



# MARDIA EXTRUSIONS LIMITED

# MARDIA EXTRUSIONS LIMITED

## 31 - ANNUAL REPORT - 2010-2011

**DIRECTORS** : Surendra **Mardia** Chairman  
Ravindra Mardia Director  
**Omana V. Nayak** **Wholetime** Director  
**Virendrasinh** Devda Director  
**Bharat J** Chouhan Director

**AUDITOR** : **Shyam C. Agrawal & Co.**  
Chartered Accountants

**BANKERS** : HDFC Bank Limited  
The **Ratnakar** Bank Limited  
Dena Bank.

**FACTORY** : J - 55, M. I. D. C, Industrial Area,  
**Tarapur** , Dist. Thane  
Boisar - **401 506**  
**Maharashtra**

**REGISTERED OFFICE** : J - 55, M. I. D. C, Industrial Area,  
**Tarapur** , Dist. Thane  
Boisar - **401 506**  
Maharashtra

**REGISTRAR & SHARE  
TRANSFER AGENTS** M/s **Purva Shareregistry** India Private Limited,  
No. 9, Shiv Shakti Industrial Estate, Ground Floor,  
J. R. Boricha **Marg**, opp. **Kasturba** Hospital,  
Lower **Parel**, Mumbai 400 011  
**Tel No 022 2301 8261 / 2301 6761.**  
**Fax No 2301 2517. Email : [busicomp@vsnl.com](mailto:busicomp@vsnl.com).**

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**NOTICE**

**NOTICE** is hereby given that the **31<sup>ST</sup> ANNUAL GENERAL MEETING** of the Members of **MARDIA EXTRUSIONS LIMITED** will be held on, Thursday 29<sup>th</sup> September, **2011**, at **12:30 P.M.** at Registered Office of the Company at J -55, M. I. D. C, Industrial **Area**, Tarapur. **Boisar** - 401 506, to transact the following business.

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at **31<sup>st</sup> March, 2011** and the Profit and Loss Account of the Company for the year ended on that date and the reports of the Board of **Directors** and Auditors thereon.
2. To appoint a Director in place of Mr. Virendra **Sinh Deora**, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mrs. **Omana Vijay Nayak**, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next **Annual** General Meeting and to fix their remuneration.

For and on behalf of the Board of Directors

**Registered Office:**

J - 55, M. I. D. C, Industrial Area,  
Tarapur, Boisar - Maharashtra

**SURENDRA MARDIA**  
Chairman

Place: **Mumbai**

Dated: **31<sup>st</sup> August, 2011**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF **HIMSELF / HERSELF** AND SUCH PROXY NEED NOT BE A MEMBER **OF** THE COMPANY.

The instrument of proxy in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

2. Members are requested to notify immediately any change in their address to the **Company's** Investor Service Department at **Mardia** House, 96, C. P. Tank Road, Mumbai 400 004 or to its Registrar and Transfer "Agents at following address. Shareholders should quote their folio number in all their correspondence. Members holding Shares in the dematerialized form are requested to notify the aforesaid changes to their Depository **Participant(s)**.

**M/S PURVA SHAREGISTRY (I) PVT. LTD.**

No. 9, Shiv **Shakti** Industrial Estate, Ground Floor,

J. R. **Boricha** Marg, opp. **Kasturba** Hospital,

Lower **Parel**, Mumbai 400 011

Tel No 022 2301 8261 / 2301 **6761**.

Fax No 2301 **2517**. Email: busicomp@vsnl.com.

3. Members are requested to bring their copy of Annual Report at the Meeting and produce attendance slip at the entrance where the Annual General Meeting will be held. Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
4. Register of members and Share Transfer Books of the Company will be closed from Wednesday the **21<sup>st</sup>** September, **2011** to Thursday the 29<sup>th</sup> September, **2011** (Both days inclusive), to comply with the requirement of the Listing Agreement of the Stock Exchange.
5. Members seeking any information as regards to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
6. Equity Shares of the Company are available in dematerialized form both with the National Securities Depository Limited (NSDL) and Central Depository Service (India) Ltd (CDSL).

**For and on behalf of the Board of Directors**

**Registered Office:**

**J - 55, M. I. D. C, Industrial Area,**

**Tarapur. Boisar - Maharashtra**

**SURENDRA MARDIA**  
Chairman

**Place: Mumbai**

**Dated: 31<sup>st</sup> August, 2011**

**ANNEXURE TO THE NOTICE.**

Brief resume of Directors being **appointed/Re** appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorship and membership / Chairmanship of Board Committee, as stipulated under Clause 49 of Listing Agreement with Stock Exchange in India, is as under :

**Details** of the Directors seeking re-appointment at the Annual General Meeting.

Name of Director	Omana <b>Nayak</b>	Virendrasinh <b>Devda</b>
Date of Birth	<b>30-5-1964</b>	<b>12-11-1972</b>
Date of Appointment	<b>25-11-2005</b>	<b>25-11-2005</b>
Expertise in specific functional areas	Wide experience in the field of accountancy.	Wide experience in the field of Engineering
Qualifications	Commerce Graduate	Commerce Graduate
List of outside Directorships held Excluding Directorship in Private Companies	Mardia Samyoung Capillary Tubes Co. Ltd. Mardia Tubes Ltd.	<b>Mardia</b> Samyoung Capillary Tubes Co. Ltd. Mardia Tubes Ltd
Chairman/Member of Committee of the Board of Directors of the Companies	Audit Committee Remuneration committee Share Transfer and Investor Grievance Committee	Audit Committee Remuneration committee Share transfer and Investor Grievance Committee
<b>Chairman/Member</b> of Committee of the Board of Directors of other Companies in which <b>he/she</b> is a Director:	NONE	NONE
Audit Committee	Yes	Yes
Share Transfer and Investor Grievances Committee	Yes	Yes
Remuneration Committee	Yes	Yes
No. of Equity Shares of the Company held on <b>31-3-2011</b>	350	Nil

## DIRECTOR'S REPORT

To  
The Members,

Your **Directors** have pleasure in presenting the **31st** Annual Report of the Company together with the Audited Statement of Accounts **for the** year ended **31<sup>st</sup> March 2011**.

## FINANCIAL RESULTS:

	CURRENT YEAR (Rs.in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
OPERATING <b>PROFIT/ (LOSS) (PBIDT)</b>	(38.52)	9.38
Interest & Financial Charges	0.59	0.35
<b>PROFIT/ (LOSS) BEFORE DEPRECIATION &amp; TAXATION</b>	(39.11)	9.03
Depreciation	4.83	<b>4.87</b>
<b>PROFIT/ (LOSS) BEFORE TAXATION</b>	(43.94)	4.16
Provision for Taxation	0.09	<b>0.31</b>
<b>NET PROFIT/ (LOSS) AFTER TAX</b>	<b>(43.85)</b>	<b>4.47</b>

## DIVIDEND:

In view of company's present financial conditions, and carry forward losses, your Directors do not recommend any dividend for the year ended **31<sup>st</sup> March 2011**.

## OPERATIONS AND PROSPECTUS:

During the year under **review**, the Gross income from operations amounted to Rs 904.75 lacs as compared to Rs. **321.99** Lacs for the year **2009-2010**. The increase in the turnover has occurred mainly on account of general economic condition, increase in demand for the Company's Products, and good orders from defence and increase in the prices of copper & brass in international markets, which also affected the **Company's** business growth. After Considering the Provision for Depreciation of Rs. 4.83 lacs, and prior period adjustments thereto, the Net loss for the year under review has amounted to Rs. 43.94 lacs against a profit of Rs. **04.16** lacs for the previous year.

REGISTRATION WITH **HON'BLE BIFR**:

As per the audited **accounts** as on **31.03.2001** the Company's net worth had been fully eroded and the Company **filed** a reference with BIFR **u/s** 15 (1) of the Sick Industrial Companies (Special Provisions ) **Act, 1985**. The Company has been registered with BIFR and Union Bank of **India**, has been appointed as the Operating Agency. Under the directions of BIFR the Company has already **filed** its Draft Rehabilitation Scheme (DRS), which is presently pending with Hon'ble BIFR for final approval.

Barring unforeseen circumstances, your Directors are hopeful of improving the performance of the Company during the current year **as the** company is merging with its group company **Mardia** Tubes Limited (MTL) & **Mardia Samyoung** Capillary Tubes Company Limited (MSL).

## PROPOSAL FOR MERGER OF GROUP COMPANIES:

In order to improve the shareholders value and to augment the strength and achieve the synergy among the group companies, which are all registered with BIFR, **the** Board of Directors, subject to approval of the required authorities, have submitted a rehabilitation scheme to BIFR, including the possible turnaround of the group companies together by way of merger and provide liquidity to the stakeholders at large.

PROPOSAL FOR **DELISTING** OF SHARES FROM AHMEDABAD STOCK EXCHANGE:

The Company's shares are listed with Bombay Stock Exchange Limited (BSE) and Ahmedabad Stock Exchange and considering the trading of shares of the Company have taken place always at BSE and for improving the cost cutting measures; it is proposed to apply for delisting the shares of the Company from Ahmedabad Stock Exchange.

**APPOINTMENT / RE - APPOINTMENT OF DIRECTORS:**

The Brief profiles of Directors being appointed at the ensuing Annual General Meeting forms part of notice convening **31<sup>st</sup>** Annual General Meeting.

In accordance with the provisions of the Companies **Act, 1956**, and **Articles** of Association of the Company, Mr. **Virendra** Sinh Devda & Mrs. **Omana Nayak** who retires by rotation, at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Board recommends their re-appointment.

## AUDITORS:

M/s SHYAM C. AGRAWAL & COMPANY, Chartered Accountants, auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956. Accordingly, the Board recommends their re-appointment as Auditors of the Company at the ensuing Annual General Meeting.

## AUDITORS' REPORT:

Notes on Accounts referred to by the Auditors in their Report are self explanatory and therefore do not require any further clarification.

## FIXED DEPOSITS:

The Company has not accepted any deposits during the year within the meaning of Sections 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

## PARTICULARS OF EMPLOYEES:

No employee of the Company draws remuneration exceeding the limits under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Company's (Particulars of Employees) Amendment Rules, 1988.

## DISCLOSURE OF PARTICULARS U/S 217 (1) (e) OF THE COMPANIES ACT, 1956.

The Company has taken adequate steps to conserve energy at all levels. An in-house team comprising of experts, regularly keep a check on all the energy conservation systems applied by the Company at the work place. At regular intervals the reports and findings of this team are discussed by the senior management. The Energy Conservation system of the Company gives emphasis on:

- I Personnel specially trained for this task.
- II Research on use of such components in the equipments and final product which will maximize energy conservation.
- III Proper maintenance of all machinery & other equipment and timely replacement of worn-out components.
- IV Maximum utilization of available resources.

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 the required information relating to conservation of energy, technology absorption and Foreign Exchange earning and outgoing is annexed to the report.

## DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of MARDIA EXTRUSIONS LIMITED, state in respect of Financial Year 2010-11 that:

- a) in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- 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 at the end of the financial year and of the Loss of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis.

## AUDIT COMMITTEE

- a) Pursuant to the provisions of Section 292A of the Company's Act, 1956, the Board has constituted an Audit Committee comprising of four independent Directors, and one executive Director, inter alia for holding discussions with the Auditors periodically, review of quarterly, half yearly and annual financial statements before submission to the Board, review of observations of Auditors and to ensure compliance of internal control systems;
- b) The Audit Committee has also been delegated with authority for investigation and access to full information and external professional advice for discharge of the function delegated to it by the Board;
- c) The Board agrees that the recommendations of the Audit Committee on any matter relating to finance and management including the audit report would be binding On the Board; and
- d) based on the above and the Internal Audit System, the Audit Committee, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.



## CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreements with the Stock Exchanges, Corporate Governance and Management discussion and Analysis Report form part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' certificate confirming **compliance** of the Corporate Governance is attached to the Report on Corporate Governance.

## ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their appreciation of the value, contribution, devotion and sense of commitment extended by the employees of the Company, which inspires confidence to plan for greater accomplishments in the current financial year. Your Directors would also like to place on record its sincere appreciation for the whole hearted support and contributions made by the various Financial Institutions, Banks, Central, State Government and Local **bodies**, Distributors, Suppliers and other business associates towards conduct of efficient operations of your company.

For and on behalf of the Board of Directors

Place: **Mumbai**

Dated: **31<sup>st</sup> August, 2011.**

## ANNEXURE 'A' TO THE DIRECTOR'S REPORT

SURENDRA MARDIA  
Chairman

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

## FORM A

A. Power and Fuel consumption	CURRENT YEAR	PREVIOUS YEAR.
<b>1) Electricity:</b>		
a) Purchased		
Units ( <b>kwh</b> )	0	0
Total Amount Rs.	0	0
Rate per unit Rs.	0	0
b) Own Generation:		
Through Diesel Generator		
Units	0	0
Total Amount	0	0
<b>Rate per unit</b>	0	0

## FORM B

### DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

The Company has not imported any technology during the year.

### RESEARCH AND DEVELOPMENT:

No Research and Development activities have been carried out separately by the Company during the year. However, product cost reduction; quality improvement and automation are ongoing process along with regular production.

### C. FOREIGN EXCHANGE EARNING AND OUTGOING

The Company is presently concentrating on the domestic market. The **Exports** efforts are being laid down to achieve desired exports in the future.

Foreign Exchange Earning : Rs. Nil  
Foreign Exchange Outgoing : Rs. Nil

### CIF Value of import of

Capital Goods : Rs. Nil  
Traveling : Rs. Nil

For and on behalf of the Board of Directors

Place: **Mumbai.**

Date : **31<sup>st</sup> August, 2011.**

SURENDRA MARDIA  
Chairman



**MANAGEMENT DISCUSSIONS AND ANALYSIS**

The management is pleased to present herewith the Management & Analysis Report as per the provisions of Listing agreement entered into with the Stock Exchanges and the Code of Corporate Governance approved by the Securities & Exchange Board of India broadly touching the following aspects:

1. Industry structure and developments.
2. Material Developments during the year
3. Opportunities and Threats.
4. Segment-wise or product wise performance.
5. Outlook - Risks and concerns.
6. Internal control systems and their adequacy.
7. Discussion on financial performance with respect to operational performance.
8. Material developments in Human Resources / Industrial Relations front, including number of people employed.

This management discussion and analysis report might contain certain forward looking statements which represent the management's vision for the future. The actual results may vary depending on various internal and external factors beyond the control of the management. The views mentioned herein are also subject to change as and when required to suit the future management policies and circumstances in the market or economy.

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking Statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. Further the discussions following herein reflects the perceptions on major issues as on date, and the opinions expressed here are subject to change without notice.

The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report, **consequent to** new information, future events or otherwise.

The company has adopted the best and the most sophisticated technology to suit Indian needs. The company as a part of reducing manufacturing **cost** of products as also to strengthen the bottom line, has decided to adopt the policy of becoming **'backbone provider'** to the industry through focusing on various components.

**Industry Structure and Development**

The company's products include Copper, Brass, Stainless Steel and alloys of Copper in form of Bars, Tubes, Wires, Ingots and Profiles. These products have applications in various engineering and electrical industries which manufacturing metal parts and components. Non-Ferrous Metal industries normally manufacture some of the above items and specialize in one of the **items**, however **Mardia Samyoung** Capillary Tubes Company Limited (MSL) produces all the above items and also specializes in irregular shapes and sizes of profiles and sections.

The growth in non-ferrous metal industry is directly related to the growth of industries having engineering and electrical applications like automotive, gas valves, pumps, fans and industrial machinery. High volume segments are catered by domestic manufacturers. MSL primarily caters to Various **Engineering** and Electrical industries in the country.



## Material Developments

During the year 2004-05 **ARCIL** (Asset Reconstruction Company of India Limited) on behalf of **ICICI** the secured creditors had taken the possession of Plant and Machinery and other miscellaneous movable Assets under the Securitisation **Act**, 2002, and had sold these movable assets. The company has now purchased back adequate machinery to continue and improve upon its day to day operations, as seen from the improved performance of the company. The Accounts have been drawn up based on the going **concern**, assumption based on the management perception of the future of the company.

## Opportunities and Threats

As mentioned **above**, the growth of metal industry is linked to the growth of the major engineering and electrical **applications** industry, i.e. the Automobile / Engineering / **Railways**. Demand growth in **Non-Ferrous** Metal industries **will** largely depend on growth of the original equipment manufacturers (OEM) in the automobile industry, engineering & electrical segment and opportunities in the international markets. The demand for MSL's growth will heavily depend on the growth in served industrial Engineering and Electrical industries business both in domestic and international markets.

The growth in demand for Non-Ferrous Metals will depend on the growth of **Industrial** and **infrastructural** activities. Liberalization of industrial policy, **WTO** driven reductions in duty structure, growth in demand in export **markets**, and increasing demand for industrial products may result in an increase in demand for large Non-Ferrous Metals.

## Segment wise performance

The Management reviewed the disclosure requirement of segment wise reporting and is of the view that since the Company manufactures Non-Ferrous Metals and related products which is a single business segment in terms of **AS-17**, a separate disclosure on reporting by business segments is not required.

The geographical segments however, have been determined on the basis of location of major customers of the Company. **During 2006-07, 100% of the Company's** turnover was to customers located in India. However the company is now poised to export some of its products to European countries.

## Outlook - Risks and Concern

**MSL**, being **one** of the leading **manufacturer** and part of **Urge Surendra Mardia** Group, enjoys several advantages which **will** become **increasingly** important in view of a globalizing Indian economy:

- The **possibility** to export to other **countries** represents a good **growth** potential for MSL and **provides** a **possibility** to partially **compensate** variation in demand on the domestic Indian market.
- **With increase in growth of industrial and infrastructural activities** the demand for **non-ferrous** metals is **Body to imp rove**.
- **MSL enjoys the locational advantages** as **Major consumers are located in this region** of the country. It is **centrally located with easy geographical access** to rest of the country.
- **The Company has plans to improve the productivity, efficiency at all levels and mange expenses effectively.**