

MADHUR INDUSTRIES LIMITED

NOTICE

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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, 2010 at 9.30 A.M. at the registered office of the company to transact the following business:

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ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31<sup>st</sup> 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/- *Vinit 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 24<sup>th</sup> Sept. 2010 to 30<sup>th</sup> 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 31<sup>st</sup> 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 31 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 Per...*  
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 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 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 : 1<sup>st</sup> April, 2009 to 31<sup>st</sup> March, 2010  
 Dividend Payment Date : No dividend declared.  
 Date of Book Closure : 24<sup>th</sup> September 2010 to 30<sup>th</sup> 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 31<sup>st</sup> 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 <sup>rd</sup> 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 31<sup>st</sup> 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 31<sup>st</sup> 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.

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

Place Ahmedabad  
Date 03/09/2010

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

*Vinit Parikh.*  
(Vinit Parikh)

#### CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. Vinit Parikh, Mg. Director of Madhur Industries Limited, certify that:

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors, and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
  - a. Significant changes in internal control over financial reporting during the year.
  - b. Significant changes in accounting policies during the year;
  - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.However, during the year there were no such changes or instances.

Date : 03/09/2010  
Place: AHMEDABAD

*Vinit Parikh.*  
Shri Vinit Parikh  
Mg. Director

## **Declaration by the Managing Director about Corporate Governance.**

Mr. Vinit Parikh, Mg. Director of Madhur Industries Ltd hereby confirm pursuant to clause 49 (D) of the listing agreement that :

1. The board of directors of Madhur Industries Ltd has laid down a code of conduct for all board members and senior management of company. The said code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31<sup>st</sup> March 2010.

Place : Ahmedabad  
Date : 03/09/2010

*Vinit Parikh*  
Mr. Vinit Parikh  
Mg. Director

## AUDITORS' REPORT

**TO  
THE MEMBERS OF  
MADHUR INDUSTRIES LTD.**

1. We have audited the attached Balance Sheet of **MADHUR INDUSTRIES LTD., as at 31 March 2010**, the Profit and Loss Account of the Company for the year ended on that date and Cash Flow statement, annexed thereto. 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on 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 the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report includes statement on the matters specified in the paragraph 4 of the Companies (Auditor's Report) Order, 2005 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956.
4. Further to our comments in the Annexure referred to above, we report that:
  - a. We have obtained the available information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c. The Reports on the accounts of Mumbai Branches audited by the branch auditors has been forwarded to us & the same has been considering in preparing our report.

d. The Balance Sheet , the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;

e. In our opinion, the Balance Sheet ,Profit & Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956; **Except Accounting Standard -15 on Retirement benefits as no provision has been made for retirement benefits , The effect of the same can not be quantified, to that extent loss for the year and balance of Profit & Loss account and balance of current liabilities is understated.**

**Accounting Standard -13 on Accounting for investments as no provision is made for diminution in the value of investment of group concern amounting to Rs. 63, 90,965 lacs.**

f. On the basis of written representations received from the directors as at 31 March, 2010 and taken on record by the Board of Directors and in accordance with the information and explanations as made available, the directors of the company do not have prima – facie have any disqualification as at 31March, 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. The Bank accounts of the Company was frizzed by the CBI BS & FC, Mumbai in the financial year 2001-02, therefore no provision has been made for bank balance of Rs. 32,56,783, DD in Transit of Rs.32,372 , doubtful sundry debtors of Rs. 34.07 lacs & doubtful advance of Rs. 82.21lacs exceeding six months . The Consequential effect of this is not ascertainable.

h. Note in Schedule relating to non provision of interest on fixed deposit (accepted in previous year u/s 58A) for the year ending on 31<sup>st</sup> March, 2010 and matured/enchased Fixed Deposits for which the cheques are issued from separate bank account (which is freezed CBI BS & FC, Mumbai) but not cleared due to suspension of banking operation of Madhavpura Mercantile Co. Op. Bank Ltd. Consquently the loss and liability are understated to the extent.

i. Subject to the above ,In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act,1956, in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India:

i In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010.

ii In the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date.

iii In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

**Date:- 03/09/2010**

**Place: - Ahmedabad**

**For Purushottam Khandelwal & Co.  
Chartered Accountants**

*P. H. Khandelwal*

**(P.H. Khandelwal)**

**Proprietor**

**M.No.100601**

**FRN:123825W**



## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

1. (a) As per the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As per the information and explanation given to us, the assets have been physically verified by the management during the regular interval.  
(c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
2. (a) As per the information and explanations given to us, the inventories have been physically verified during the year by the management.  
(b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company has maintained proper records of inventories. As explained to us, there were no material discrepancies that have been noticed on physical verification of inventories as compared to books records.
3. (a) As per the information and explanations given to us, the Company has granted unsecured loans to six parties covered in the registered maintained u/s 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 11,26,917.  
(b) In our opinion, the rate of interest and other terms and conditions of such loan are not, prime facie, prejudicial to the interest of the Company.  
(c) The company is neither regular in making recovery of the principal amount nor its interest.  
(d) There is overdue amount of loans granted exceeding one lacs in case of three parties and company is in process of recovery of the amount to the Parties covered in the register maintained under section 301 of the Companies Act, 1956.



- (e) As per the information and explanations given to us, the Company has taken unsecured loans from three parties covered in the Register maintained u/s. 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs. 2, 38,814.
- (f) The terms and conditions of the above loans are prima facie not prejudicial to the interest of the company.
- (g) The company is neither regular in making repayment of the principal amount nor its interest.
4. In our opinion and according to information and explanation given to us; there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. Further on the basis of our examination of books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In our opinion and according to the information and explanations given to us, there is no transaction during the year as referred to in Section 301 of the Companies Act, 1956.
6. In our opinion and according to the information and explanations given to us, the company has not accepted/renewed the deposits falling within preview of Section 58A / 58AA of the Companies Act, 1956 during the financial year. However the honourable Company Law Board (CLB) western region bench Mumbai, by its order dated 29<sup>th</sup> April,2002 in company petition no 58AA/58A(9)/CLB/WR/2002/494 has order that there is a default on the part of the company to repay the small depositors their deposits as per terms and condition of acceptance of deposits. However considering the submission made by the company that the company is already having a separate Bank account for accepting and repaying fixed deposits with Madhavpura Mercantile Co. Op. Bank Ltd. , the banker of the company and has transferred funds to the tune of Rs. 175 Lacs to the said amount ( which is frizzed by CBI BS & FC Mumbai ) for repayment of depositors and since the clearing of the Madhavpura Mercantile Co. Op. Bank Ltd., the banker of the company has been suspended wef 13<sup>th</sup> March,2001 the company is unable to repay to depositors whose FD's stand matured & for repayment of the premature FD's Hon'ble Company Law Board has given directions to the company as contained in order. One of prime direction of the order is that:

The Company shall make repayment of deposits along with interest at the contracted rate till the date of payment to depositors whose deposits become matured and also to depositors who have requested the company for repayment

of their premature fixed deposits within 30 days of start of clearing of Madhavpura Mercantile Co. Op. Bank Ltd. However clearance of Bank already has been started but the above bank account has been freezed by CBI BS & FC Mumbai hence company could not paid deposits.

7. In our opinion and according to the information and explanation given to us, the Company has not adequate internal audit system commensurate with size and nature of its business.
8. In our opinion and according to the information and explanations given to us, the central government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
9. (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income tax, sales tax, excise duty, cess and other material statutory dues applicable to it. and the Company had no arrears of such outstanding statutory dues as at 31<sup>st</sup> March, 2010 for a period more than six months from the date they became payable except TDS of preceding years of Rs.4069 not deposited.  
  
(b) According to the information and explanation given to us, and details produced for verification, there are dues of Income tax of Rs. 69,83,703 which have not been deposited as the said dispute is pending before CIT (Appeal).
10. In our opinion and according to the information and explanations given to us, the company has incurred cash losses of Rs. 1,11,77,265 during the financial year under review. Moreover, the company has accumulated losses of Rs. 3,29,84,650 at the end of the financial year.
11. According to the records of the company examined by us and on the basis of information and explanations given to us, the company has issued cheques of Rs. 2,10,07,851/- from its current account for repayment of Term Loan to Madhavpura Mercantile Co. Op. Bank Ltd by way of transfer of funds. We are unable to express our opinion because necessary documents are not available by bank to us whether same have been credited or not.
12. The company has not granted any loans and advances on the basis of securities by way pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. According to the information and explanation given to us, the company is

dealing or trading in shares, securities, Proper records have been maintained of the transactions and contracts and timely entries have been made therein. The other investments have been held by the company in its own name except to the extent of exemption, if any granted under section 49 of the act.

15. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
16. As per the information and explanation given to us, the company has not taken term loans during the financial year.
17. In our opinion and according to the information and explanations given to us, the Company has not used any funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment to parties covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the company has not issued any debentures.
20. As the company has not raised money by making Public issue during the financial year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For, Purushottam Khandelwal & Co.**  
*Chartered Accountants*

*P. H. Khandelwal*

**Purushottam Khandelwal**  
*Proprietor*  
Mem. No. 100601  
FRN: - 123825W

Place : Ahmedabad.  
Date : 03/09/2010

**MADHUR INDUSTRIES LIMITED**  
**BALANCE SHEET AS ON 31-03-2010**

	SCH.	AS AT 31.3.2010	AS AT 31.3.2009
<b>SOURCE OF FUNDS</b>			
<b>1.Shereholders' Funds</b>			
(a) Share Capital	1	40,900,000	40,900,000
(b) Reserve & Surplus	2	53,467,442	54,099,389
<b>2. LOAN FUNDS</b>			
Secured Loans	3	12,858	12,858
Unsecured Loans	4	647,950	1,035,470
<b>TOTAL</b>		<b>95,028,250</b>	<b>96,047,717</b>
<b>APPLICATION OF FUNDS</b>			
<b>4 .FIXED ASSETS</b>	5		
Gross Block		50,660,143	51,243,760
Less:Depreciation		29,401,094	27,663,233
Net Blocks		<b>21,259,049</b>	<b>23,580,527</b>
<b>5. INVESTMENTS</b>	6	15,673,584	11,675,961
<b>6.CURRENT ASSETS AND LOAN ADVANCES</b>	7		
Inventory		9,072,935	25,204,612
Debtors		4,581,302	4,588,768
Cash & bank balance		3,964,116	4,141,193
Loans and Advances		9,823,177	9,935,128
<b>TOTAL(A)</b>		<b>27,441,530</b>	<b>43,869,701</b>
<b>7.LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	8		
(a) Current Liabilities		2,884,642	3,191,504
(b) Provisions		746,612	405,840
<b>TOTAL(B)</b>		<b>3,631,254</b>	<b>3,597,344</b>
<b>8. NET CURRENT ASSEST (A - B)</b>		<b>23,810,276</b>	<b>40,272,357</b>
Deffered Tax Assets(Seen Note)		-	190,446
<b>MISCELLANEOUS EXPENDITURE</b>	9	1,176,072	1,568,096
Profit & Loss Account		33,109,269	18,760,330
<b>TOTAL</b>		<b>95,028,250</b>	<b>96,047,717</b>

NOTES ON ACCOUNTS :AS PER SCHEDULE  
AS PER REPORT OF EVEN DATE

18

FOR ,PURUSHOTTAM KHANDLWAL & CO  
CHARTERED ACCOUNTANTS

*P. H. Khandlwal*  
PROPRIETOR  
PURUSHOTTAM H.KHANDLWAL  
M.NO.100601  
FRN :123825W

FOR, MADHUR INDUSTRIES LIMITED

*Vinit Parik*  
DIRECTOR

*Shalin V. Parik*  
DIRECTOR

PLACE AHMEDABAD  
DATE 03/09/2010

**MADHUR INDUSTRIES LTD.**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-2010**

	SCH.	AT 31.3.2010	AS AT 31.3.2009
<b>INCOME</b>			
1. Sales & Services	10	25,299,814	65,633,672
2. Other Income	11	2,036,248	4,039,221
3. Increase/ (Decrease) in inventories	12	(15,376,851)	(20,603,241)
<b>TOTAL (A)</b>		<b>11,959,211</b>	<b>49,069,652</b>
<b>EXPENDITURE</b>			
Consumption of Raw Material	13	9,413,604	28,938,218
Payment to & Provision for Employees	14	6,745,538	4,096,319
Trading & Manufacturing Exp.	15	1,667,289	3,419,858
Administrative, Selling & other Expenses	16	5,583,512	21,360,265
Financial Charges	17	58,175	484,253
Depreciation		2,649,586	2,462,623
<b>TOTAL (B)</b>		<b>26,117,704</b>	<b>60,761,536</b>
<b>Profit before Tax(A-B)</b>		<b>(14,158,493)</b>	<b>(11,691,884)</b>
Provision for Taxation			
(a) Current Tax		-	-
(b) Deferred Tax		190,446	642,658
Provision for FBT		-	(94,957)
Net Profit after Tax		(14,348,939)	(11,144,183)
Balance of last year carried forward		(18,760,330)	(7,616,147)
Balance for the year carried to balance sheet		<b>(33,109,269)</b>	<b>(18,760,330)</b>

NOTES ON ACCOUNTS :AS PER SCHEDULE  
AS PER REPORT OF EVEN DATE

18

FOR, PURUSHOTTAM KHANDELWAL & CO  
CHARTERED ACCOUNTANTS

*P. H. K. Khandelwal*  
PROPRIETOR  
PURUSHOTTAM H. KHANDELWAL  
M.NO.100601  
FRN :123825W

FOR, MADHUR INDUSTRIES LIMITED

*Unit Parik*      *Shalin V. Parik*  
DIRECTOR      DIRECTOR

PLACE AHMEDABAD  
DATE 03/09/2010

**SCHEDULES FORMING PARTS OF ACCOUNTS**

	AS AT 31.3.2010	AS AT 31.3.2009
<b><u>SCHEDULE "1" SHARE CAPITAL</u></b>		
AUTHORISED SHARE CAPITAL 50,00,000 equity Share of Rs 10/- each	50,000,000	50,000,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b> 40,90,000 Equity shares of Rs.10/- each ( P.Y 4090000 Equity Share of Rs 10/- each)	40,900,000	40,900,000
	<b>40,900,000</b>	<b>40,900,000</b>
<b><u>SCHEDULE "2" RESERVES &amp; SURPLUS</u></b>		
1.Capital Reserve		
A.Capital subsidy from spices board	100,000	100,000
B.Revaluation reserve on fixed assets brought forward LESS: Transferred to P&L A/c	673,864	1,305,811
	673,864	1,305,811
C.Amalgamation Reserve	306,145	306,145
<b>SUB TOTAL</b>	<b>1,080,009</b>	<b>1,711,956</b>
2.General Reserve As per last balance sheet	52,312,558	52,312,558
<b>SUB TOTAL</b>	<b>52,312,558</b>	<b>52,312,558</b>
3.INVESTMENT ALLOWANCE(UTILISED)	74,875	74,875
<b>SUB TOTAL</b>	<b>74,875</b>	<b>74,875</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>53,467,442</b>	<b>54,099,389</b>
<b><u>SCHEDULE "3" SECURED LOANS</u></b>		
<b>FROM BANKS</b>		
CASH CREDIT	12,858	12,858
Secured by hypothecation of stock in trade comprising of raw material, stock in process & finished goods & book debts and floating charge over all existing & future fixed assets, also guranted by director of the company.		
<b>TOTAL</b>	<b>12,858</b>	<b>12,858</b>
<b><u>SCHEDULE "4" UNSECURED LOANS</u></b>		
From Directors & Relatives	238,814	626,334
From Bank	185,043	185,043
From Public	170,093	170,093
Inter Corporate Deposits	54,000	54,000
<b>TOTAL</b>	<b>647,950</b>	<b>1,035,470</b>
<b><u>SCHEDULE "6" INVESTMENTS(AT COST)</u></b>		
<b>GOVT SECURITIES (UNQUOTED)</b>		
National Defence Bond Deposited with Central Govt.(Food Corp. of India)	1,500	1,500
National Saving Certificate Deposited with Central Govt.(Export Div.)	1,100	1,100

**SCHEDULE - 5 - FIXED ASSETS**

PARTICULARS	Rate	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON	ADDITION	DEDUCTION	AS ON	AS ON	ADDITION	DEDUCTION	AS ON	AS ON	AS ON	AS ON
		01-04-2009			31-03-2010	01-04-2009			31-03-2010	31-03-2010	31-03-2010	31-03-2009
Land leasehold	0%	1,858,302	-	-	1,858,302	-	-	-	-	1,858,302	1,858,302	1,858,302
Factory Building	3.34%	14,631,954	-	-	14,631,954	-	488,703	7,947,823	7,947,823	6,684,131	7,172,834	7,172,834
Office Building (Mumbai)	1.63%	1,290,122	-	-	1,290,122	-	21,029	256,306	256,306	1,033,816	1,054,845	1,054,845
Plant & Machinery	4.75%	15,263,698	382,045	-	15,645,743	-	719,477	7,950,054	7,950,054	7,695,689	8,033,121	8,033,121
Laboratory Equipment	4.75%	3,158,257	25,437	-	3,183,694	-	150,814	2,072,099	2,072,099	1,111,595	1,236,972	1,236,972
Furniture & Fixtures	6.33%	8,893,636	1,650	-	8,895,286	-	562,967	6,691,229	6,691,229	2,204,057	2,765,374	2,765,374
Vehicles	9.50%	2,717,138	-	1,277,113	1,440,025	-	247,583	1,440,025	1,440,025	671,459	898,317	898,317
Office Equipments	6.33%	1,171,310	232,664	-	1,403,974	-	88,443	732,515	732,515	-	527,238	527,238
Computer	16.21%	2,259,343	51,700	-	2,311,043	-	370,567	2,311,043	2,311,043	-	33,524	33,524
<b>TOTAL</b>		<b>51,243,760</b>	<b>693,496</b>	<b>1,277,113</b>	<b>50,660,143</b>	<b>27,663,233</b>	<b>2,649,583</b>	<b>29,401,094</b>	<b>29,401,094</b>	<b>21,259,049</b>	<b>23,580,527</b>	<b>23,580,527</b>
Previous Year		50,258,256	985,504	-	51,243,760	25,200,610	2,462,623	27,663,233	27,663,233	23,580,527	25,057,646	25,057,646

<b>OTHER INVESTMENTS</b>		
A. Quoted	6,390,965	6,390,965
B. Unquoted		
a.9000 Shares of Madhavpura Mercantile Co. Op. Bank Ltd. Of Rs. 100 each fully paid up. (P.Y.9000 shares)	900,000	900,000
b.498 Equity Shares of Bombay Merc. Co. Op. Bank Ltd.(P.Y.498)	4,980	4,980
c.Investment in units of Mutual Fund of Standard Chartered Mutual Fund	-	-
d.Investment in units of IDFC Liquid Plus Fund Treasury Plan	213,299	3,044,176
e.Investment in units of Fidelity India liquid Plus Fund	140,608	1,333,240
f.Investment in Templeton India Floting Rate Income Fund	4,158,162	-
g.Investment in Fortis Money Plus Fund	3,798,772	-
h.Investment in ICICI Prudential Flexible	64,198	-
<b>TOTAL</b>	<b>15,673,584</b>	<b>11,675,961</b>
<b><u>SCHEDULE "7" CURRENT ASSETS</u></b>		
A.Inventories(As taken valued & Certified by Management)		
Raw Materials	1,769,863	2,298,048
Packing Materials & Other Materials	6,945,355	7,171,996
Finished Goods including goods in transit	357,717	15,734,568
<b>Sub Total (i)</b>	<b>9,072,935</b>	<b>25,204,612</b>
B.Sundry Debtors(Unsecured)		
Considered goods	286,471	1,180,981
Considered doubtful	4,294,831	3,407,787
<b>Sub Total (ii)</b>	<b>4,581,302</b>	<b>4,588,768</b>
<b>TOTAL(i+ii)</b>	<b>13,654,237</b>	<b>29,793,380</b>
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash on Hand	121,463	427,227
Balance with Schedule Bank	3,490,096	3,373,544
D.D. In Transit	32,372	32,372
In Fixed Deposit	320,185	308,050
<b>TOTAL</b>	<b>3,964,116</b>	<b>4,141,193</b>
<b><u>LOAN &amp; ADVANCES</u></b>		
1.Advances recoverable in Cash or Kind or value to be received	36,733	36,221
2.Due from company under the same management	1,066,347	853,646
Advance to Others(Exports)	4,457,264	4,488,445
3.Staff Loans	155,962	154,462
4.Other Advances	180,222	231,833
5.Sundry Deposits (includes Rent Deposits to a director of Rs.Nil P.Y Rs.Nil)	3,421,564	3,657,936
6.Advance Income Tax	444,007	444,007
7.Prepaid Expenses	61,078	68,578
<b>TOTAL</b>	<b>9,823,177</b>	<b>9,935,128</b>



<b>SCHEDULE "8" CURRENT LIABILITIES &amp; PROVISION</b>		
<b>CURRENT LIABILITIES</b>		
Sundry Creditor		
a. For Goods	193,158	369,371
b. For Expenses	465,488	871,102
Advance received from customers	911,172	301,171
Unpaid Expenses	626,855	890,380
Statutory Liabilities	53,637	99,078
Other Liabilities	634,332	660,402
<b>Sub Total(i)</b>	<b>2,884,642</b>	<b>3,191,504</b>
<b>PROVISION</b>		
For Taxation	318,132	318,132
Others	428,480	87,708
<b>Sub Total(ii)</b>	<b>746,612</b>	<b>405,840</b>
<b>TOTAL(i+ii)</b>	<b>3,631,254</b>	<b>3,597,344</b>
<b>SCHEDULE "9" MISCELLANEOUS EXP.</b>		
<b>(To the extend not written off or adjusted)</b>		
<b>Preliminary Expense (Export Division)</b>		
Opening Balance	1,568,096	-
Add : Incurred during the year	-	1,960,120
Less : Written off during the year	392,024	392,024
<b>TOTAL</b>	<b>1,176,072</b>	<b>1,568,096</b>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

<b><u>SCHEDULE "10" SALES</u></b>		
Sales (Net of Return, Rate & Weight difference)	25,299,814	65,633,672
<b>TOTAL</b>	<b>25,299,814</b>	<b>65,633,672</b>
<b><u>SCHEDULE "11" OTHER INCOME</u></b>		
Bank Interest	420	-
Excess Depreciation Claimed	377,556	-
Interest on Sales Tax Refund	-	21
Profit on vaida Trading	182,584	-
Bad Debt written off recovered	-	-
Dividend Income	332,624	189,093
Miscellaneous Income	-	1,753,484
Interest Received on FDR	163,294	92,359
Profit on Currency/Vaida Trading	-	219,658
Kasar/Vatav	44,537	192,560
Remission of Creditors Liability	627,007	1,442,046
Remission of Other Liability	25,000	-
DEPB Licence sale	283,226	150,000
<b>TOTAL</b>	<b>2,036,248</b>	<b>4,039,221</b>
<b><u>SCHEDULE "12" INCREASE/DECREASE IN STOCK</u></b>		
	357,717	15,734,568
Less : Opening Stock	15,734,568	36,337,809
<b>INCREASE/DECREASE IN STOCK</b>	<b>(15,376,851)</b>	<b>(20,603,241)</b>
<b><u>SCHEDULE "13" CONSUMPTION OF RAW MATERIAL</u></b>		
Opening Stock Of Raw Materials	9,470,044	9,462,395
Add:Purchase of Raw Materials	8,658,778	28,945,867
	18,128,822	38,408,262
Less: Closing Stock of Raw Materials	8,715,218	9,470,044
<b>Consumption of Raw Materials</b>	<b>9,413,604</b>	<b>28,938,218</b>
<b><u>SCHEDULE "14" PAYMENT &amp; PROVISION FOR EMPLOYEE</u></b>		
Salary, Wages, Bonus & Other Allowance	6,631,914	3,957,140
Contribution to PF, ESI & Other Funds	42,627	56,183
Contribution ESI	7,720	12,190
Gratuity Expnses	31,443	31,443
Staff Welfare Expense	31,834	39,363
	<b>6,745,538</b>	<b>4,096,319</b>
<b>NOTE</b>		
Out of which amt paid to Directors		
(a) Salary, Perquisites & Other Benefits & HRA	1,050,000	840,000
(b) Contribution to PF	18,720	18,720
<b>TOTAL</b>	<b>1,068,720</b>	<b>858,720</b>

<b>SCHEDULE "15" TRADING &amp; MANUFACTURING EXPENSES</b>		
Container Stuffing Charges	18,700	-
Terminal Handling Charges/Ocean & Air freight	151,414	924,340
Instant Process Exp./Fumigation Expense	35,914	165,062
Other Expenses	3,753	-
Octroi Exp.	-	21,079
Discount	205	3,060
Freight Inward	27,449	46,277
Factory Expenses	171,133	7,192
Packing Charge	10,900	-
Power Consumption	499,479	568,449
Job Work & Labour Charges	122,081	10,661
Laboratory Expenses	273,614	108,485
Water Charges	42,492	35,228
Forward Contract Charges	6,934	892,492
<b>SUB TOTAL</b>	<b>1,364,068</b>	<b>2,782,325</b>
<b><u>Repair and Maintenance</u></b>		
Office/Building Repairs	69,264	179,450
Machinery Repairs	62,295	50,448
Other Repairs/Factory Elec. Maintainance	171,662	407,635
<b>SUB TOTAL</b>	<b>303,221</b>	<b>637,533</b>
<b>TOTAL</b>	<b>1,667,289</b>	<b>3,419,858</b>
<b><u>SCHEDULE "16" ADMINISTRATIVE &amp; OTHER EXPENSES</u></b>		
Advertisement Exp.	269,368	2,069,292
Annual Subscription Fees	6,618	-
Annual Custody Fees	13,236	8,990
Auditor's Remuneration	70,000	68,472
Bad Debts	323,948	1,956,639
Books & Periodicals	-	15,000
Business Promotion Expenses	220,105	250,361
Clearing and forwarding Expanses	6,618	1,211,374
Cold Storage Charges	-	28,818
Consultancy Charges	251,000	-
Conveyance Expenses	36,037	41,607
Commission & Brokerage	8,408	370,196
Computer Expenses	26,413	7,702
Custom Duty/Export Duty	-	44,960
Demate Charges	-	-
Demonstration Exps.	28,673	-
Dept Liscence app fees & ser. Charges	4,600	45,154
Donation	-	4,553
ECGC Application Fees	-	-
ECGC Premium	10,131	42,078
Electricity Exp.	61,108	113,794
Freight Outward	160,157	9,439,617
Freinge Benefit Tax	-	-
Internet Expenses	14,880	23,295
Insuranse Expense	83,635	122,703
Interest on TDS & FBT	-	72
Legal and Professional Expense	569,541	436,957
Licence renewal/Membership Fees	34,905	94,854
Listing Fees	12,133	237,168
Lorry Hire Charges	-	218,990
Loss on Vaida Trading	173,986	1,287,072
Membership Expenses	-	56,130
Miscellanous Expenses	329,566	61,421
Office Exp.	185,536	106,955
Packing Expenses	-	82,972
Penalty and interest(GST)	-	10,000
Postage & telegram Exp.	130,459	135,785
Professional Tax	5,176	-
Quality Claim	63,224	-
Rent, Rate & Taxes	310,183	336,482

Sales Promotion Exp.	5,800	171,182
Sales Tax / VAT	-	441,719
Security Exp.	290,224	314,550
Shop & Establishment Exp.	-	-
Stationery & Printing Exp.	54,718	178,516
Telephone Exp.	349,450	366,264
Transportation Charges	58,384	-
Travelling & Conveyance Exp.	704,891	203,417
Vehical Exp.	231,043	108,205
Warehouse Charges	87,334	254,925
Weighing Charges	-	-
Preliminary Exp.W/off	392,024	392,024
<b>Total</b>	<b>5,583,512</b>	<b>21,360,265</b>
<b><u>SCHEDULE "17" FINANCIAL CHARGES</u></b>		
Bank Charges	11,478	201,796
Interest to Bank	45,363	179,747
Cash Discount Given	1,334	102,710
<b>TOTAL</b>	<b>58,175</b>	<b>484,253</b>

# **MADHUR INDUSTRIES LIMITED**

## **SCHEDULE-18**

### **NOTES FORMING PART OF ACCOUNTS**

#### **1. Significant accounting Policies**

##### **(a) Basis of Accounting:**

The financial statements are prepared under historical cost convention and to comply in all material respect with the notified accounting standards by the Companies Accounting standard Rules - 2006 and the relevant provision of Companies Act, 1956.

##### **(b) Fixed Assets:**

Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed asset comprise of its purchase price and any directly attributable cost of bringing the assets in an operational condition for its intended use.

##### **(c) Depreciation:**

Depreciation has been provided at the rates and in the manner prescribed in Schedule XIV of the Companies act, 1956 on SLM Method. Depreciation on addition or on sale/ disposal of assets is calculated pro-rata from the date of such addition or sale/ disposal as the case may be. Expenses for Advertisement film are amortized from and over the maximum period of 5 years,

##### **(d) Valuation of Inventories:**

Inventory of goods are valued at Cost.

##### **(e) Investment:**

Long term investments are stated at cost. Provision of diminution in the value of Long term investments is made only if such decline is other than temporary in nature in the opinion of the Management.

**(f) Revenue Recognition:**

All the items of Income and expenses are recognized on accrual basis, except dividend and interest on overdue installments/defaults and Municipal Tax is accounted on cash basis.

**(g) Retirement/ Post retirement Benefits:**

No Provision for has been made for liabilities for retirement benefits including gratuity and leave encashment in respect of employees as required by the Accounting Standards -15 on Retirement Benefits.

**(h) Taxation:**

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between the taxable incomes and accounting income that originate in, one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

**(i) Provisions, Contingent Assets and Contingent Liabilities:**

A provision involving substantial degree of estimation are recognized when there is a present obligation as a result of recognized when there is a present obligation as a result of past event and it is probable that there will be on outflow or resources.

## 2. NOTES FORMING PART OF ACCOUNTS

- (a) As per the information and explanation given to us the Company does not have the policy of encashment of leave and hence no provision is made for liabilities for retirement benefits. The effect of the same can not be quantified, to that extent loss for the year and balance of Profit & Loss account is understated and balance of current liabilities is understated.
- (b) The Company has invested an amount of Rs. 63,90,965 in the shares of associates and no provision is made for diminution in the value of investment.
- (c) No provision has been made in respect of doubtful debtors amounting to Rs.45,81,302 as the Company is in the process of initiating available recourse against the said debtors and the Company is hopeful of the recovery of the same.
- (d) In view of non-availability of bank statements for bank account balance with banks are subject to confirmation and reconciliation will be made on receipt of the same.
- (e) Related Party Disclosure :

### 1. Key Managerial Personnel

- i) Vinit R. Parikh
- ii) Shalin V. Parikh

### 2. Relative of Key Management personnel

Pushpaben Parikh

### 3. Transactions with related parties

Remuneration to

Vinit parikh : Rs. 7,50,000  
Shalin parikh Rs. 3,00,000

Rent to Pushpaben Rs. 54,000  
Vinit parikh Rs. 18,000

a. Additional information pursuant to the provision of para 4C & 4D of part II of Schedule-VI of the Companies Act, 1956.

	2009-2010	2008-2009
a. Licensed Capacity	N. A.	N. A.
b. Installed Capacity	N. A.	N. A.

c. The details regarding the stock are not made available by the company.

e. C.I.F. Value of Imports is Rs. Nil.

f. Expenditure in foreign currency is Rs. Nil.

b. Earnings in Foreign Exchange is Rs. 34,88,788.5

**c. Particulars of payment made to Auditors :**

Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
Audit Fees	58000/-	58000/-

**d. Particulars of payment made to Directors :**

Particulars	2009-10 Amount (Rs.)	2008-09 Amount (Rs.)
Remuneration		
(1) Vinit R. Parikh	750000/-	600000/-
(2) Shalin V. Parikh	300000/-	240000/-

e. The balances shown in the Balance sheet under the head of unsecured loans, Creditors, Debtors and Loans and Advances are each subject to confirmation from respective parties and are subject to adjustment if any, on receipt of confirmation.



f. The Company has not received any intimation from Suppliers regarding their status under Micro and Medium Enterprises Development Act, 2006 and hence disclosure , if any, relating to amounts unpaid as at year end together with interest paid/payable as required under the said Act have not been given.

g. The Figures for the previous year have been rearranged and regrouped wherever considered necessary so as to confirm to the current year classification.

AS PER OUR REPORT OF EVE DATE ATTACHED

FOR PURUSHOTTAM KHANDELWAL & CO.  
CHARTERED ACCOUNTANTS

*P. H. Khanelwal*  
(P.H.KHANDELWAL)  
PROPRIETOR  
MEM.NO. 100601  
FIRM Reg. No.123825W

PLACE :AHMEDABAD  
DATE:03/09/2010

FOR AND ON BEHALF OF BOARD

*Vinit Parth*      *Shalin V. Parikh*  
DIRECTOR      DIRECTOR

PLACE :AHMEDABAD  
DATE:03/09/2010



**MADHUR INDUSTRIES LIMITED**  
**Madhur Complex,**  
**Stadium Crossing Road,**  
**Navarangpura, Ahmedabad**  
**CASH FLOW STATEMENT FOR THE YEAR 2009-10**

Particulars	(Rs. In Lacs)	(Rs. In Lacs)
	2009-10	2008-09
<b>A. Cash Flow From Operating Activities</b>		
Net Loss before tax as per profit and loss account	(141.58)	(116.92)
Adjusted For :-		
Depreciation Net	22.71	24.63
Amortisation of Expenses	3.92	3.92
Bad Debt Written off/(	0	19.57
Interest Income	(1.63)	(0.92)
Dividend Income	(3.32)	(1.89)
Interest in respect of Gov Grant	0	(17.53)
Interest Expense	0.45	1.23
Sundry Credit & Other Balance Written Back	0.00	(14.42)
<b>TOTAL</b>	<b>22.13</b>	<b>14.59</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>		
Movement in Working Capital		
Decrease/(increase) in sundry debtors	0.07	-33.63
Decrease/(increase) in inventories	161.32	205.96
Decrease/(increase) in loans and advances	1.12	93.52
Increase/(Decrease) in current liabilities	(3.07)	(137.15)
Increase/(Decrease) in provisions	3.41	(0.08)
Cash generated from operation	<b>162.85</b>	<b>128.62</b>
Direct Taxes paid (Net of refunds)	0	(0.94)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>43.40</b>	<b>25.35</b>
<b>B. Cash Flows From Investment Activities</b>		
Purchase of Fixed Assets	(6.93)	(9.86)
Purchase of Intangible Assets	0	(19.60)
Purchase of Investment	(39.98)	(43.78)
Sales of Fixed Assets	1.11	0
Interest Received	1.63	0.92
Dividend Received	3.32	1.89
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(40.85)</b>	<b>(70.43)</b>
<b>C. Cash Flow From Financing Activity</b>		
Proceeds from long-term borrowings	(3.87)	2.24
Government grant Recived	0	17.53
Interest Paid	(0.45)	(1.23)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(4.32)</b>	<b>18.54</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1.77)</b>	<b>(26.54)</b>
Cash and Cash equivalents at the beginning of the year	41.41	67.95
Cash and Cash equivalents at the end of the year	<b>39.64</b>	<b>41.41</b>