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ANNUAL REPORT 2001-2002

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MARDIA SAMYOUNG

CAPILLARY TUBES COMPANY LIMITED

INDO-KOREAN JOINT VENTURE

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MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

10th Annual Report 2001 - 2002

DIRECTORS :	Surendra Mardia	Chairman
	Ravindra Mardia	Managing Director
	Jung Soon Jo	Director
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 & Nagar Haveli (U.T.)	

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MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

NOTICE

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** will be held on Saturday, the 28th September, 2002 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, 2002 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 Shri 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 and to fix their remuneration.

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 Regd. Office at Mardia House. 96, C.P. Tank Road, Mumbai 400 004, and quote their folio number in all their correspondence. Members holding Shares in the dematerialised form are requested to notify the aforesaid changes to their Depository Participant(s).

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. Memers who hold shares in the dematerialised 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 Friday, 20/09/2002, to Friday, the 27/09/2002.(Both days inclusive)

5. Members seeking any information as regards to Accounts are requested to write to the Company atleast ten days in advance so as to enable the Company to keep the information ready.

6. Equity Shares of the Company are available for dematerialisation with the Central Depository Service (India) Ltd., (CDSL).

By order of the Board of Directors

Place : Mumbai
Dated : August 08, 2002

SURENDRA MARDIA
Chairman

Registered Office :
Mardia House.
96, C.P. Tank Road,
Mumbai - 400 004

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DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the TENTH Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

	CURRENT YEAR (Rs.in Lacs)	PREVIOUS YEAR (Rs.in Lacs)
OPERATING PROFIT/LOSS (PBIDT)	**(1091.76)**	**(75.76)**
Interest & Financial Charges	475.67	402.10
POFIT/LOSS BEFORE DEPRECIATION & TAXATION	616.45	**477.86**
Depreciation	70.56	70.56
PROFIT/LOSS BEFORE TAXATION	**545.89**	**548.42**
Provision for Taxation	—	—
NET PROFIT/LOSS AFTER TAX	**545.89**	**548.42**

DIVIDEND

In view of loss in the current year, your Directors do not recommend any dividend for the year ended 31st March, 2002.

OPERATIONS AND PROSPECTUS

During the year under review your Company has achieved a gross turnover of Rs. 1513.92 Lacs as against Rs. 455.64 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 could not achieve targeted production and sales of its main products, Your Company is also burdened with very high interest charges (Rs. 475.67 Lacs During the year under review). However, to compensate for the some of the expenses, your Company produced certain items and components with lower value addition.

Your Company has explored the possibilities of manufacturing other related products and your Directors are confident of achieving better production and sales of its new products.

The Company's products have been highly appreciated by almost all its customers. How ever, 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 :-

A. 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.

B. Heavy interest burden.

C. Overall poor market condition resulting in poor sales of our main Market

REFERENCE TO BIFR

As per the audited accounts as 31.03.1999, the Company's networth has been fully eroded and the Company have filed the reference to BIFR under section 15 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company has been registered with BIFR. ICICI has been appointed as the operating agency. The OA has in turn appointed M/S. Vikas Consultants to conduct complete Techno-Economic Feasibility study, the report of which is submitted to ICICI and their comments on the report are awaited.

DIRECTORS

In accordance with the Provisions of the Companies Act, 1956, and Articles of Association of the Company

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Shri. Ravindra Mardia retires by rotation, at the ensuring Annual General Meeting and being eligible offer 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 Sections 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.

DIRECTOR'S RESPONSIBILITY STATEMENT (DRS)

As per the amended Section 217 (2AA) the Board of Directors Report :-

(i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed :

(ii) That the directors had selected such accounting policies and applied then 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 the period.

(iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguard the assets of the Company and for preventing and detecting fraud and other irregularities.

(iv) That the directors had prepared the annual accounts on a going concern basis.

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

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 outgo is annexed to the report.

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

Place : Mumbai
Dated : August 08, 2002

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)	139579	182655
Total Amount	Rs. 575063	Rs. 709369
Rate per unit	Rs. 4.12	Rs. 3.88
b) Own Generation:		
Through Diesel Generator		
Units	8240	11244
Total Amount	Rs. 68954	Rs. 85263
Rate per unit	Rs. 8.37	Rs. 7.58

FORM B

Disclosure of particulars with respect to technology absorption

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 Earning : Rs. Nil
Foreign Exchange Outgo : Rs. Nil

CIF Value of import of

Capital Goods : Rs. Nil
Travelling Expenses : Rs. Nil

By order of the Board of Directors

Place : Mumbai
Dated : August 08, 2002

SURENDRA MARDIA
Chairman

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CORPORATE GOVERNANCE REPORT
(ANNEXURE TO THE 10TH DIRECTORS REPORTS 2001-2002)

Mardia Samyoung Capillary Tubes Company Limited has been practicing the Principles of good corporate governance over the year, Corporate governance at Mardia Samyoung Capillary Tubes Company Limited. does not mean ensuring the Compliance with regulatory requirements, but also means being responsive to aspiration of Customers and expectations of the Society. At Mardia Samyoung Capillary Tubes Company Limited a customer has never been defined as a purchaser, but has always included every constituents that interacts with Mardia Samyoung Capillary Tubes Company Limited including its Shareholders and other stakeholders. Mardia Samyoung Capillary Tubes Company Limited always strives for excellence in quality of goods and services with the twin objectives of enhancing customer's satisfactions.

The Board of Directors supports the board principles of corporate governance and lays strong emphasis on transparency, accountability and integrity. Given below is the report on corporate governance at Mardia Samyoung Capillary Tubes Company Limited.

Composition of the Board of Directors as on 31/03/2002.

Name of Directors	Executive/ Non Executive Independent	No of other Directorships in Public Ltd. Companies	No. of other Board Committee of which Member/ Chairman
Mr. Surendra Mardia	Chairman	2	Nil
Mr. Ravindra Mardia	Executive	2	Nil
Mr Jung Soon Jo	Non-Executive	2	Nil

Board Meetings:

The Company place before the Board all the relevant and necessary information at their meeting such as production, sales, exports review of products-wise business, any legal proceedings by or against the Company, Share Transfers, DEMAT compliance, Quarterly Financial Results, Shareholders Grievances Committee and such other information.

During the period from 1st April, 2001 to 31st March, 2002, 5 (Five) Board Meetings were held on 1) 12th April, 2001, 2) 20th July, 2001, 3) 28th September, 2001, 4) 22nd October, 2001, 5) 15th January, 2002,
The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was as under :-

Name of Directors	Number of Board Meeting attended during the Period 01/04/2001 to 31/03/2002	Whether Present at the Previous AGM
Mr Surendra Mardia	5	Yes
Mr Ravindra Mardia	5	Yes
Mr Jung Soon Jo	Nil	No

The Last 3 Annual General Meetings of the Company were held as under :

Date	Time	Venue
28/09/2001	11.00 A.M.	Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.
30/09/2000	11.00 A.M.	Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.
24/05/1999	11.00 A.M.	Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.

Whether Special resolutions were put through postal ballot last year, details of voting patterns. The Company has so far not passed any Resolution by Postal Ballot.

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Disclosures

a. Related Party Transaction ;

The Company has not entered into any transaction of a material nature with promoters, The Directors or the management, or relatives, etc that may have any potential conflict with Interests of the Company.

b. Compliances by the Company :

The Company has fairly complied with the requirements of the Stock Exchange and SEBI. During the last year, no penalties or stricture have been imposed on the Company by the Stock Exchange or SEBI on any matter.

Means of Communication :

Full annual report is sent to each shareholders every year at their registered address regularly.

General Shareholders Information :

i. Annual General Meeting :

Date : 28th September, 2002.
Time : 11.00 A. M.
Venue : Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.

ii Financial Calender :

Financial year of the Company is for a period of 12 months
Commencing from 1st April to 31st March.

iii Book Closures :

20th September, 2002 to 27th September, 2002. (Both days inclusive)

iv Dividend Payment Date :

The Board has not recommended any dividend payable by the Company hence not applicable.

v. Listing on Stock Exchange :

1. The Stock Exchange - Mumbai
   Rotunda Building, 1st Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.
2. The Stock Exchange - Ahmedabad
   Kamdhenu Complex, Nr, Polytechnic, Panjara Pole, Ahmedabad- 380 015.

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vi. Registrar and Transfer Agents :

For Shares held in Physical mode :

The Company itself handles transfer of Share in Physical mode in house:
Share Department
Mardia Samyoung Capillary Tubes Company Limited
Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.

All correspondence with regard to Share Transfer, Change of Address etc, are to be addressed to the Company at the above address.

vii. For Shares held in Depository mode :

The Company has engaged the services of the following share transfer agent for connectivity to deal in shares in depository mode :
M/s. Bigshare Services Pvt. Ltd., E/2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri - (E) Mumbai - 400 072. Tel. No. 856 0652/53 Fax No. 852 5207

The members may deposit their shares for dematerialisation to their Depositories.

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