

**BARODA EXTRUSION LIMITED.**  
**2 0 <sup>t h</sup> A N N U A L R E P O R T**  
**2 0 1 0 - 2 0 1 1**

**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 TWENTIETH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of BARODA EXTRUSION LIMITED will be held on Wednesday, the 22nd day of July, 2011 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, 2011 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 Ms. Rina Patel who retires by rotation and being eligible offers herself 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 an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and subject to applicable provisions, if any, the Authorised Share Capital of the Company be increased from Rs. 8,50,00,000/- divided into 85,00,000 equity shares of Rs. 10/- each to Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly to read as under:

Clause V of Memorandum of Association

"V. The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 150,00,000 (One Crore Fifty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and 311 read with Schedule XIII as amended and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, approval of the Company be and is hereby accorded for revision of remuneration of Mr. Parasmal Kanugo as the Managing Director of the Company from 01.08.2011 to 31.07.2013 (being remaining tenure of holding office as Managing Director) on the terms and conditions including expressly the remuneration, commission and perquisites payable to him as the Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profit in any year, as set out in the draft Agreement to be entered into between the Company and the said Mr. Parasmal Kanugo, as produced at this meeting and initialed by any one director for the purpose of identification".

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act' 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites etc. within such prescribed limits.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Mr. Alpesh Kanugo, relative of Mr. Parasmal Kanugo, Managing Director, as Chief Finance Officer (CFO) and to continue to hold an office or place of profit as Chief Finance Officer (CFO) of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 1,50,000/-, inclusive of all perquisites and allowances."

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

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Ms. Meera Kanugo, relative of Mr. Parasmal Kanugo, Managing Director, as Manager- Business Development and to continue to hold an office or place of profit as Manager- Business Development of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 1,20,000/-, inclusive of all perquisites and allowances."

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

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Ms. Sharmila Shah, relative of Mr. Parasmal Kanugo, Managing Director, as Manager- Human Resources and to continue to hold an office or place of profit as Manager- Human Resources of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 30,000/-, inclusive of all perquisites and allowances."

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

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (hereinafter referred to as "the Regulations") and other applicable guidelines / regulations issued by the Securities and Exchange Board of India ("SEBI") and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India and any other statutory or regulatory authorities and other applicable laws, and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 67,50,000 Equity Shares of the face value Rs.10/- each for cash at a price of Rs.12.50 per share (including a premium of Rs. 2.50 per share) aggregating to Rs.8,43,75,000/- (Rupees Eight Crores Forty Three Lac Seventy Five Thousand only), being the price, which is in accordance with the ICDR Regulations, 2009.

RESOLVED FURTHER THAT the Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend;

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

RESOLVED FURTHER THAT the Board/any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient;

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the Guidelines is June 22, 2011;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED LASTLY THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to 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 17th July 2011 to 22nd July 2011 (both days inclusive)
3. Details of Director Viz. Ms. Rina Patel 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.  
**Ms. Rina**  
**She is a member of Remuneration Committee, Audit Committee and Investor Grievance Committee.**
6. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, is annexed.
7. M/s Parikh Shah Chotalia and Associates, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Annual General Meeting and will also be placed before the Annual General Meeting.
8. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID. No. and in case of physical shares, to the Share Transfer Agents quoting their Folio Numbers.
9. Members / Proxy holders are requested to produce at the entrance, the attached admission slip for admission into the meeting hall. Duplicate admission slips will not be provided at the hall.

For Baroda Extrusions Ltd.,



Chairman & Managing Director

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

Date: 22.06.2011

General Information:

1) Nature of Industry	:	Copper Extrusion
2) Date of Commencement of Commercial Production	:	13/08/1991
3) Financial Performance for the Financial Year ended 31.03.2011	:	Total Income :Rs. 9059 lacs Profit Before Tax & Provisions: : Rs.140/- lacs Profit After Tax : Rs. 80/- lacs Debt Equity Ratio: : 11.51 % Current Ratio: : 1.13 % Net Worth: Rs. : 431 /- Lacs
4) Export Performance	:	For the year ended on 31.03.2011, the Company has achieved export turnover FOB value of Rs. 815 Lacs
5) Foreign Investment or Collaboration	:	The Company does not have any Foreign Investment or collaboration.

Information about the Appointee:

Background Details:

Mr. Parasmal Kanugo has been associated with the Company as one of the Promoter Directors since its incorporation. He possesses more than 24 years of experience in the various areas of business including production, finance and marketing. Mr. Parasmal Kanugo has been reappointed as Managing Director from 01.08.2010 to 31.07.2013 at monthly remuneration of Rs. 75000/-.

Reorganization of Awards: The Company has obtained ISO 9001 certification.

Job Profile and Suitability:

Mr. Parasmal Kanugo as Managing Director, is responsible for the day to day management of the Company and assisted by Senior Executives. They are working under the Superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company.

Other Information:

Reason for inadequacy of profits, steps taken for improvement and expected increased in productivity:

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

**Item No. 4**

The Authorised Share Capital of the Company presently stands at Rs. 8,50,00,000/- divided into 85,00,000 equity shares of Rs. 10/- each.

For funding business operations and other purposes, the Board has proposed to issue additional shares to promoters/ friends & others. Keeping this in mind, your Board has suggested to increase the Authorised Capital from Rs. 8,50,00,000/- to Rs. 15,00,00,000/- by creation of 65,00,000 Equity Shares of Rs. 10/- each. The new Equity Shares created shall rank pari passu in all respects with existing shares.

The proposed increase of the Authorised Share Capital of the Company requires the approval of the members in general meeting. Consequent upon the increase in Authorised Capital of the Company, its Memorandum of Association will require alteration so as to reflect the increase in share capital. Hence approval of shareholders is being sought.

The Board recommends that the resolution be passed. None of the Directors are interested in the resolution.

**Item no. 5**

The members of the Company approved the appointment of Mr. Parasmal Kanugo as Managing Director at previous Annual General Meeting of the Company held on 30.09.2011 in pursuance of 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.

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 revise remuneration payable to him as Managing Director for remaining tenure of appointment (i.e. from 01.08.2011 to 31.07.2013)

Accordingly, the Board of Directors at its meeting held on **22.06.2011**, and upon the recommendations of Remuneration Committee, has proposed revision in remuneration payable to Mr. Parasmal Kanugo as Managing Director of the Company for remaining period of his tenure as Managing Director (i.e. from 01.08.2011 to 31.07.2013). The Agreement recording the revised remuneration will be executed with Mr. Parasmal Kanugo subject to necessary approval of the shareholders being sought herein. Further the Agreement recording the terms and conditions of appointment will be executed, subject to necessary approval of the shareholders being sought herein. In terms of provisions contained in section II—Part II (B) of Schedule XIII of the Companies Act, 1956, the relevant details regarding the performance of the Company and of the appointee are furnished hereunder:



The main reasons for inadequacy of profits are higher cost towards increasing raw material prices & depleted margins due to intensified global competition. Effective steps are taken to improve the performance of the Company by reducing cost of production and by strengthening existing manufacturing facilities. This would help the Company to achieve better economies of scale, larger volume and improved profitability.

#### Remuneration Proposed

(a) By way of Salary, perquisites and Allowance, aggregating to 2,00,000/- p.m. or Rs. 24,00,000/- 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 (B)] 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.

The proposed remuneration is comparable with practice followed by similar industries considering size of the Company and the designation.

#### 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 (B)] 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 revision of remuneration 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 revision of remuneration 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.

**Item No. 6,7 & 8**

Mr. Alpesh Kanugo is a graduate in commerce and has been serving the Company and looking to his distinctive contribution towards the company, it has been proposed to make his appointment as Chief Finance Officer at a monthly remuneration of Rs. 1,50,000/- inclusive of all perquisites and allowances.

Ms. Meera Kanugo is a graduate and looking after development of business of the Company. The Board is of the opinion that her expertise knowledge would benefit the Company and he would be an instrumental for the growth of the Company. In view of the same, the Board has proposed to appoint her as Manager- Business Development with monthly remuneration of Rs. 1,20,000/- inclusive of all perquisites and allowances.

Ms. Sharmila Shah looks after human resources of the Company. The Board is of the opinion that her expertise knowledge would benefit the Company and she would be an instrumental for the growth of the Company. In view of the same, the Board has proposed to appoint her as Manager- Human Resource with monthly remuneration of Rs. 30,000/- inclusive of all perquisites and allowances.

In view of applicability of the provisions of section 314 of the Companies Act, 1956 the resolution is required to be passed as Special Resolution and Mr. Parasmal Kanugo, Managing Director is interested in this resolution.

The proposed remuneration has been recommended by the Remuneration Committee of the Board of Directors of the Company.

**Item No.9:**

The following disclosure for the preferential issue of Equity Shares is made in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

**(i) OBJECTS OF THE ISSUE:**

In order to generate long term resources for implementing future growth plans, it is proposed to issue equity shares on a preferential allotment basis. The proceeds of the proposed preferential allotment of Equity Shares will strengthen the financial position of the Company.