

# GUJARAT TOOLROOM LIMITED

## ANNEXURE 'B' REPORT ON CORPORATE GOVERNANCE

### 1) COMPANY 'S PHILOSOPHY ON CODE OF GOVERNANCE

Your company has always believed in the concept of good Corporate Governance Involving a high level of transparency, accountability and responsibility in all areas of its operations to ensure investors protection. Your Company has made necessary Changes in the system and procedures required for effective control, for the steady Growth of the Company and to increase the value for all stakeholders Mandatory Provisions of corporate Governance as stipulated under listing agreements of Stock Exchanges are being complied with.

### 2) BOARD OF DIRECTORS

#### a) Composition and category of Directors

The composition of Board is in Compliance with the requirements of Clause 49(1)(A).

Name of Directors	Designation	Category	No of other Directorship held	No of Board Committee Memberships held	No of Board Meetings Attended out of 8	Attendance at the last Annual General Meeting
Mr. Saurabh N. Kinariwala (upto 25/08/2009)	Chairman	Promoter Non-Executive	4	2	8	Yes
Smt. Nirali A. Gandhi (upto 25/08/2009)	Director	Independent Non-Executive	1	1	5	Yes
Mr. Suresh S. Jain (upto 23/03/2009)	Executive Director	Executive	NIL	1	8	Yes
Mr. Kalpesh J. Jariwala	Director	Independent Non-Executive	-	-	8	Yes
Mr. G. S. Davar (upto 23/03/2009)	Director	Independent Non-Executive	NA	NA	2	No
Mr. Siddharth S. Kinariwala (upto 17/09/2008)	Director	Non-Executive	4	1	5	Yes
Mr. Ramesh S. Patel (upto 23/03/2009)	Director	Independent Non-Executive	Nil	2	3	Yes
Mr. Devang J. Gadoya (w.e.f. 23/03/2009)	Director	Independent Executive	1	Nil	1	N.A.
Mrs. Sangita D. Gadoya (w.e.f. 23/03/2009)	Director	Independent Non-executive	1	Nil	1	N.A.
Mr. Hemantparvat K. Goswami (w.e.f. 25/08/2009)	Director	Independent Non-executive	Nil	Nil	N.A.	N.A.

#### b) Brief resume of the Director seeking re-election/appointment:

Brief resume of the Director seeking re-election at the 25<sup>th</sup> Annual General Meeting

Name	Mr. Kalpesh J. Jariwala
Age (Date of Birth)	08/09/1977
Date of Appointment	06/06/2008
Qualification and experience in specific functional area	Graduation in Commerce, having 5 years of experience in the field of Account and Taxation.
Directorship held in other companies	None*
Membership/Chairmanships of Committee in other Public Companies	None

\*Pvt. Ltd. company excluded.

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### Brief resume of the Director appointed since last Annual General Meeting held on 23<sup>rd</sup> August, 2008

Name	Mr. Devang J Gadoya
Age (Date of Birth)	30/09/1966
Date of Appointment	23/03/2009
Qualification and experience in specific functional area	Graduate in Commerce having good experience of administration, marketing and taxation.
Directorship held in other companies	Nisharg Share Broking Ltd.
Membership/Chairmanships of Committee in other Public Companies	None

\*Pvt. Ltd. company excluded.

### Brief resume of the Director appointed since last Annual General Meeting held on 23<sup>rd</sup> August, 2008

Name	Mrs.Sangita D. Gadoya
Age (Date of Birth)	03/02/1968
Date of Appointment	23/03/2009
Qualification and experience in specific functional area	Graduate in Commerce having experience of general administration and management.
Directorship held in other companies	Nisharg Share Broking Ltd.
Membership/Chairmanships of Committee in other Public Companies	None

\*Pvt. Ltd. company excluded.

### Brief resume of the Director appointed since last Annual General Meeting held on 23<sup>rd</sup> August 2008

Name	Mr. Hemantparvat K. Goswami
Age (Date of Birth)	28/01/1983
Date of Appointment	25 <sup>th</sup> August 2009
Qualification and experience in specific functional area	Graduation in Commerce, having 4 years experience in the field of Accounts and Taxation.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

#### c) Board Procedure;

The Board of Directors meets atleast once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2008-09 were held on 30/05/08, 06/06/08, 14/07/08, 31/07/08, 17/09/08, 31/10/08, 31/01/09 and 23/03/09.

### 3) AUDIT COMMITTEE

The said committee comprises of three non-executive directors with majority of them being independent.

The composition of the Audit Committee is as under.

Name of the Director	Category	Remarks
Mr.Pankaj S. Shah (upto 23/03/2009)	Independent Non-Executive	Chairman
Mr.Saurabh N. Kinariwala (upto 25/08/2009)	Non-Executive	Member
Mr. Ramesh S. Patel (upto 23/03/2009)	Independent Non-Executive	Member
Mr. Kalpesh J. Jariwala	Independent Non-Executive	Member
Mr. Devang J. Gadoya (w.e.f.23/03/2009)	Independent Executive	Member

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The terms of reference are as under:

- To investigate into any matter in relation to the items specified under Clause 49 of the listing Agreement.
- Reviewing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment of external Auditor and fixation of their Audit fee.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board .
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

During the Year, four meetings of the Committee were held on 31<sup>st</sup> May 2008, 14<sup>th</sup> July 2008, 30<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009 which were attended by majority of the members of the committee.

#### 4) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee ensures the effective redressal of the Complaints of the investors. The Committee also recommends steps to be taken for further Implementation in the quality and services to the investors. Composition of the Investors' Grievance Committee

Name of Directors	Category	Remarks
Mr. Saurabh N. Kinariwala (upto 25/08/2009)	Non-Executive	Chairman
Mr. Suresh S. Jain (upto 23/03/2009)	Executive	Member
Mr. Siddharth S. Kinariwala (upto 17/09/2008)	Non-Executive	member
Mr. Kalpesh J. Jariwala	Independent Non-Executive	Member
Mr. Devang J. Gadoya (w.e.f. 23/03/2009)	Independent Executive	Member

The Company received NIL complaints during the year. There was no valid request for transfer of share pending as on 31st March, 2009.

Shri Devang J. Gadoya, Director is the Compliance Officer for the above purpose.

#### 5) REMUNERATION COMMITTEE

Name of Directors	Category	Remarks
Mr. Surash S. Jain (upto 23/03/2009)	Executive Director	Member
Mr. Ramesh S. Patel (upto 23/03/2009)	Independent Non-Executive	Member
Mr. Kalpesh J. Jariwala	Independent Non-Executive	Chairman
Mr. Devang J. Gadoya (w.e.f.23/03/2009)	Independent Executive	Member

Details of Remuneration/sitting fees paid

##### a) Executive Directors

During the year 2008-09, the Company has not made any payment towards salary to any Executive, Non-Executive directors.

##### b) Non-Executive Directors

During the year 2008-09, following directors were paid sitting fees;

Name of Director	Sitting fees(Rs.)
Mr. Saurabh N. Kinariwala	500
Mrs. Nirali A. Gandhi	500
Mr. Siddharth S. Kinariwala	500
Mr. Kalpesh I. Jariwala	500

##### Service Contract:

Shri Suresh Jain was appointed as Executive Director of the Company for a term of five years w. e. f. 17<sup>th</sup> November, 2005 and the appointment was approved by the members at the 21<sup>st</sup> Annual General meeting of the Company held on 20<sup>th</sup> August, 2005 Due to his resignation from the post of Director of the Company w.e.f 23/03/2009, he ceased to be Executive Director of the Company from the said date.

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### 6) GENERAL BODY MEETING

The location and time of the last three Annual General Meetings are as under.

AGM	Date	Time	Venue	No. of special resolutions approved
22 <sup>nd</sup>	19/08/2006	10.00a.m	86/4, Phase-1, G. I. D. C. Vatva Ahmedabad-382445	-
23 <sup>rd</sup>	18/08/2007	10.00a.m	86/4, Phase-1, G. I. D. C. Vatva Ahmedabad-382445	-
24 <sup>th</sup>	23/08/2008	10.00a.m	S/52, Muncipal Ind. Estate, Bapunagar, Ahmedabad-380024	-

### 7) DISCLOSURES

- There was no transaction of material nature with Management or with the Directors of the Company during the year.
- There was no instance of Non-compliance of any matter related to the capital markets during the last three years.
- The Company ensures compliance of various statutory requirements by all its divisions and obtains quarterly reports in the form of certificate from the head of the divisions. These certificates are placed before the board on quarterly basis.
- All the statutory registers that are required to be maintained, particularly Register of Contracts in which Directors have interests, Register of Director's Shareholdings, Register of Investments etc. are maintained and continuously updated.

### 8) MEANS OF COMMUNICATION

During the year, quarterly and half yearly(Unaudited) and Annual Financial results (Audited) of the company were submitted to the Stock Exchanges immediately After the Board meeting approved the same and were published in the Business Standard (English) and Jansatta(Gujarati).

### 9) FINANCIAL CALANDER FOR FINANCIAL YEAR 2009-10

Financial year	1 <sup>st</sup> April, 2009 to 31 <sup>st</sup> March, 2010
Results for the first quarter ending 30 <sup>th</sup> June,2009	Last Week of July,2009
Results for the second quarter ending 30 <sup>th</sup> September,2009	Last Week of October,2009
Results for the third quarter ending 31 <sup>st</sup> December 2009	Last Week of January,2009
Result for the year ending 31 <sup>st</sup> March, 2010	Last Week of April 2010
Annual General Meeting	August/September,2010
Annual General Meeting for the year 2008-09	30 <sup>th</sup> September 2009
Date of Book-Closure	25 <sup>th</sup> September 2009 to 30 <sup>th</sup> September 2009 (Both days inclusive)
Dividend Payment date	Not Applicable
Listing on Stock Exchange :	Ahmedabad and Mumbai
Stock Code	: ASE : 22800
	: BSE : 513337

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### 10) MARKET PRICE DATA

Market price data of Bombay Stock Exchange Limited, Mumbai for the year 2008-2009 is given below:

Month	High	Low	Volume
April, 2008	11.52	9.91	1200
May, 2008	12.07	9.50	10300
June, 2008	9.03	7.37	405200
July, 2008	10.08	6.79	5700
August, 2008	14.75	9.04	374800
September, 2008	14.02	13.32	1400
October, 2008	12.66	12.66	100
November, 2008	12.03	12.03	1900
December, 2008	12.63	11.43	3000
January, 2009	12.50	11.41	366700
February, 2009	-	-	-
March, 2009	13.00	11.71	2200

### 11) DISTRIBUTION OF SHAREHOLDINGS AS ON 31-03-09

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholdings
Up to 500	12750	95.81	1765200	50.78
501-1000	368	2.77	306600	8.82
1001-2000	122	0.92	191200	5.50
2001-3000	22	0.17	56100	1.61
3001-4000	8	0.06	28600	0.82
4001-5000	15	0.11	69200	1.99
5001-10,000	11	0.08	79000	2.27
Above 10,000	10	0.08	980900	28.21
<b>TOTAL</b>	<b>13306</b>	<b>100.00</b>	<b>3476800</b>	<b>100.00</b>

### 12) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH 2009

Category	No. of Share held	% of Shareholding
Promoters & PAC	Nil	Nil
Financial Institutions/ Banks	Nil	Nil
Mutual Fund	100000	2.86
Bodies Corporate	803400	23.11
NRIs	800	0.02
Public	2572600	74.01
Grand Total	3476800	100.00

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### 13) SHARE TRANSFER SYSTEM

In terms of SEBI Circular No. D&CC/FITTC/CIR-15/2003 dated 27<sup>th</sup> December 2002 read with the Circular No. D&CC/FITTC/CIR-15/2003 dated 12<sup>th</sup> February 2003 on appointment of common agency for share registry work, the Company has appointed the below mention agency as Registrar and Share Transfer Agent (RTA) for both physical and Demat segment of equity shares of the Company.

M/s. Pinnacle Share Registry Pvt. Ltd.  
Nr. Asoka Mills Premises, Naroda Road,  
Ahmedabad-380 025.  
Tele No. : (079) 2220 4226, 2220 0338, Fax No. : (079) 2220 2963  
e-mail Address : [investor.service@psrpl.com](mailto:investor.service@psrpl.com).

### 14) DEMATERIALISATION OF SHARES

The company has entered into Agreement with NSDL/CDSL for Dematerialization of Shares. As on 31st March, 2009, a total of 1090800 Shares of the Company which is 31.37% of the share Capital of the Company stands dematerialized.

### 15) REGISTERED OFFICE LOCATION:

The Registered Office of the Company is located at;  
A-61, Dhaval Avenue, B/h Associated Petrol Pump,  
Panchvati, Off C.G. Road, Ahmedabad – 380 009.  
Tel. Nos. :- 079-32448619, 32448620  
Email :- [gujtoolroom@gmail.com](mailto:gujtoolroom@gmail.com)

### 16) ADDRESS FOR CORRESPONDENCE

For both Physical and Electronic Form :  
M/s. Pinnacle Share Registry Pvt. Ltd.  
Nr. Asoka Mills Premises, Naroda Road,  
Ahmedabad-380 025.  
Tele No. : (079) 2220 4226, 2220 0338, Fax No. : (079) 2220 2963  
e-mail Address : [investor.service@psrpl.com](mailto:investor.service@psrpl.com).

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relation to shares; Registered Office:

A-61, Dhaval Avenue, B/h Associated Petrol Pump,  
Panchvati, Off C.G. Road, Ahmedabad – 380 009.  
Tel. Nos. :- 079-32448619, 32448620  
Email :- [gujtoolroom@gmail.com](mailto:gujtoolroom@gmail.com)  
Compliance Officer: Mr. Devang J. Gadoya

For and on behalf of the Board

Place : Ahmedabad  
Date : 25<sup>th</sup> August, 2009.

**DEVANG J. GADOYA**  
*Chairman*

## GUJARAT TOOLROOM LIMITED

### CORPORATE GOVERNANCE CERTIFICATE

To,  
The Members  
**GUJARAT TOOLROOM LIMITED**  
Ahmedabad

We have examined the compliance of conditions of corporate governance by GUJARAT TOOLROOM LIMITED for the year ended on 31<sup>st</sup> March, 2007, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of condition of corporate governance is the responsibility of the management. Our examination was Limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in Clause 49 of Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India. We have to state the Company has maintained records to show investor's grievance against the company and have certified that as on 31<sup>st</sup> March, 2009, there were no investor grievance remaining unattended/ pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

FOR ASHIT N. SHAH & CO.  
Chartered Accountants

PLACE : AHMEDABAD  
DATE : 25<sup>th</sup> August 2009

Ashit N. Shah  
Proprietor