



**ANNUAL  
REPORT  
1998-99**

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**MARDIA SAMYOUNG**

**CAPILLARY TUBES COMPANY LIMITED**

**INDO-KOREAN JOINT VENTURE**

**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED**  
**7th Annual Report 1998-99**

**DIRECTORS :** Surendra Mardia Chairman  
 Ravindra Mardia Managing Director  
 Jung Soon Jo  
 Fali Pirojshaw Sarkari (ICICI Nominee upto 11/1/99)

**AUDITORS :** SHYAM C. AGRAWAL & CO.  
 Chartered Accountants  
 3/910-L Navjivan Society  
 Lamington Road,  
 Mumbai - 400 008.

**BANKERS :** Dena Bank  
 Union Bank Of India

**REGISTERED OFFICE :** Mardia House,  
 96, C. P. Tank Road,  
 Mumbai - 400 004.

**WORKS :** 203, Piparia Industrial Area,  
 Silvassa, Dadra & Nagpur Haveli (U.T)



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**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED****NOTICE**

**NOTICE** is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the Members of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** will be held on Monday, 24th May, 1999 at 11.00 a.m. at **Mardia House, 96, C. P. Tank Road, Mumbai - 400 004** to transact the following business.

**ORDINARY BUSINESS:**

1. To consider and adopt the Balance Sheet as at 31st March, 1999 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 offers himself for re-appointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

**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 Share Transfer division at the Registered Office at Mardia House, 96, C.P. Tank Road, Mumbai 400 004, and quote their folio number in all their correspondence.
3. Members are requested to bring their copy of Annual Report at the Meeting and produce attendance slip at the entrance where Annual General Meeting will be held.
4. Register of members and Share Transfer Books of the Company will be closed from Monday, 17th May, 1999 to Monday, the 24th May, 1999. (Both days inclusive)
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.

**Place : Mumbai**  
**Dated : 22.04.1999**

**By the order of the Board of Directors**

**REGISTERED OFFICE :**  
**Mardia House,**  
**96, C.P. Tank Road,**  
**Mumbai 400 004.**

**SURENDRA MARDIA**  
**CHAIRMAN**

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## DIRECTOR'S REPORT

To  
The Members,

Your Directors hereby present the Seventh Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 1999.

## FINANCIAL RESULTS :

(Rs. in lacs.)

	CURRENT YEAR	PREVIOUS YEAR
<b>GROSS TURNOVER</b>	367.80	829.83
Total Expenditure	1036.95	1306.97
<b>PROFIT / (LOSS) PBIDT</b>	(107.25)	(116.26)
Depreciation	70.53	64.74
Interest	483.30	317.42
<b>NET PROFIT / (LOSS) AFTER TAX</b>	(661.08)	(498.42)

## DIVIDEND

In view of loss in the present year, your Directors did not recommend any dividend for the year ended 31st March, 1999.

## OPERATIONS AND PROSPECTUS

During the year under review your Company has achieved a gross turnover of Rs. 367.80 lacs, as against Rs. 829.83 lacs during the previous year. Due to severe marketing constraints the Company could only achieve very low capacity utilisation of its main products. Our foreign collaborators are in difficult financial crisis and due to the failure on the part of our collaborators in fulfilling their buy-back promises, the Company's could not achieve targeted production and sales of its main products. Your Company is also burdened with very high interest charged (more than Rs. 483.30 lacs, during the year under review). However, to compensate for some of the expenses, your Company produced certain items and components with lower value addition.

Your Company has explored the possibilities of exporting its products to countries other than South Korea on regular basis. Such orders are under execution and your Directors are confident of achieving better production and sales of its main products.

The Company's products have been highly appreciated by almost all its customers. However, the actual consumption of our products is very low in India and the Company is trying its best to create consumer awareness.

The reasons for unsatisfactory performance by your company are mainly due to :

- Failure on the part of the Foreign Collaborators to fulfill their buy- back commitments, leading to low capacity utilisation of the Company's main products.
- Heavy interest burden.
- Overall poor market condition resulting in poor sales of our main products.

**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED****REFERENCE TO BIFR**

As per the audited accounts as at 31.3.1999, the company's net worth has been fully eroded and the company would be filing the reference to BIFR under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985 within the mandatory time.

**DIRECTORS**

In accordance with the Provisions of the Companies Act, 1956, and Articles of Association of the Company, Mr. Ravindra Mardia, retires by rotation, at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

**AUDITORS**

M/s SHYAM C. AGRAWAL & COMPANY, Chartered Accountants, auditors of the Company hold 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 said Auditors will be appointed as Auditors of the Company at the ensuing Annual General Meeting.

**AUDITOR'S 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 Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

**PARTICULARS OF EMPLOYEES :**

No employee of the Company is covered 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 details required to be furnished under the provisions of the Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 in relation to conservation of energy and technology absorption and Foreign exchange earning and outgo is given in Form A & B respectively in Annexure 'A' attached hereto.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for the assistance and continued co-operation extended by ICICI, Dena Bank, Union Bank of India, and all other banks and Central, State Governments and local bodies. Your Directors express their appreciation for the value, contribution, devotion and sense of commitment extended by the employees of the Company.

For and on behalf of the Board

Place : Mumbai  
Dated : 22.04.1999

SURENDRA MARDIA  
CHAIRMAN

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## 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

Disclosure of particulars with respect to conservation of energy.

## A. Power and Fuel consumption

		CURRENT YEAR	PREVIOUS YEAR
1) Electricity :			
a) Purchased			
Units (kwh)		171824	296976
Total Amount	Rs.	508556.70	733186.00
Rate per unit	Rs.	2.95	2.47
b) Own Generation :			
Through Diesel Generator			
Units		24560	7000
Total Amount	Rs.	144566.00	58170.00
Rate per Unit	Rs.	5.88	8.31

## FORM B

Disclosure of particulars with respect to technology absorption Research and Development :

## 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 alongwith regular production.

## Technology absorption:

The Company has not imported any technology during the year. However, the technology already imported has been fully absorbed by the Company.

## C. FOREIGN EXCHANGE EARNING AND OUTGO.

Foreign Exchange Earnings	:	Rs. 27.36 lacs (Deemed exports)
Foreign Exchange Outgo	:	Rs. 2.77 lacs
CIF value of import of		
Capital Goods	:	Nil
Traveling Expenses	:	Rs. 2.77 lacs

For and on behalf of the Board

Place : Mumbai  
Dated : 22.04.1999

SURENDRA MARDIA  
CHAIRMAN