	4	Yes	-	-
Mr. Bhavin K. Brahmbhatt	Director	4	Yes	-	-
Mr. Minesh A. Chudagar	Director	4	Yes	-	-

### 3) COMMITTEES OF THE BOARD

#### A. AUDIT COMMITTEE

The Audit Committee comprises four Directors who have adequate financial accounting knowledge. The Audit Committee met **Four times** during the financial year 2009-10 to review the accounting practices/Quarterly/half yearly financial statements. The composition of Audit committee and attendance of each director at its meeting was as follows:

Name of Directors	No. of meetings
Satish C. Brahmbhatt	4
Navin C. Brahmbhatt	4
Bhavin K. Brahmbhatt	4
Minesh Chudagar	4
Sudhanshu Sarpotdar	4

#### B. SHARE TRANSFER & INVESTORS' GRIEVANCES COMMITTEE

The Share Transfer & Investor Grievance Committee (STIGC) consists of Satish C. Brahmbhatt Chairman, Mr. Minesh Chudagar, Mr. Sudhanshu

Sarpotdar and Mr. Bhavin N. Brahmbhatt as their members of the said committee. The STIGC looks after all matters pertaining to the transfer, transmission, issue of duplicate certificates, etc. as also investor grievances.

#### 4) GENERAL BODY MEETINGS

Details of the last three Annual General Meeting held are given below

Financial year	Date	Time	Venue
2008-09	30.09.2009	10.30 a.m.	Plot No. 94-96 Sarkhej Bavla Road Chacharvadi Vasana-382 210
2007-08	30.09.2008	10.30 a.m.	Plot No. 94-96 Sarkhej Bavla Road Chacharvadi Vasana-382 210
2006-07	29.09.2007	10.30 a.m.	Plot No. 94-96 Sarkhej Bavla Road Chacharvadi Vasana-382 210

#### Postal Ballot

In the previous year the company has not passed any resolution by the Postal Ballot.

#### 5) DISCLOSURE

- There is no transaction of material nature, with the promoters, or the Directors or the Management, their Relative, Subsidiaries etc. which may have potential conflict with the interest of the company at large.
- The Company has not complied with all the requirements of the Listing Agreement with the Stock Exchange. The Company has complied with regulations and guidelines of SEBI. No penalties and strictures have been imposed by SEBI, Stock Exchange or any other statutory authority relating to the capital markets during the last three years.

#### 6) MEANS OF COMMUNICATION

Quarterly / Annual Result Published in Western Times (Gujarati & English) Ahmedabad.

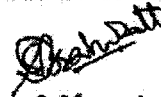
#### 7) GENERAL SHAREHOLDER INFORMATION

- AGM: Date, Time and Venue: 17<sup>th</sup> AGM, Date: 30<sup>th</sup> September, 2010 at 10.30 A.M. at Plot No. 94-96, Sarkhej-Bavla Road, Chacharvadi Vasana – 382 210 Taluka : Sanand, Dist. : Ahmedabad
- Financial Calendar: April 01 to March 31.
- Date of Book Closure: **Thursday 23rd September, 2010 to Thursday the 30<sup>th</sup> September, 2010.**
- Listing of Stock Exchanges: Bombay Stock Exchange Limited, Mumbai
- Stock Code: 524384
- Market price data: High & Low recorded at BSE during each month in last financial year.  
Share price data at Mumbai Sock Exchange:  
The trading in the Company's shares is suspended by the BSE and hence the data is not available.

- (vii) Share Transfer System: The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Transfer Agents. Valid Share Transfer, complete in all respect are approved and registered within the stipulated time.
- (viii) Dematerialization of Shares: Company's equity shares are available for trading in the depository system in both the National Securities Depository Ltd. and Central Depositories Services (India) Ltd.
- (ix) Address for Correspondence: M-31, 5<sup>th</sup> Floor, Adarsh Complex, Swastik Cross Road, Navarangpura, Ahmedabad 380009.

**Place: Ahmedabad**  
**Date: 31/08/2010**

**For and on behalf of the Board of Directors,**



**Chairman & Managing Director**

**Mehra Anil & Associates**

Chartered Accountants

2E, Suryarath, Panchwati,

Ahmedabad. Ph. 079 30003344

**Auditor's Report**

To  
**The Members of  
Omni Dye Chem Exports Ltd.**

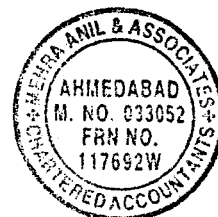
We have audited the annexed Balance sheet of **OMNI DYE CHEM EXPORTS LTD.,** as at **31/03/2010** and the Profit and Loss Account for the year ended on that date annexed thereto and the Cash flow for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted Our audit in accordance with auditing standards generally accepted in India. Those Standards require that We plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. This report does includes a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the department of company affairs, in terms of section 227 (4A) of the companies Act, 1956.

2. Further to Our comments in the annexure referred to in paragraph 1 above, I state that:

- (a) We have obtained all the information and explanations, which to the best of Our knowledge and belief were necessary for the purpose of Our audit;
- (b) In Our opinion books of accounts as required by the law have been kept by the Company so far as it appears from the examination of such books;
- (c) In Our opinion, the Company has not followed the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956.
- (d) The Balance Sheet and the Profit and Loss Account and cash flow statement, dealt with by this report, are in agreement with the said books of accounts;
- (e) In Our opinion the Balance Sheet and Profit & Loss Account and cash flow statement comply with the accounting standards referred to in Sub Section 3(c) of Section 211 of the Companies Act, 1956.





- (f) On the basis of written representation received from the directors as of **31/03/2010** and taken on record by the board of directors, We report that none of the directors is disqualified as of **31/03/2010** from being appointed as a director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- (g) In Our opinion and to the best of Our information and according to the explanations given to us, read with notes on Accounting and Accounting Policies generally accepted in India, the said accounts give the information required by the Companies Act, 1956, in the manner so required give a true and fair view.
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at **31/03/2010** and;
- (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.
- (iii) In case of Cash flow statement, cash flow of the company for the year ended on that date

Place: AHMEDABAD

Dated: 31/08/2010



For MEHRA ANIL & ASSOCIATES  
(Chartered Accountants)  
Reg. No. :117692W

*Anil Mehra*

ANIL MEHRA  
(Proprietor)  
Membership .No100- 033052

**ANNEXURE TO THE AUDITORS' REPORT**

**1. In respect of its fixed assets:**

- (a) The company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. We have been informed that this exercise is in process
- (b) Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets have been disposed off during the year, and hence no question of affecting going concern.

**2. In respect of its inventories:**

- (a) We have been informed by the management that physical verification of inventory has been conducted at reasonable intervals by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) Company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.

**3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.**

- (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 301 of the companies Act-1956.
- (b) Not Applicable
- (c) Not Applicable
- (d) Not Applicable
- (e) The company has taken loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956 or from the company under same management as defined under section 370(1-B)  
No. of parties: 1  
Amount: Rs. 15,00,000.
- (f) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the company.
- (g) In respect of loans taken, repayment of principal amount and interest have been regular.

**4. In respect of internal control**

In our opinion and according to the information and explanations given to us there is adequate internal control system commensurate with the size of the company and the nature of its business,

