

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of **BARODA EXTRUSION LIMITED** will be held on Friday, the 30th day of September, 2005 at 10.30 a.m. at the Registered Office of the Company situated at Survey No. 65-66, Village Garadiya, Jarod-Samalaya Road, Taluka Savli, Dist. Vadodara, Gujarat to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2005 and Profit & Loss Account of the Company for the year ended on that date and the report of the Directors' and Auditors' thereon.
- 2 To appoint a Director in place of Mr. Dinesh Kothari who retires by rotation and being eligible offers himself for re-appointment.
- 3 To appoint a Director in place of Mr. Sanjeev Jain who retires by rotation and being eligible offers himself for re-appointment.
- 4 To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

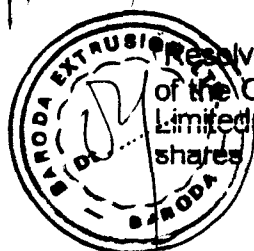
"RESOLVED THAT Miss Rina Patel who was appointed as an additional Director by the Board and who holds the office till the date of ensuing Annual General Meeting and in respect of whom the company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose her candidature for the office of the Director of the company, Miss Rina Patel be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement by rotation."

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

"RESOLVED THAT in terms of the requirements of the revised clause 49 of the listing agreement being effective by Securities and Exchange Board of India from 31st December 2005 approval of the shareholders of the company be and is hereby given to the Board of Directors to pay such amount of sitting fees not exceeding the limit laid under the provisions of the Companies Act, 1956 and reimbursement of traveling expenses to all the Non-executive Independent Directors for attending the meeting of the Board or Committees of the Board."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**.

Resolved that, consent of the shareholders of the company is hereby given to sought admission of the Company's equity shares to the Depository System of the National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL) for dematerializing the shares of those shareholders who wish to do so and the Board of Directors of the company be



and are hereby authorized to appoint Registrar and Transfer Agent and to all acts, deeds and things to give effect to the above resolution."

8. To consider and if though fit to pass with or without modification the following resolution as a special resolution

"Resolved that, pursuant to provisions of Section 31 and other applicable provisions if any of the Companies Act, 1956, all the existing Articles Number 1to 204 be and are hereby deleted and substituted by new set of Articles bearing number from 1 to 234 as per copy of new set of articles now placed on the tale before the meeting and duly initialed by the Chairman for identification."

NOTES:

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT, WHICH THE MEETING IS, SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.
2. The Register of Members and Share Transfer Books shall remain closed from, the 26th day September 2005 to the 30th day of September 2005 (both days inclusive).
3. Details of Director Viz. Mr. Dinesh Kothari, Mr. Sanjeev Jain and Miss Rina Patel being Directors to be reappointed at the ensuing Annual General meeting are given the Corporate Governance Report and also given herein below.
4. The Company's shares are listed on Vadodara and Mumbai Stock Exchanges.
 - I. Mumbai Stock Exchange, "Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001.
 - II. The Vadodara Stock Exchange Association Ltd., Fortune Tower, Sayajigunj, Vadodara.

Annual Listing Fees for the year 2005-2006 has been paid in full with all the Stock Exchanges.

6. Details pursuant to listing agreement regarding Directors to be appointed are as under **Miss Rina Patel**

Miss. Rina Patel aged 24 years, is graduate in commerce. She is not holding any directorship in any other company. She is not holding membership of any committee of the Board.

Mr. Dinesh Kothari

Mr. Dinesh Kothari is 34 years old and is B.Com by qualification. He has got 14 years experience in the field of finance, legal, documentation, taxation etc. He is associated with the company since last 4 years and looking after overall Finance and Commerce.

He is not holding Directorship or membership of committee in any other company.

Mr. Sanjeev Jain

Mr. Sanjeev Jain is 35 years old and is M.Sc. IRPM by qualification and having experience of more than 14 years in the field of production and marketing of copper and its related products. Mr. Sanjeev Jain is not holding Directorship or membership of committee in any other company

Registered Office:

Survey No. 65-66,
Village Garadiya,
Jarod-Samalaya Road,
Taluka Savli,
Dist. Vadodara

Date: - 28th August 2005

By order of the Board of Directors


Managing Director

For BARODA LATHI ON LTD.


DIRECTOR

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ANNEXURE TO NOTICE

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956.

Item No.: - 5

Miss Rina Patel was appointed as an Additional Director by the Board of Directors of the Company with effect from 31.12.2004 pursuant to Article of Association read with section 260 of the Companies Act, 1956.

She holds office until the ensuing Annual General Meeting. The Company has received a notice from a Member under section 257 of the Companies Act, 1956 proposing appointment of Miss Rina Patel as Directors of the Company.

Brief resume of Miss Rina Patel along with the name of the Companies in which she holds Directorship and Membership of Committees of the Board are disclosed under Corporate Governance forming part of Directors' Report.

Members are requested to accord their approval for her appointment.

Item No.: - 6

In terms of revised clause 49 of the listing agreement any payment made by the company to all its Non-Executive Directors whether by way of sitting fees for attending the meetings of the Board or its committees or remuneration or any other payment of whatsoever nature requires prior approval of the shareholders of the company.

The company is paying sitting fees to one of its Non-Executive Independent Director for attending the meeting of the Board or its committees and also reimbursing the travelling expenses incurred by the Director in the connection with the same.

The Board of Directors of your company recommends the resolution for your approval.

All the Directors of the company except Managing Director are concerned or interested in the resolution.

Item No.: - 7

In terms of listing agreement the company is required to obtain approval of the members for adopting the demat facilities for the investors. The company is in the process of obtaining the admission of its securities for demat facility from NSDL and CDS. You are requested to approve the resolution for the

benefit of the investors. All the directors are deemed to be interested in the resolution.

Item No.: -8

The existing Articles of Association of the company are not in consonance with the present legal frame work because they were framed long back in the yea 1991. Since then so many changes have taken place not only in the Companies Act,1956 but also in the listing agreement with the stock exchanges. Further the company is going for Demat facilities for the investors, which also necessitates certain changes to be made in the existing articles of

the company. The Replacement of old articles by the new set of articles is therefore proposed for your approval.

No Director of the company is interested in the resolution.

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Date: - 28th August 2005

By order of the Board of Directors

Managing Director

For BARODA EXTRUSION LTD.

DIRECTOR



DIRECTORS' REPORT

To,
The Members of,
BARODA EXTRUSION LTD

Your directors take pleasure in presenting their Fourteenth Annual Report of the business and operations of the company together with the Audited Accounts for the financial year ended 31st March 2005:

FINANCIAL RESULTS

| | (Rs. in lacs) | |
|-----------------------------------------------------------|-------------------------------------|-------------------------------------|
| | Year ended on 31-03-2004 | Year ended on 31-03-2005 |
| Total Income | 1179.78 | 1138.38 |
| Profit / (Loss) before depreciation & finance charges. | 30.92 | 174.54 |
| Less /add : | | |
| Finance Charges | 123.81 | 141.94 |
| Depreciation & Write Off | 20.57 | 20.84 |
| Prior period / Extraordinary Items | 1.05 | Nil |
| Profit/(Loss) carried to Balance sheet | (114.51) | 11.76 |

DIVIDEND

In view of the loss for the year under review and also the accumulated losses, your Directors do not recommend any dividend for the year.

OPERATIONS

During the year under review, the total income stood at Rs.1138.38 lacs for the year as against Rs. 1179.78 in the previous year. The nominal decrease in sales is mainly on account of decrease in the sales due to shortages of working capital funds. The job work income has however increased considerably over the previous year from Rs.30.12lacs to Rs.130.98lacs.

The profit before finance charges and depreciation has improved considerably due to increase in job work income as compared to the previous year. However in spite of such improvement in job work income, the company could not achieve the desired level of net margin due to heavy interest burden as well as underutilization of the existing manufacturing capacity. As the banks have now implemented the revival scheme your Directors are hopeful of achieving a steady growth in sales and job work activity and resultant net margin in the years to follow.

DIRECTORS

At the Board Meeting held on 31st December 2004, Miss Rina Patel was appointed as additional director of the company. As per the provisions of the Section 256 of the Companies Act, such director can hold office only up to next annual general meeting. The company has received a notice from a member proposing to appoint her as director retiring by rotation. Mr. Dinesh Kothari Director and Mr.

Sanjeev Jain Directors are retiring by rotation and seeking reappointment. The brief resume of Miss

Rina Patel and Mr. Dinesh Kothari and Mr. Sanjeev Jain have been enumerated in the Corporate Governance forming part of this report.

Mr. Sumermal Kanugo has resigned from the Board due to his old age and health. Your Directors takes on record their sincere appreciation for the valuable services given by him during his tenure.

FIXED DEPOSITS

The company has not accepted any deposits as defined under Section 58-A of the Companies Act read with Companies (Acceptance of Deposits) Rules 1975 during the year under review.

AUDITORS

M/s. Vijay Parikh & Co., Chartered Accountants, Baroda the auditors of the Company, shall retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. They have furnished a certificate to the effect that their proposed re-appointment if made, will be in accordance with sub-section (1B) 224 of the Companies Act, 1956. You are requested to appoint them and authorize your Directors to fix their remuneration.

AUDITORS' REPORT

Observations of the Auditors' are self-explanatory and have been appropriately dealt with in the notes on accounts.

AUDIT COMMITTEE

During the year the audit committee meetings were conducted as per the provisions of Listing Agreement with the Stock Exchanges. Details about the functioning of the committee, is enumerated in the Corporate Governance forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state:

- a) in preparing the Annual Accounts, applicable Accounting Standards have been followed and there are no material departures ;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit of the Company for that period
- c) the Directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.

CORPORATE GOVERNANCE

In pursuance to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Management Discussion and Analysis Report are given elsewhere and form a part of this Report.

PERSONNEL

None of the employee is in receipt of remuneration in excess of the ceiling, as prescribed under Companies (Particulars of Employees) Rule, 1975 and hence information as required under section 217(2A) read with Companies (Particulars of Employees) Rule, 1975 and hence the details are not mentioned herewith.

MATTER REQUIRED TO BE REPORTED AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULE, 1988

The particulars of Conservation Energy, Technology Absorption and Foreign Exchange Earning and Outgo prescribed by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexure to and forming part of this report. The company has not earned nor spends any amount of foreign exchange during the year.

INSURANCE

All the Plant, Machineries, Buildings and Movable goods are adequately insured.

ACKNOWLEDGEMENT

Yours Directors wish to place on record their sincere thanks for the valuable assistance and guidance given by the Bank of Baroda, Dena Bank and The South Indian Bank from time to time. Your Directors also wish to note the dedicated services of all the officers and employees of the Company.

Place: *Vadodara*

For and on behalf of the Board of Directors

28th August, 2005


Chairman & Managing Director



BARODA EXTRUSION LTD.**Management Discussion and Analysis Report:-****(a) Industry Structure and Development:-**

Baroda Extrusion is engaged in manufacturing of High Quality of EC grade copper for heavy electronics users like for High Voltage Transformers, SFG Switch Gears, Top Gears with melting capacity of 3000 Mt. Per Annum. The Company has also developed quality of international standard and is also planning to export 200 Mt. of its products by 2007.

(b) Opportunities and Threats**1. Strength :**

Power Sector is growing by 30% every year and copper is in very high demand. All heavy electrical industries, electrical panel board manufactures electrical switch gears units and manufacturers, sub-miscible pumps needs copper tubes/flakes/rods which is the product of Baroda Extrusion.

2. Weaknesses

Copper prices are increasing in the market; engineering units may find substitute material for copper. But as the conductivity of the copper is very good chances of the substitution are very less.

3. Opportunities

The demand for the products is growing steadily as there is a considering gap between demand and supply of extrusion products. This prevailing scenario leaves an opportunity for the company to expand and thereby to utilize the existing manufacturing capacity to a great extent. Even the export potential for the product manufactured by the company is also very bright provided certain improvement in the technology and the quality of the product is achieved.

4. Threats

The copper being a high cost raw material as compared to other industries, the requirements for the working capital is comparatively more than the other segments and thereby heavy interest burden affects the desired net margin.

The entry of new player in the industry with improved technology and lower cost.

Upward price revision in copper and brass, which is the basic raw material adversely affect the gross margin.

(c) Segment wise performance or product wise performance

The segment wise report is not furnished as the company is presently engaged in one-business segment i.e. copper extrusion.

(d) Outlook

As already mentioned that there is a considerable gap between demand and supply of extrusion products. Even the opportunities for exports is a bright which can be achieved by improving the technology and thereby quality of the product. The company is confident that, barring unforeseen circumstances, the profitability of the company would improve in the current financial year.

(e) Risk and Concerns

The operating profit is not being achieved due to fluctuation in copper prices couple with heavy interest burden.

Reduction in production cost as a economy measure and utilization of existing manufacturing capacity by undertaking job work activity would help the company in achieving desired level of profitability.

(f) Internal Control Systems and adequacy.

Your Company is in the process of implementing effective internal control procedures commensurate with the size and nature of business. These procedures would ensure efficient use and protection of the resources and compliance with policies, procedures and statutes. There is procedure of periodical review of the existing internal control system.

(g) Discussion on Financial Performance.

During the year under review, the total income stood at Rs1138.38lacs for the year as against Rs.1179.78 in the previous year. The nominal decrease in sales is mainly on account of decrease in the sales due to shortages of working capital funds. The job wok income has however increased considerably over the previous year from Rs.30.12lacs to Rs.130.98lacs.

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The management of the Company will put their sincere effort to improve the profitability of the company in the years to come and would take the Company out of sickness.

(h) Human Resources:

Recognizing that people are an important part of the organization, a major exercise in training and development of employees has been undertaken at all levels. The Company gives a lot of importance to Human Resources activities. These activities have helped to retain and motivate employees of the company to face this difficult period.

Report on Corporate Governance.:-**1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company is welcoming the concept of introducing governance and committed to achieve highest level of Corporate Governance. The Corporate Governance is nothing but transparency, high level of disclosure and fairness and unbiased to the members of the company. To achieve the highest level of Corporate Governance, the Company has well educated, experienced, qualified management team and Board of Directors of the Company effectively monitor the Management progress and corporate decisions.