



# **MARDIA SAMYOUNG**

## **CAPILLARY TUBES COMPANY LIMITED**

**INDO-KOREAN JOINT VENTURE**

## MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

### 13th Annual Report 2004 - 2005

<b>DIRECTORS :</b>	Surendra Mardia Ravindra Mardia Jung Soon Jo	Chairman Managing Director Director
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**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 :** J – 55, M. I. D. C, Industrial Area,  
 Tarapur , Boisar - 401 506

**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 **13TH ANNUAL GENERAL MEETING** of the Members of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** will be held on Thursday, the 29th September, 2005 at 10.30 A.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, 2005 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 Investor Service Department 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 to the Meeting and produce the attendance slip at the entrance where the Annual General Meeting will be held. Members, 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 Tuesday, 20/09/2005, to Wednesday, the 28/09/2005. (Both days inclusive)
5. Members seeking any information in 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 dematerialised Form with the Central Depository Service (India) Ltd (CDSL).

**By order of the Board of Directors**

**Place: Mumbai**  
**Dated: August 05, 2005**

**SURENDRA MARDIA**  
**Chairman**

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

13<sup>th</sup> Annual Report 2004 - 2005

## DIRECTOR'S REPORT

To  
The Members,

Your Directors have pleasure in presenting the 13th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2005.

## FINANCIAL RESULTS :

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
OPERATING PROFIT/LOSS (PBIDT)	(69.83)	9.37
Interest & Financial Charges	0.24	646.58
PROFIT/LOSS BEFORE DEPRECIATION & TAXATION	(70.07)	(637.21)
Depreciation	31.90	69.85
PROFIT/LOSS BEFORE TAXATION	(101.97)	(707.06)
Provision for Taxation	nil	nil
NET PROFIT/LOSS AFTER TAX	(101.97)	(707.06)

## DIVIDEND:

In view of loss in the current year, your Directors do not recommend any dividend for the year ended 31st March 2005.

## OPERATIONS AND PROSPECTUS :

During the year under review, your Company has achieved a gross turnover of Rs. 964.17 Lacs as against Rs. 3147.43 Lacs during the previous year. Due to severe marketing constraints the Company could only achieve very low capacity utilization of its main production facility. 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. Also, we are glad to inform you that your company has gone for OTS (One Time Settlement) with the financial institution and has cleared all secured loans of Dena Bank and Union Bank of India. You are aware that your company was registered with BIFR and has been declared as sick. Since BIFR has handed over the case to ICICI; they have appointed ARCIL (Asset Reconstruction Company of India Limited) to recover their dues. As such, ARCIL has taken possession of the Company's movable assets through SARFAESI ACT, (under sub section (2) of Section 13 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002) and has disposed off the movable properties to recover their dues.

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 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 of 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: -

- Failure on the part of the Foreign Collaborators to fulfill their buy-back commitments, leading to low capacity utilization of the Company's main products.
- Heavy interest burden and the (OTS) one time settlement.
- Overall, poor market condition resulting in poor sales of our core product.

## REFERENCE TO BIFR :

As per the Audited Accounts as on 31/03/1999, the Company's net worth has been fully eroded and the Company has filed the reference with B.I.F.R. under section 15 of the Sick Industrial Companies (Special Provision) Act, 1985. The Company has been registered with B. I. F. R. and ICICI has been appointed as the Operating Agency. The OA has in turn appointed M/s. Vikas Consultants to conduct a complete Techno-Economic Feasibility study, the report of which is submitted to ICICI. Accordingly we have filed an appeal against BIFR in the current financial year. Our Appeal No. 88/2004 in AIFR against the BIFR order dated January 27, 2004 in the BIFR case 164/99, AIFR has handed over the case to ARCIL (Assets Reconstruction Company of India Limited) to recover their dues. Accordingly, ARCIL has taken the possession of our factory to recover their dues. They, to recover their dues, have sold all the movable properties.

**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED****DIRECTORS :**

In accordance with the Provisions of the Companies Act, 1956 and the Articles of Association of the Company; Shri. Ravindra Mardia who 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 Sections 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975. All the movable properties have been sold by ARCIL to recover the dues of ICICI term loan along with accumulated interest.

**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 have been followed.
- ii. That the directors had 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 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 safeguarding the assets of the Company and for preventing and detecting frauds 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 expense 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 05, 2005

**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

## 1) Electricity :

## a) Purchased

Units (kwh)

133770

127364

Total Amount

Rs. 432607

Rs. 506839

Rate per unit

Rs. 3.23

Rs. 3.98

## b) Own Generation:

Through Diesel Generator

Units

5600

31256

Total Amount

Rs. 35731

Rs. 191912

Rate per unit

Rs. 6.38

Rs. 6.14

## FORM B

Disclosure of particulars with respect to technology absorption

## Research and Development :

The Company has carried out no Research and Development activities separately during the year. However, product cost reduction, quality improvement and automation are ongoing process along with 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 OUTGOING :

Foreign Exchange Earning : Rs. Nil

Foreign Exchange Outgoing : Rs. Nil

CIF Value of import of

Capital Goods : Rs. Nil

Traveling Expenses : Rs. Nil

For and on behalf of the Board

Place: Mumbai

Date: August 05, 2005

SURENDRA MARDIA

Chairman

**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED**

**CORPORATE GOVERNANCE REPORT**  
(ANNEXURE TO THE 13<sup>th</sup> DIRECTORS' REPORT 2004-2005)

**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 only 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 constituent 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 satisfaction.

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 31/03/2005.

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 placed 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 and such other information.

During the period from 1st April, 2004 to 31st March, 2005, 6 (Six) Board Meetings were held on 1) 26th April, 2004, 2) 04th June, 2004, 3) 29th July, 2004, 4) 05th August, 2004, 5) 28th October, 2004, 6) 28th January 2005. 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 01/04/2004 to 31/03/2005	Whether Present at the Previous AGM
Mr. Surendra Mardia	5	Yes
Mr. Ravindra Mardia	5	Yes
Mr. Jung Soon Jo	Nil	No

**The Last Three (3) Annual General Meeting of the Company were held as under:**

Date	Time	Venue
29/09/2004	10.30 A.M	J - 55, MIDC, Industrial Area, Tarapur, Boisar - 401 506
28/09/2003	10.30 A.M	Mardia House, 96, C. P. Tank Road, Mumbai-400 004.
28/09/2002	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.

**13<sup>th</sup> Annual Report 2004 - 2005****Disclosures :****a. Related Party Transaction :**

The Company has not entered into any transaction of a material nature with the 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 strictures have been imposed on the Company by the Stock Exchanges or SEBI on any matter.

**Means of Communication :**

Full Annual Report is sent to each shareholder every year at his or her registered address regularly.

**General Shareholders Information :****i. Annual General Meeting :**

Date : 29th September 2005.

Time : 10.30 A. M.

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

**ii. Financial Calendar :**

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

**iii. Book Closures :**

20th September 2005 to 28th September 2005. (Both days inclusive)

**iv. Dividend Payment Date :**

The Board has not recommended 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, Near Polytechnic, Panjara Pole, Ahmedabad- 380 015.

**vi. Registrar and Transfer Agents**

The Company has engaged the services of the following share transfer agent

**M/s. Bigshare Services Pvt. Ltd.,** E/2, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri - (E) Mumbai 400 072. Tel. No. 2847 0652 / 28973474 Fax No. 2847 5207.

**Investor Service 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, Saki Vihar Road, Saki Naka, Andheri - (E) Mumbai 400 072. Tel. No. 2847 0652 / 28973474 Fax No. 2847 5207.

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