

BARODA EXTRUSION LIMITED

19th ANNUAL REPORT

2009 - 2010

BOARD OF DIRECTORS

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

AUDITORS

: Parikh Shah Chotalia & Associates
Chartered Accountants,
Vadodara.

BANKERS

: The South Indian Bank Ltd.
Bank of India
HDFC Bank Ltd.

REGISTERED OFFICE

: Survey No. 65-66,
Village Garadiya,
Jarod-Samalaya Road,
Taluka Savli,
Dist: Vadodara.- 391520

CORPORATE OFFICE

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

NOTICE FOR NINETEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the Members of **BARODA EXTRUSION LIMITED** will be held on Thursday, the 30th day of September, 2010 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, 2010 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. Chandrakant Khushaldas who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following Resolution as **Special Resolution**:

"RESOLVED THAT in supersession 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, 2010 on the terms and conditions set out below:

1. Period of Appointment:

From 1st August 2010 to 31st July 2013

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 bona fide 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 inadequate, 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.

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 2010 to 30th September 2010 (both days inclusive).
3. Details of Director Viz. Mr. Chandrakant Khushaldas being Director to be reappointed at the ensuing Annual General Meeting is given the Corporate Governance Report and also given herein below.
4. The Company's share is 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.
5. Details pursuant to listing agreement regarding Directors to be appointed are as under.

Mr. Chandrakant Khusaldas

Mr. Chandrakant Khusaldas aged about 73 years is M Sc. By qualification. He is holding Directorship in Gujarat Poly-Avx Electronics Ltd. He is a member of Audit Committee and Investor Grievence Committee.

Mr. Parasmal Kanugo

Mr. Parasmal Kanugo has been associated with the Company as one of the Promoter Directors since its incorporation. He possesses more than 23 years of experience in the various areas of business including production, finance and marketing.

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

sd/-

Parasmal Kanugo
Chairman & Managing Director

Registered Office:

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

Date: 01.09.2010

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 4

The Board of Directors at its meeting held on 26 July, 2010, 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 2010 at the revised terms of remuneration and perquisites as stated in the resolution at item No. 04. 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.

Mr. Parasmal Kanugo has been associated with the Company as one of the Promoter Directors since its incorporation. He possesses more than 23 years of experience in the various areas of business including production, finance and marketing.

Mr. 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. 4 of this notice.

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

sd/-
Parasmal Kanugo
Chairman & Managing Director

Registered Office:

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

Date: 01.09.2010

DIRECTORS' REPORT

To,
The Members of,
BARODA EXTRUSION LIMITED

Your Directors take pleasure in presenting their Nineteenth Annual Report of the business and operations of the company together with the Audited Accounts for the financial year ended 31st March 2010:

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

	Year ended on 31-03-2010	Year ended on 31-03-2009
Total Income	6662.56	3649.02
Operating Expenses before Depreciation & Financial Charges	6313.60	3027.65
Profit / (Loss) before depreciation & finance Charges Less / add :	348.96	621.37
Finance Charges	205.79	58.72
Depreciation & Write Off	24.65	23.46
Operating Profit for the year	118.52	539.19
Less: Prior period Adjustments	-	-
Tax Expense	46.27	38.35
Fringe Benefit Tax / Deferred Tax Liability	4.54	0.59
Profit for the year	67.71	500.25
Balance of loss Brought Forward	558.52	1058.77
Balance of loss carried to Balance Sheet	490.81	558.52

DIVIDEND:

With a view to conserve resources for the future growth as well as accumulated losses of previous years, your Directors do not recommend any dividend for the year.

OPERATIONS:

During the year under review, the manufacturing sales has increased by almost 67% over the previous year 2008-09. The Company has also entered into trading activity during the year 2009-10 with a view to increase profitability of the Company.. The tremendous growth in sales is mainly attributed to overall economic development as well as timely help by SICOM Ltd. by way of sanction of required Sales Bills Factoring facility.

BARODA EXTRUSION LIMITED

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. 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 :

Mr. Chandrakant Khushaldas is retiring by rotation and seeking reappointment. The brief resume of Chandrakant Khushaldas has 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 Deposit) Rules 1975 during the year under review, except unsecured loans from parties.

AUDITORS:

M/s. Parikh Shah Chotalia & Associates. 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:

Clause 1 (b) of Annexure to Auditors Report:

With reference to qualification of auditors your company has not physically verified the fixed assets during the year under review. Your company states that it has started the process of implementing the during current financial year,

Clause 2 (a) & (b) of Annexure to Auditors Report:

With reference to qualification of auditors your company has started implementing the system of physical verification of inventory at reasonable intervals in current financial year.

Clause 4 of Annexure to Auditors Report:

With reference to qualification of auditors your company has implemented the system of internal control procedure commensurate with the size of the company in current financial year.

Clause 7 of Annexure to Auditors Report:

With reference to qualification of auditors your company has availed the services of outside firm of Chartered Accountants for setting up the system of internal audit during the year 2009-10. The Directors of the Company has taken necessary steps during the current year for strengthening the commensurate with the size of the company.

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 ;

BARODA EXTRUSION LIMITED

- 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.

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

The particulars of Conversation 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 assets are adequately insured.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere thanks for valuable timely financial assistance SICOM Ltd, Mumbai. Your Directors also wish to note the dedicated services of all the officers and employees of the Company.

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

sd/-
Parasmal Kanugo
Chairman & Managing Director

Registered Office:

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

Date: 01.09.2010