

## 26th ANNUAL REPORT

### 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

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. Devang J. Gadoya	Chairman-Director	Independent Non-Executive	1	Nil	6	Yes
Mr. Kalpesh J. Jariwala	Director	Independent Non-Executive	-	Nil	6	Yes
Mrs. Sangita D. Gadoya	Director	Independent Non-executive	1	Nil	5	Yes
Mr. Hemantparvat K. Goswami (w.e.f. 25/08/2009)	Director	Independent Non-executive	Nil	Nil	4	Yes
Mr. Saurabh N. Kinariwala (upto 25/08/2009)	Director	Promoter Non-Executive	4	Nil	2	No
Smt. Nirali A. Gandhi (upto 25/08/2009)	Director	Independent Non-Executive	1	Nil	2	No

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

Brief resume of the Director seeking re-election at the 26<sup>th</sup> Annual General Meeting

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	Graduation in Commerce having good experience of administration, marketing and taxation,
Directorship held in other companies	None*
Membership/Chairmanships of Committee in other Public Companies	None

\*Pvt. Ltd. company excluded.

##### 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 2009-10 was held on 22/06/2009, 29/07/2009, 25/08/2009, 31/10/2009, 30/01/2010 and 23/03/2010.

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### 3) AUDIT COMMITTEE

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

The composition of the Audit Committee is as under.

Name of the Director	Category	Remarks
Mr. Devang J. Gadoya	Independent Non-Executive	Chairman
Mr. Hemantparvat K. Goswami	Independent Non-Executive	Member
Mr. Kalpesh J. Jariwala	Independent Non-Executive	Member

#### Terms of reference:

The terms of reference of this committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement.

During the Year, five meetings of the Committee were held on 19<sup>th</sup> June 2009, 27<sup>th</sup> July 2009, 22<sup>nd</sup> August, 2009, 29<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010 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. Kalpesh J. Jariwala	Independent Non-Executive	Chairman
Mr. Devang J. Gadoya	Independent Non-Executive	Member

The Company received NIL complaints during the year. There was no valid request for transfer of share pending as on 31st March, 2010.

Shri Hemantparvat K. Goswami, Director is the Compliance Officer for the above purpose.

### 5) REMUNERATION COMMITTEE

Name of Directors	Category	Remarks
Mr. Hemantparvat K. Goswami	Independent Non-Executive	Chairman
Mr. Devang J. Gadoya	Independent Non-Executive	Member

Details of Remuneration/sitting fees paid

There was no Executive Director during the year under report, hence no salary to any director. No sitting fee has been given to any of the director during the year under report.

### 6) GENERAL BODY MEETING

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

AGM	Date	Time	Venue
23 <sup>rd</sup>	18/08/2007	10.00 a.m	86/4, Phase-1, G. I. D. C. Vatva Ahmedabad-382445
24 <sup>th</sup>	23/08/2008	10.00 a.m	S/52, Municipal Ind. Estate, Bapunagar, Ahmedabad-380024
25 <sup>th</sup>	30/09/2009	2.00 p.m	Ground Floor, Dhaval Avenue, B/h. Associated Petrol Pump, Panchvati, Off C. G. Road, Ahmedabad-380009

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There was no special resolution passed by the Company at the previous AGM. Pursuant to the provisions of Sections 192 A of the Companies Act, 1956, there was no matter during the year 2009-10, required to be dealt by the Company to be passed through postal ballot.

### 7) DISCLOSURES

- a) There was no transaction of material nature with Management or with the Directors of the Company during the year.
- b) There was no instance of Non-compliance of any matter related to the capital markets during the last three years.
- c) 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 Annual Financial results (Unaudited) of the company were submitted to the Stock Exchanges immediately after the Board meeting approved the same and Western Times (English and Gujarati).

### 9) FINANCIAL CALANDER FOR FINANCIAL YEAR 2010-11

Financial year	1 <sup>st</sup> April, 2010 to 31 <sup>st</sup> March, 2011
Results for the first quarter ending 30 <sup>th</sup> June, 2010	First Week of August, 2010
Results for the second quarter ending 30 <sup>th</sup> September, 2010	Last Week of October, 2010
Results for the third quarter ending 31 <sup>st</sup> December 2010	First Week of February, 2011
Result for the year ending 31 <sup>st</sup> March, 2011	First Week of May, 2011
Annual General Meeting	August/September, 2011
Annual General Meeting for the year 2009-10	27 <sup>th</sup> September 2010
Place of 26th AGM	Ground Floor, Dhaval Avenue, B/h Associated Petrol Pump, Panchvati, Off C. G. Road, Ahmedabad - 380 009.
Date of Book-Closure	20 <sup>th</sup> September 2010 to 27 <sup>th</sup> September 2010 (Both days inclusive)
Dividend Payment date	Not Applicable

Listing on Stock Exchange : Ahmedabad and Mumbai

Stock Code : ASE : 22800  
BSE : 513337

### 10) MARKET PRICE DATA

Market price data of Bombay Stock Exchange Limited, Mumbai for the year 2009-2010 is given below:

Month	High	Low	Volume
April, 2009	13.00	11.17	2200
May, 2009	-	-	-
June, 2009	-	-	-
July, 2009	10.46	8.97	188800
August, 2009	14.01	9.66	803600
September, 2009	17.87	12.20	424400
October, 2009	13.45	10.00	249100
November, 2009	14.30	10.25	107800
December, 2009	12.28	10.26	51000
January, 2010	11.56	9.80	104800
February, 2010	14.80	10.04	31800
March, 2010	14.70	9.25	23100

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### 11) DISTRIBUTION OF SHAREHOLDINGS AS ON 31st March, 2010

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares held	% of shareholdings
Up to 500	12429	95.39	1720200	49.48
501-1000	369	2.83	309300	8.90
1001-2000	125	0.96	191200	5.59
2001-3000	27	0.21	69700	2.00
3001-4000	16	0.12	58100	1.67
4001-5000	23	0.18	108100	3.11
5001-10,000	20	0.15	153700	4.42
Above 10,000	21	0.16	863200	24.83
<b>TOTAL</b>	<b>13030</b>	<b>100.00</b>	<b>3476800</b>	<b>100.00</b>

### 12) CATEGORIES OF SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH 2010

Category	No. of Share held	% of Shareholding
Promoters & PAC	Nil	Nil
Financial Institutions/ Banks	Nil	Nil
Mutual Fund	77500	2.23
Bodies Corporate	530100	15.25
NRIs	61500	1.77
Public	2807600	80.75
Grand Total	3476800	100.00

### 13) SHARE TRANSFER SYSTEM

The Company has appointed the below mentioned agency as Registrar and Share Transfer Agent (RTA) for both physical and Demat segment of equity shares of the Company.

Sharepro Services (India) Pvt Ltd.

416-420, 4th.Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, AHMEDABD-380006

Tel Nos.079 26582381/82/83/ 84 Fax No. 079 26582385 Email Id: sharepro@shareproservices.com

### 14) DEMATERIALISATION OF SHARES

The company has entered into Agreement with NSDL/CDSL for Dematerialization of Shares. As on 31st March, 2010, a total of 1307100 Shares of the Company which is 37.59% of the share Capital of the Company stands dematerialized. **The ISIN No. of the Company is INE145J01016.**

### 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

### 16) ADDRESS FOR CORRESPONDENCE

For both Physical and Electronic Form :

Sharepro Services (India) Pvt Ltd.

416-420, 4th.Floor, Devnandan Mall, Opp. Sanyash Ashram, Ellisbridge, AHMEDABD-380006

Tel Nos.079 26582381/82/83/ 84 Fax No. 079 26582385 Email Id: sharepro@shareproservices.com

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

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

Compliance Officer: Mr. Hemantpravat K. Goswami

For and on behalf of the Board

Place : Ahmedabad  
Date : 12/08/2010.

**DEVANG J. GADOYA**  
Chairman

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### ANNEXURE TO CORPORATE GOVERNANCE REPORT

#### Declaration regarding affirmation of Code of Conduct:

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all Directors of the Board of Directors have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2010.

Date: 12-08-2010  
Place: Ahmedabad

**For and on behalf of the Board**  
Chairman

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### 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, 2010, 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, 2010, 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 Shyam Sundar & Associates**  
Chartered Accountants

PLACE : AHMEDABAD  
DATE : 12/08/2010

**Shyam Sundar**  
Proprietor  
M. No. 128896