



# **BARODA EXTRUSION LIMITED**

**23<sup>rd</sup> ANNUAL REPORT FOR THE YEAR 2013-2014**



### **Directors :**

Mr.Parasmal Kanugo

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 Sharegistry (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](mailto: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 30<sup>th</sup> day of September, 2014 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 Financial Statements including Audited Balance Sheet as at 31st March, 2014 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 (DIN 00920021) who retires by rotation and being eligible offers herself for re-appointment.
3. To re-appoint Auditors of the Company and to fix their remuneration, and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. Parikh Shah Chotalia & Associates., Chartered Accountants (Firm Registration No. 1118493W), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM to be held in the year 2019 on such remuneration as may be mutually agreed upon between the auditors and Chairman of the Company and in addition the said auditors be entitled to out of pocket, traveling and living expenses to be incurred in connection with audit work of the Company."

**By Order of the Board of Directors**  
**Sd/-**

Place : Dist. Vadodara  
Date : 30<sup>th</sup> May 2014

**(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 25<sup>th</sup> September 2014 to 30<sup>th</sup> September 2014 (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 27 years of experience in the various areas of business including production, finance and marketing.

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## D I R E C T O R S '   R E P O R T

To,  
The Members of,  
**BARODA EXTRUSION LIMITED**

Your Directors take pleasure in presenting their **Twenty Third** Annual Report of the business and operations of the company together with the Audited Accounts for the financial year ended 31<sup>st</sup> March 2014:

### FINANCIAL RESULTS:

	(Rs. in Lacs)	
	Year ended on 31-03-2014	Year ended on 31-03-2013
Total Income	4826.57	5489.05
Operating Expenses before Depreciation & Financial Charges	5426.49	6173.40
Profit / (Loss) before depreciation & finance Charges	(599.92)	(684.35)
Less / add :		
Finance Charges	1.30	641.30
Depreciation & Write Off	14.83	31.66
<b>Operating Profit/ (Loss) for the year</b>	(616.06)	(1357.31)
Less: Prior period Adjustments	0	0
Tax Expense	0	0
Deferred Tax Liability	(3.78)	2.03
<b>Profit/(Loss) for the year</b>	(612.28)	(1359.34)

### 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 compared to the previous year 2012-13. The decrease is due to recession and financial constraints being faced by the Company. The company could not achieve the desired level of net margin due to 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 & defaults of 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 will explore the possibilities of improving network of the Company. The Company has appointed firm of cost auditors and cost accountants for ensuring compliance for maintenance of cost records. For non provision of interest on secured loan, the Company will take necessary steps to resolve the issue.

**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 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 Extrusion Limited**

**Sd/-**

**Parasmal Kanugo  
Chairman & Managing Director**

**Registered Office:**

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

Date: 30.05.2014



## **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. T.

### **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 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. 4826.57 lacs for the year as against Rs. 5489.05 lacs in the previous year. The decline in sales is mainly on account of under utilization of existing production capacity and need-based finance. The company could not achieve the desired level of net margin due to exceptionally lower yield due to old machinery.

**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.

Sd/-

Parasmal Kanugo  
Chairman & Managing Director

Place : Vadodara

Date : 30.05.2014