



**ANNUAL
REPORT
2012-2013**

MARDIA EXTRUSIONS LIMITED

MARDIA EXTRUSIONS LIMITED

33rd ANNUAL REPORT – 2012-2013

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 Sharegistry 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.

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**NOTICE**

NOTICE is hereby given that the **33rd ANNUAL GENERAL MEETING** of the Members of **MARDIA EXTRUSIONS LIMITED** will be held on, Saturday 28th September, 2013, 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 31st March, 2013 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. Ravindra Mardia who retires by rotation and being eligible offershimself for re-appointment.
3. To appoint a Director in place of Mr. Surendra Maradia, who retires by rotation and being eligible offers himself 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: 31st August, 2013

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. Explanatory Statement pursuant to 173 (2) of the Companies Act, 1956, for the business at S. No. 5 is annexed hereto.
3. 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.

4. 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.
5. Register of members and Share Transfer Books of the Company will be closed from Friday the 20th September, 2013 to Friday the 27th September, 2013 (Both days inclusive), to comply with the requirement of the Listing Agreement of the Stock Exchange.
6. 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.
7. 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).
8. The Ministry of Corporate Affairs New Delhi ("MCA") has taken a 'Green Initiative' in the Corporate Governance by permitting paperless compliances by Companies (vide its Circular No. 17/2011 dated April 21, 2011) and clarified that the service of documents/communications including the Notice of calling the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc., can be made through electronic mode instead of sending the physical copy of the document(s).

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: 31st August, 2013

**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 fixed for Saturday, the 28th September, 2013 at 12.30 A. M. at the Registered Office of the Company at J – 55, M. I. D. C, Industrial Area, Tarapur, Boisar - 401 506.

Name of Director	Surendra Maradia	Ravindra Maradia
Date of Birth	11-6-1946	06-09-1954
Date of Appointment	01-12-2005	01-12-2005
Expertise in specific functional areas	He has been in the trade of non-ferrous metal extrusions products for almost 3 decades	He has been in the trade of non-ferrous metal extrusion products for almost 3 decades
Qualifications	Mechanical Engineer	Science Graduate
List of outside Directorships held Excluding Directorship in Private Companies	Mardia Samyoung Capillary Tubes Co. Ltd. Mardia Tubes Ltd	Mardia Samyoung Capillary Tubes Co. Ltd. Mardia Tubes Ltd
Chairman/Member of Committee of the Board of Directors of the Company	Audit Committee Remuneration committee Share Transfer and Investor Grievance Committee	Audit Committee Remuneration committee Share transfer and Investor Grievance Committee
Chairman/Member of Committee of the Board of Directors of other Companies in which he/she is a Director:	Nil	NONE
Audit Committee	No	Yes
Share Transfer and Investor Grievances Committee	No	Yes
Remuneration Committee	Yes	Yes
No. of Equity Shares of the Company held on 31-3-2013	1738340	1137733

DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 33rd Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
OPERATING PROFIT/ (LOSS) (PBIDT)	(23.27)	(17.05)
Interest & Financial Charges	0.00	0.18
PROFIT/ (LOSS) BEFORE DEPRECIATION & TAXATION	(23.27)	(17.23)
Depreciation	3.79	4.27
PROFIT/ (LOSS) BEFORE TAXATION	(27.06)	(21.50)
Provision for Taxation	0.08	0.10
NET PROFIT/ (LOSS) AFTER TAX	(26.98)	(21.40)

DIVIDEND:

In view of company's present financial conditions, and carry forward losses, your Directors do not recommend any dividend for the year ended 31st March 2013.

OPERATIONS AND PROSPECTUS:

During the year under review, the Gross income from operations amounted to Rs 25.95 lacs as compared to Rs. 168.03Lacs for the year 2012-2013. The decrease in the turnover has occurred mainly on account of general economic condition, increase in the prices of raw material copper & brass in international markets, which also affected the Company's business. After Considering the Provision for Depreciation of Rs. 3.79 lacs, and prior period adjustments thereto, the Net loss for the year under review has amounted to Rs. 26.98 lacs.

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 under the process of merging with its group companies MTL and MSL.

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 33rd Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Ravindra Mardia and Mr. Surendra Mardia 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 2012-13 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.

33rd Annual Report 2012-13



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: 31st August, 2013.

SURENDRA MARDIA
Chairman

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

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.
1) Electricity:			
a) Purchased			
Units (kwh)		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
Rate per unit		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 : 31st August, 2013.

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 Extrusions Limited (MEL) 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. MEL primarily caters to Various Engineering and Electrical industries in the country.

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 MEL'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 2011-12, 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

MEL, being one of the leading manufacturer and part of large 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 MEL 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 likely to improve.
- MEL 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 manage expenses effectively.
- MEL unit is well equipped with sophisticated facilities. With continuous up gradation of technology MARDIA has successfully developed several types of Copper based alloys & are geared up for mass production.
- MEL offers prompt services, Professional Managers play a role of active participant in development activities of valued customers. Mardia has successfully reached all customers and sectors of Indian Industry and its products find appreciation in various Industrial like Aeronautics, Automobiles, Agriculture, bearing, Defense and Ordnance, Electrical, General Engineering, LPG/ Industrial Gases, Refrigeration and Air conditioning, Sugar, Thermal power etc.

With this background barring unforeseen circumstances the Company expects to report improved results during the current year.

The main risks are:

- Significant increase in raw material costs will impact production costs and if non-ferrous metal prices cannot be raised, will drastically impact profit margins unless operating costs can be reduced at unprecedented magnitude and speed. MEL needs to remain profitable for domestic sales and globally competitive for exports.
- Quality of inputs with on time delivery remained a significant concern to the company's success in future. To uphold MARDIA Brand equity, MEL needs to ensure that the inputs being used to manufacture its products conform to the exact specification of global standard.
- With growing Indian economy coupled with the reduction in import duties makes India increasingly a target market for many international manufacturers and therefore competitive pressures on the domestic market will continue to grow faster. In fact, imports from neighboring far eastern countries are increasing over the years. This trend is expected to lead to price pressure in domestic market.