



BARODA EXTRUSION LTD.

16TH ANNUAL REPORT
2006 - 2007

BARODA EXTRUSION LIMITED

BARODA EXTRUSION LIMITED

16th ANNUAL REPORT

2006 - 2007

BOARD OF DIRECTORS

: Mr. Parasmal B. Kanugo
Mr. Chandrakant Khushaldas
Mr. Sanjeev Jain
Ms. Rina G. Patel
Mr. Kesrichand Shah

AUDITORS

: Vijay Parikh & Co.,
Chartered Accountants,
Vadodara.

BANKERS

: Bank of Baroda
The South Indian Bank Ltd.
Dena Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

: 102, Pawan Flats,
7, Anandnagar Society,
Productivity Road,
Vadodara - 390 005.

ANNUAL REPORT 2006 - 2007

BARODA EXTRUSION LIMITED**NOTICE FOR SIXTEENTH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of BARODA EXTRUSION LIMITED will be held on **Saturday, the 29th day of September, 2007 at 11.00 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, 2007 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. Sanjeev Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Keshrichand Shah who retires by rotation and being eligible offers herself 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 in super session to all earlier resolutions and subject to the approval of shareholders and pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 as amended and subject to such permissions, consents and approvals from various authorities, as may be required and subject to such conditions, if any, that may be imposed by any authority while granting their permissions, consents and approvals and upon the recommendation of Remuneration Committee of the Board of Directors, the Company hereby accords its consent and approval to the re-appointment of Mr. Parasmal Kanugo as Managing Director of the Company, not liable to retire by rotation, for a further period of three years with effect from 1st August, 2007 on the terms and conditions set out below:

1. **Period of Appointment:**

From 1st August 2007 to 31st July 2010

BARODA EXTRUSION LIMITED**2. Remuneration:**

- (a) By way of Salary, perquisites and Allowance, subject to a maximum of Rs. 75,000/- p.m. or Rs. 9,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Managing Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule XIII [Section II.—Part II (A)] of the Companies Act, 1956, the remuneration payable to Mr. Parasmal Kanugo.

- (b) In addition to above mentioned remuneration, the Managing Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:
- (b.1) Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
 - (b.2) Gratuity payable as per the rules of the Company.
 - (b.3) Leave encashment at the end of the tenure.
 - (b.4) The provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Parasmal Kanugo.
 - (b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company and use of car for private purposes shall be borne by Mr. Parasmal Kanugo.
 - (b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

3. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Parasmal Kanugo, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II.—Part II (A)] of the Companies Act, 1956 and any amendments thereto.

4. Entrusted Duties:

Subject to the supervision and control of the Board of Directors of the Company, the Chairman & Managing Director shall look after the day to day affairs and overall operations of the Company and shall carry out such other duties as may be entrusted to him by the Board of Directors from time to time.

BARODA EXTRUSION LIMITED**5. Confidentiality:**

Mr. Parasmal Kanugo will perform his duties truly and faithfully and comply with the directives given to him from time to time by the Board, and further not disclose to any person, firm or Company any confidential information.

6. Not Liable to Retire by Rotation:

During his tenure as Managing Director of the Company, the office of Mr. Parasmal Kanugo shall not be reckoned for the purpose of arriving Directors liable to retire by rotation.

7. Sitting Fees:

As long as Mr. Parasmal Kanugo functions as Managing Director, he will not be paid any sitting fees for attending the meetings of the Board of Directors or any committee(s) thereof.

8. Re-imbursement of Expenses, Costs etc.:

Mr. Parasmal Kanugo shall be entitled to be paid/ reimbursed all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

9. Termination:

Either party shall have liberty to terminate the aforesaid appointment, by giving three months notice in writing to the other.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps including issuing a Letter of Appointment to Mr. Parasmal Kanugo or enter into a contract with him, subject to consent of members as they may think fit and necessary for the purpose of implementing this resolution."

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 25th September 2007 to 29th September 2007 (both days inclusive)
3. Details of Director Viz. Mr. Sanjeev Jain and Mr. Kesrichand Shah being Directors to be reappointed at the ensuing Annual General Meeting are given the Corporate Governance Report and also given herein below.

BARODA EXTRUSION LIMITED

4. The Company's share are listed on Vadodara and Mumbai Stock Exchanges.
1. Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.
 2. The Vadodara Stock Exchange Association Ltd. Fortune Tower, Sayajigunj, Vadodara.

Annual Listing Fees for the year 2006-2007 has been paid in full with all the Stock Exchanges.

5. Details pursuant to listing agreement regarding Directors to be appointed are as under.

Mr. Kesrichand Shah

Mr. Kesrichand Shah is around 75 years old and is a Commerce Graduate and having versatile experience in the same kind of industry.

Mr. Kesrichand Shah is a member of Investors' Grievance Committee of the Board.

Mr. Kesrichand Shah is not holding Directorship or membership of committee in any other company.

Mr. Sanjeev Jain :

Mr. Sanjeev Jain is 37 years old and is M.Sc & IRPM by qualification and having experience of more than 16 years in the field of production and marketing of copper and its related products.

Mr. Sanjeev Jain is a member of Audit committee and Remuneration Committee.

Mr. Sanjeev Jain is not holding Directorship or membership of committee in any other company.

By Order of the Board of Directors
For Baroda Extrusions Ltd.,

s/d
Chairman & Managing Director

Registered Office:

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

Date: 17.07.2007

BARODA EXTRUSION LIMITED**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO. 5:**

The Board of Directors at its meeting held on 17th July, 2007, subject to recommendations of Remuneration Committee, has re-appointed Mr. Parasmal Kanugo as Managing Director of the Company for a period of three years, made effective from 1st August 2007 at the revised terms of remuneration and perquisites as stated in the resolution at item no. 05. The Agreement recording the terms and conditions of appointment will be executed with Mr. Parasmal Kanugo subject to necessary approval of the shareholders being sought herein.

Shri Parasmal Kanugo has been associated with the Company as one of the Promoter Directors since its incorporation. He is a Commerce graduate with and possesses more than 20 years of experience in the various areas of business including production, finance and marketing.

Shri Parasmal Kanugo has been shouldering the responsibility of Managing Director since inception and with his zeal and hard working, put the Company on a path of success. Apart from looking after and monitoring day to day affairs, he has been playing pivotal role in timely execution of huge contracts undertaken by the Company during the previous year. Considering his untiring efforts in the operations vice versa the remuneration presently drawn by him, it was thought fit by the Board and Remuneration Committee to make his re-appointment with suitable revision in terms of remuneration and accordingly, his re-appointment was made as Managing Director of the Company for a further period of three years, subject to the terms of remuneration and other conditions as detailed out in the resolution set out at Item No. 1 of this Notice and re-produced herein below.

The aforesaid appointment of Mr. Paramal Kanugo as Managing Director is subject to the approval of shareholders. Following is the gist of terms and conditions for appointment of Mr. Parasmal Kanugo as Managing Director.

Job Profile and His Suitability:

As a Managing Director, he is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the Superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company.

Remuneration Proposed:

- (a) By way of Salary, perquisites and Allowance, aggregating to 75,000/- p.m. or Rs. 9,00,000/- p.a.. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Chairman & Managing Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule XIII [Section II.—Part II (A)] of the Companies Act, 1956, the remuneration payable to Mr. Parasmal Kanugo.

BARODA EXTRUSION LIMITED

- (b) In addition to above mentioned remuneration, the Managing Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:
 - (b.1) Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.
 - (b.2) Gratuity payable as per the rules of the Company.
 - (b.3) Leave encashment at the end of the tenure.
 - (b.4) The provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Parasmal Kanugo.
 - (b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company and use of car for private purposes shall be borne by Mr. Parasmal Kanugo.
 - (b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Parasmal Kanugo, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II.—Part II (A)] of the Companies Act, 1956 and any amendments thereto.

Mr. Parasmal Kanugo himself is deemed to be considered as interested directors.

The particulars set above may be treated as an abstract of the terms of appointment of Mr. Parasmal Kanugo as Managing Director of the Company as required to be given under the provisions of section 302(2) of the Companies Act, 1956.

The Board of Directors feels that aforesaid re-appointment of Mr. Parasmal Kanugo as Managing Director is in the interest of the Company and therefore, recommends the resolution set out at item no. 5 of this notice.

By Order of the Board of Directors
For Baroda Extrusions Ltd.,

s/d
Chairman & Managing Director

Registered Office:

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

Date: 17.07.2007

BARODA EXTRUSION LIMITED**DIRECTORS' REPORT**

To,
The Members of,
BARODA EXTRUSION LIMITED

Your Directors take pleasure in presenting their Sixteenth Annual Report of the business and operations of the company together with the Audited Accounts for the financial year ended 31st March 2007 :

FINANCIAL RESULTS :**(Rs. in Lacs)**

	Year ended on 31-03-2007	Year ended on 31-03-2006
Total Income	2591.25	1008.76
Operating Expenses before Depreciation & Financial Charges	2155.38	832.29
Profit / (Loss) before depreciation & finance Charges	659.85	176.47
Less / add :		
Finance Charges	98.63	135.19
Depreciation & Write Off	21.66	21.42
Operating Profit for the year	539.55	19.86
Less: Prior period Adjustments	—	0.25
Fringe Benefit Tax	0.70	0.43
Profit for the year	538.85	19.86
Balance of loss Brought Forward	1641.13	1660.99
Balance of loss carried to Balance Sheet	1102.28	1641.13

DIVIDEND:

In view of accumulated losses of previous years, your Directors do not recommend any dividend for the year.

OPERATIONS:

During the year under review, the total income stood at Rs. **2591.25** lacs for the year as against Rs. **1008.76** lacs in the previous year. The increase in sales is mainly on account of concentrating on own production rather than to undertake job work activity. The job work income has remained at almost the same level. However due to heavy fluctuation in prices of basic raw material the profitability of the company did not improved substantially due to execution of fixed price orders.

BARODA EXTRUSION LIMITED**DIRECTORS :**

Mr. Kesrichand Shah and Mr. Sanjeev Jain are retiring by rotation and seeking reappointment. The brief resume of Mr. Kesrichand Shah and Mr. Sanjeev Jain have been enumerated in the Corporate Governance forming part of this report.

FIXED DEPOSITS :

The company has not accepted any deposits as defined under Section 58-A of the Companies Act read with Companies (Acceptance of Deposite) 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 :

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

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 that:

- 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.