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BARODA EXTRUSION LIMITED

ANNUAL REPORT FOR THE YEAR 2012-2013

Directors :

Mr.Parasmal Kanugo

Mr. Chandrakant Khushaldas (up to 11.02.2013)

Ms. Rina Patel

Mr. Kesrichand Shah

Auditors :

M/s.Parikh Shah Chotalia & Associates

Chartered Accountants

Registered Office :

Survey # 65-66, Village - Garadiya,

Jarod-Samalaya Road, Taluka - Savli,

Dist. Vadodara, Gujarat, India.

Registrar & Share Transfer Agents :

M/s. Purva Shareregistry (I) Pvt. Ltd.

Add: Unit No.9, Shiv Shakti Indl. Estate

J. R. Boricha Marg, Opp. Kasturba Hospital Lane,

Lower Parel (E), Mumbai - 400011

Tel: 022-23016761 / 8261

Email Id: busicomp@vsnl.com

NOTICE

NOTICE is hereby given that Twenty Second Annual General Meeting of the Members of the Company will be held on Monday, the 30th day of September, 2013 at 11.00 a.m. 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, 2013 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. Parasmal Kanugo who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors
Sd/-

Place : Dist. Vadodara
Date : 30th May 2013

(Parasmal Kanugo)
Chairman

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Members / Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
3. Members are requested to send proxy to the Company at least 48 hours before date of the meeting.
4. The Register of Members and Share Transfer Books shall remain closed from 26th September 2013 to 30th September 2013 (both days inclusive)
5. Details of Director Viz. Mr. Parasmal Kanugo being Director to be reappointed at the ensuing Annual General Meeting is given the Corporate Governance Report and also given herein below.

6. The Company's share is listed on Vadodara and Bombay Stock Exchanges.
 1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001
 2. The Vadodara Stock Exchange Association Ltd. Fortune Tower, Sayajigunj, Vadodara
7. Details pursuant to listing agreement regarding Directors to be appointed are as under:

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 26 years of experience in the various areas of business including production, finance and marketing.

D I R E C T O R S ' R E P O R T

Your Directors take pleasure in presenting their Twenty Second Annual Report of the business and operations of the company together with the Audited Accounts for the financial year ended 31st March 2013:

FINANCIAL RESULTS :

	(Rs. in Lacs)	
	Year ended on 31-03-2013	Year ended on 31-03-2012
Total Income	5489.05	14520.51
Operating Expenses before Depreciation & Financial Charges	61734.07	14316.70
Profit / (Loss) before depreciation & finance Charges	(698.27)	203.81
Less / add :		
Finance Charges	641.30	463.90
Depreciation & Write Off	31.66	31.23
Operating Profit/ (Loss) for the year	(1357.31)	(291.32)
Less: Prior period Adjustments	-	-
Tax Expense	-	-
Deferred Tax Liability	-	(3.90)
Profit/(Loss) for the year	(1359.34)	(287.42)

DIVIDEND:

In view of loss during the year under review, your Directors do not recommend any dividend for the year.

OPERATIONS:

During the year under review, the manufacturing sales has decreased drastically as compared to previous year 2011-12. The decline in sales is mainly attributed to overall economic slowdown in the country.

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. Parasmal Bhagraj Kanugo is retiring by rotation and seeking reappointment. The brief resume of Mr. Parasmal Bhagraj Kanugo 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:

With reference to qualification of auditors relating to maintenance of accounts under 'Going Concern Basis' in spite of accumulation of loss exceeding the Capital, the Company will take necessary steps in this direction soon. With reference to dues of SICOM Ltd., the Company is under process of negotiation & after due advise necessary steps will be taken. The Company is hopeful for recovery of doubtful debts in near future and hence not made provisions for the same. The Company will take necessary steps for implementation of retirement benefits as per AS 15.

With reference to physically verification of fixed assets & inventory, your company states that it has started the process of implementing during current financial year. The company has implemented the system of internal control procedure commensurate with the size of the company in current financial year. The Company has appointed firm of cost auditors and cost accountants for ensuring compliance for maintenance of cost records.

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.

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 received from SICOM Ltd, Mumbai. Your Directors also wish to note the dedicated services of all the officers and employees of the Company.

Registered Office:

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

**By order of the Board of Directors
For Baroda Extrusion Limited**

Sd/-

Date: May 30, 2013

**Parasmal Kanugo
Chairman & Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Industry Structure and Development:

During the year, Industrial Output of the economy has been sluggish; primarily because of higher interest rates in macroeconomic concerns. However, your Company's approach of diversification of customer base has helped it to maintain steady growth.

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. 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 coupled with heavy interest burden. Reduction in production cost as an 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 periodically review of the existing internal control system.

g) Discussion on Financial Performance:

During the year under review, the total income stood at Rs. 14520.51 lacs for the year as against Rs. 9059.82 lacs in the previous year. The increase in sales is mainly on account of low-cost and need-based finance and corresponding increase in orders due to effective marketing. 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.

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.

Place : Vadodara

Date: May 30, 2013

Sd/-

Parasmal Kanugo
Chairman & Managing Director

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.

2. BOARD OF DIRECTORS

As per requirements of Corporate Governance, the Board of Directors consists of Executive Director as well as Non Executive / Independent Directors.

All the Non-executive Directors are Independent Directors.

(i) Composition, Category of Directors and their other Directorships and Membership/ Chairmanship of Committees:

Sr. No.	Name of Director	Category	No. of other		
			Directorship	Committee Membership	Committee Chairmanship
1	Parasmal Kanugo	Chairman and Managing Director	02	Nil	Nil
2	Chandrakant Khushaldas (upto 11.02.2013)	Independent Director	02	Nil	Nil
3	Rina Patel	Independent Director	Nil	Nil	Nil
4	Kesrichand Shah	Independent Director	Nil	Nil	Nil