

**BARODA EXTRUSION LIMITED.**  
**2 0<sup>th</sup> A N N U A L R E P O R T**  
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<b>BOARD OF DIRECTORS</b>	:	Mr. Parasmal B. Kanugo Ms. Rina G. Patel Mr. Chandrakant Khushaldas Mr. Kesrichand Shah
<b>AUDITORS</b>		Parikh Shah Chotalia & Associates Chartered Accountants, Vadodara.
<b>BANKERS</b>	:	The South Indian Bank Ltd. Bank of India HDFC BANK LTD.
<b>REGISTERED OFFICE</b>	:	Survey No. 65-66, Village Garadiya, Jarod-Samalaya Road, Taluka Savli, Dist: Vadodara.- 391520
<b>CORPORATE OFFICE</b>	:	102, Pawan Flats, 7, Anandnagar Society, Productivity Road, Vadodara - 390 005.

## **NOTICE FOR TWENTIETH ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Twentieth Annual General Meeting of the Members of BARODA EXTRUSION LIMITED will be held on Wednesday, the 22nd day of July, 2011 at 11.00 a.m. at the Registered Office of the Company situated at Survey No. 65-66, Village Garadiya, Jarod -Samalaya Road, Taluka Savli, Dist. Vadodara, Gujarat to transact the following business.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account of the Company for the year ended on that date and the report of the Directors' and Auditors' thereon.
2. To Appoint a Director in place of Ms. Rina Patel who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

4. **To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 94(1)(a) of the Companies Act, 1956 and subject to applicable provisions, if any, the Authorised Share Capital of the Company be increased from Rs. 8,50,00,000/- divided into 85,00,000 equity shares of Rs. 10/- each to Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each and that Clause V of the Memorandum of Association of the Company be altered accordingly to read as under:

Clause V of Memorandum of Association

"V. The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 150,00,000 (One Crore Fifty Five Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each."

5. **To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, and 311 read with Schedule XIII as amended and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of Central Government, approval of the Company be and is hereby accorded for revision of remuneration of Mr. Parasmal Kanugo as the Managing Director of the Company from 01.08.2011 to 31.07.2013 (being remaining tenure of holding office as Managing Director) on the terms and conditions including expressly the remuneration, commission and perquisites payable to him as the Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profit in any year, as set out in the draft Agreement to be entered into between the Company and the said Mr. Parasmal Kanugo, as produced at this meeting and initialed by any one director for the purpose of identification".

"RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation in the provisions relating to the payment of remuneration to the managerial persons or to Schedule XIII to the Companies Act' 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration including salary, commission, perquisites etc. within such prescribed limits.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to this resolution."

**6. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Mr. Alpesh Kanugo, relative of Mr. Parasmal Kanugo, Managing Director, as Chief Finance Officer (CFO) and to continue to hold an office or place of profit as Chief Finance Officer (CFO) of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 1,50,000/-, inclusive of all perquisites and allowances."

**7. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Ms. Meera Kanugo, relative of Mr. Parasmal Kanugo, Managing Director, as Manager- Business Development and to continue to hold an office or place of profit as Manager- Business Development of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 1,20,000/-, inclusive of all perquisites and allowances."

**8. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:**

"RESOLVED THAT pursuant to the provisions of section 314 (1), 314 (1B) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to make appointment of Ms. Sharmila Shah, relative of Mr. Parasmal Kanugo, Managing Director, as Manager- Human Resources and to continue to hold an office or place of profit as Manager- Human Resources of the Company, for a period of three years commencing from 01.08.2011 with a monthly remuneration of Rs. 30,000/-, inclusive of all perquisites and allowances."

**9. To consider and, if thought fit, to pass, with or without modification, the following Resolution as Special Resolution:**

"RESOLVED THAT in accordance with the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the existing Regulations for Preferential Issue contained in Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (hereinafter referred to as "the Regulations") and other applicable guidelines / regulations issued by the Securities and Exchange Board of India ("SEBI") and subject to all necessary approvals, consents, permissions and /or sanctions of the Government of India and any other statutory or regulatory authorities and other applicable laws, and the provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and subject to such terms and conditions as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee constituted for the time being, thereof) and subject to such terms, conditions and modifications as the Board may in its discretion impose or agree to, the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to offer, issue and allot on a preferential basis upto 67,50,000 Equity Shares of the face value Rs.10/- each for cash at a price of Rs.12.50 per share (including a premium of Rs. 2.50 per share) aggregating to Rs.8,43,75,000/- (Rupees Eight Crores Forty Three Lac Seventy Five Thousand only), being the price, which is in accordance with the ICDR Regulations, 2009.

RESOLVED FURTHER THAT the Equity Shares shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend;

RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued;

RESOLVED FURTHER THAT the Board/any Committee thereof be authorized to determine, vary, modify or alter any of the terms and conditions of the issue and allotment of the Equity Shares, including reduction of the size of the issue, as it may deem expedient;

RESOLVED FURTHER THAT the Relevant Date for the preferential issue, in relation to the aforesaid Equity Shares, for the purpose of determining the issue price under the Guidelines is June 22, 2011;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all such actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient including in relation to the issue or allotment of aforesaid securities and listing thereof with the Stock Exchanges as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of the said securities, utilization of the issue proceeds, sign all documents and undertakings as may be required and generally to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED LASTLY THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the company to give effect to this resolution.”

NOTES:

1. ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME AT, WHICH THE MEETING IS, SCHEDULED TO BE HELD. THE PROXY FORM IS ATTACHED HEREWITH.
2. The Register of Members and Share Transfer Books shall remain closed from, the 17th July 2011 to 22nd July 2011 (both days inclusive)
3. Details of Director Viz. Ms. Rina Patel being Director to be reappointed at the ensuing Annual General Meeting is given the Corporate Governance Report and also given herein below.
4. The Company's share is listed on Vadodara and Mumbai Stock Exchanges.
  1. Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001.
  2. The Vadodara Stock Exchange Association Ltd. Fortune Tower, Sayajigunj, Vadodara.

5. Details pursuant to listing agreement regarding Directors to be appointed are as under.  
**Ms. Rina**  
**She is a member of Remuneration Committee, Audit Committee and Investor Grievance Committee.**
6. The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956, is annexed.
7. M/s Parikh Shah Chotalia and Associates, Chartered Accountants, the Statutory Auditors of the Company, have certified that the said preferential issue is in accordance with the requirements contained in the Guidelines and the said Certificate will be placed before the Extraordinary General Meeting. The Memorandum & Articles of Association of the Company, Auditors' Certificate and other documents referred to in the proposed resolution and in the Explanatory Statement are open for inspection at the Registered Office of the Company on any working day except Public Holidays, Saturdays and Sundays between 3.00 p.m. and 5.00 p.m. upto the date of the Annual General Meeting and will also be placed before the Annual General Meeting.
8. Members are requested to notify change in address, if any, in case of shares held in Electronic form to the concerned Depository Participant quoting their ID. No. and in case of physical shares, to the Share Transfer Agents quoting their Folio Numbers.
9. Members / Proxy holders are requested to produce at the entrance, the attached admission slip for admission into the meeting hall. Duplicate admission slips will not be provided at the hall.

For Baroda Extrusions Ltd.,



Chairman & Managing Director

Registered Office:  
Survey No. 65-66,  
Village Garadiya, Jarod-Samalaya Road,  
Taluka Savli, Dist: Vadodara.

Date: 22.06.2011

General Information:

1) Nature of Industry	:	Copper Extrusion
2) Date of Commencement of Commercial Production	:	13/08/1991
3) Financial Performance for the Financial Year ended 31.03.2011	:	Total Income :Rs. 9059 lacs Profit Before Tax & Provisions: : Rs.140/- lacs Profit After Tax : Rs. 80/- lacs Debt Equity Ratio: : 11.51 % Current Ratio: : 1.13 % Net Worth: Rs. : 431 /- Lacs
4) Export Performance	:	For the year ended on 31.03.2011, the Company has achieved export turnover FOB value of Rs. 815 Lacs
5) Foreign Investment or Collaboration	:	The Company does not have any Foreign Investment or collaboration.

Information about the Appointee:

Background Details:

Mr. Parasmal Kanugo has been associated with the Company as one of the Promoter Directors since its incorporation. He possesses more than 24 years of experience in the various areas of business including production, finance and marketing. Mr. Parasmal Kanugo has been reappointed as Managing Director from 01.08.2010 to 31.07.2013 at monthly remuneration of Rs. 75000/-.

Reorganization of Awards: The Company has obtained ISO 9001 certification.

Job Profile and Suitability:

Mr. Parasmal Kanugo as Managing Director, is responsible for the day to day management of the Company and assisted by Senior Executives. They are working under the Superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company.

Other Information:

Reason for inadequacy of profits, steps taken for improvement and expected increased in productivity:

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

**Item No. 4**

The Authorised Share Capital of the Company presently stands at Rs. 8,50,00,000/- divided into 85,00,000 equity shares of Rs. 10/- each.

For funding business operations and other purposes, the Board has proposed to issue additional shares to promoters/ friends & others. Keeping this in mind, your Board has suggested to increase the Authorised Capital from Rs. 8,50,00,000/- to Rs. 15,00,00,000/- by creation of 65,00,000 Equity Shares of Rs. 10/- each. The new Equity Shares created shall rank pari passu in all respects with existing shares.

The proposed increase of the Authorised Share Capital of the Company requires the approval of the members in general meeting. Consequent upon the increase in Authorised Capital of the Company, its Memorandum of Association will require alteration so as to reflect the increase in share capital. Hence approval of shareholders is being sought.

The Board recommends that the resolution be passed. None of the Directors are interested in the resolution.

**Item no. 5**

The members of the Company approved the appointment of Mr. Parasmal Kanugo as Managing Director at previous Annual General Meeting of the Company held on 30.09.2011 in pursuance of to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956.

Shri Parasmal Kanugo has been shouldering the responsibility of Managing Director since inception and with his zeal and hard working, put the Company on a path of success. Apart from looking after and monitoring day to day affairs, he has been playing pivotal role in timely execution of huge contracts undertaken by the Company during the previous year. Considering his untiring efforts in the operations vice versa the remuneration presently drawn by him, it was thought fit by the Board and Remuneration Committee to revise remuneration payable to him as Managing Director for remaining tenure of appointment (i.e. from 01.08.2011 to 31.07.2013)

Accordingly, the Board of Directors at its meeting held on **22.06.2011**, and upon the recommendations of Remuneration Committee, has proposed revision in remuneration payable to Mr. Parasmal Kanugo as Managing Director of the Company for remaining period of his tenure as Managing Director (i.e. from 01.08.2011 to 31.07.2013). The Agreement recording the revised remuneration will be executed with Mr. Parasmal Kanugo subject to necessary approval of the shareholders being sought herein. Further the Agreement recording the terms and conditions of appointment will be executed, subject to necessary approval of the shareholders being sought herein. In terms of provisions contained in section II—Part II (B) of Schedule XIII of the Companies Act, 1956, the relevant details regarding the performance of the Company and of the appointee are furnished hereunder:

The main reasons for inadequacy of profits are higher cost towards increasing raw material prices & depleted margins due to intensified global competition. Effective steps are taken to improve the performance of the Company by reducing cost of production and by strengthening existing manufacturing facilities. This would help the Company to achieve better economies of scale, larger volume and improved profitability.

#### Remuneration Proposed

(a) By way of Salary, perquisites and Allowance, aggregating to 2,00,000/- p.m. or Rs. 24,00,000/- p.a. with such break-up and inclusive of salary, perquisites and allowances as may be agreed between the Chairman & Managing Director and the Company.

Provided that the Board or any Committee thereof, be and is hereby authorized in its absolute discretion and from time to time, to fix within the limits prescribed under Schedule XIII [Section II.--Part II (B)] of the Companies Act, 1956, the remuneration payable to Mr. Parasmal Kanugo.

(b) In addition to above mentioned remuneration, the Managing Director shall be entitled to the following perquisites and allowances, which shall not be included in computation of said ceiling limit for the remuneration:

(b.1) Company's contribution to provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together are not taxable under the Income-Tax Act, 1961.

(b.2) Gratuity payable as per the rules of the Company.

(b.3) Leave encashment at the end of the tenure.

(b.4) The provision for use of Company's car with driver for official use. However, use of car for private purposes shall be borne by Mr. Parasmal Kanugo.

(b.5) Company's telephone at his residence (including local and long distance official calls). However, personal long distance calls on telephone provided by the Company and use of car for private purposes shall be borne by Mr. Parasmal Kanugo.

(b.6) Reimbursement of all reasonable expenses including entertainment expenses incurred bonafide in connection with business of the Company.

The proposed remuneration is comparable with practice followed by similar industries considering size of the Company and the designation.

#### Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year, during the currency of tenure of Mr. Parasmal Kanugo, if the Company has no profits or its profits are in-adequate, the Company will pay the minimum remuneration by way of salary, perquisites and allowances, as specified above, which shall be governed by the limits prescribed under Schedule XIII [Section II.--Part II (B)] of the Companies Act, 1956 and any amendments thereto.

Mr. Parasmal Kanugo himself is deemed to be considered as interested directors.

The particulars set above may be treated as an abstract of the terms of revision of remuneration of Mr. Parasmal Kanugo as Managing Director of the Company as required to be given under the provisions of section 302(2) of the Companies Act, 1956.

The Board of Directors feels that aforesaid revision of remuneration of Mr. Parasmal Kanugo as Managing Director is in the interest of the Company and therefore, recommends the resolution set out at item no. 5 of this notice.

**Item No. 6,7 & 8**

Mr. Alpesh Kanugo is a graduate in commerce and has been serving the Company and looking to his distinctive contribution towards the company, it has been proposed to make his appointment as Chief Finance Office at a monthly remuneration of Rs. 1,50,000/- inclusive of all perquisites and allowances.

Ms. Meera Kanugo is a graduate and looking after development of business of the Company. The Board is of the opinion that her expertise knowledge would benefit the Company and he would be an instrumental for the growth of the Company. In view of the same, the Board has proposed to appoint her as Manager- Business Development with monthly remuneration of Rs. 1,20,000/- inclusive of all perquisites and allowances.

Ms. Sharmila Shah looks after human resources of the Company. The Board is of the opinion that her expertise knowledge would benefit the Company and she would be an instrumental for the growth of the Company. In view of the same, the Board has proposed to appoint her as Manager- Human Resource with monthly remuneration of Rs. 30,000/- inclusive of all perquisites and allowances.

In view of applicability of the provisions of section 314 of the Companies Act, 1956 the resolution is required to be passed as Special Resolution and Mr. Parasmal Kanugo, Managing Director is interested in this resolution.

The proposed remuneration has been recommended by the Remuneration Committee of the Board of Directors of the Company.

**Item No.9:**

The following disclosure for the preferential issue of Equity Shares is made in accordance with the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

**(i) OBJECTS OF THE ISSUE:**

In order to generate long term resources for implementing future growth plans, it is proposed to issue equity shares on a preferential allotment basis. The proceeds of the proposed preferential allotment of Equity Shares will strengthen the financial position of the Company.

(ii) INTENTION OF THE PROMOTERS / DIRECTORS / KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:

The present promoters of the Company, Mr. Alpesh Kanugo will subscribe to this preferential allotment of Equity Shares. Moreover, the associates of present promoters, Ms. Meera Kanugo, Alpesh Kanugo HUF, Parasmal Kanugo HUF and Giri Prime Housing and Properties Pvt. Ltd. will also subscribe to this preferential allotment of Equity Shares, who, post preferential, will be considered under Promoter category.

(iii) CHANGE IN CONTROL:

There is no change in the management of the Company pursuant to the issue of Equity Shares on Preferential Allotment Basis.

(iv) SHAREHOLDING PATTERN OF THE COMPANY BEFORE AND AFTER THE PROPOSED ISSUE OF EQUITY SHARES:

	Pre-issue holding		Post-issue holding	
	Shares	%	Shares	%
Promoter Group (including associates)	52,25,990	63.35	95,02,500	63.35
Others - public	30,24,010	36.65	54,97,500	36.65
Total	82,50,000	100	1,50,00,000	100

(iv) Proposed time within which allotment will be completed.  
The Equity Shares shall be allotted within 15 days from the date of Extra-ordinary General Meeting, provided the time for allotment shall be extended by the time taken for obtaining approval for such allotment by any regulatory authority or the Central Government.

(v) Identity of the proposed allottees and the percentage of post preferential issued capital that may be held by them

Name of the Allottee	Category	No. of Shares allotted	% holding post preferential issue
Kamlaben P. Doshi	Non-Promoter	400,000	2.67
Bhavna C. Doshi	Non-Promoter	400,000	2.67
Kavita R. Doshi	Non-Promoter	400,000	2.67
Roshani Bhaumik Vohra	Non-Promoter	60,000	0.40
Bharat Jayantilal Vohra	Non-Promoter	60,000	0.40
Kailashchandra Totla	Non-Promoter	400,000	2.67
Anil Singhi	Non-Promoter	200,000	1.33
Mrs. Sapna A. Singhi	Non-Promoter	193,490	1.29
Satyanarayan S. Shah	Non-Promoter	40,000	0.27
Kamla S. Shah	Non-Promoter	40,000	0.27
Keyur Shah	Non-Promoter	40,000	0.27
Jitendra Subhashchandra	Non-Promoter	60,000	0.40
Sunita Jitendra Kothari	Non-Promoter	60,000	0.40
Vishnuben Prahlad Jethaliya	Non-Promoter	60,000	0.40
Sanjay B. Hundia (HUF)	Non-Promoter	60,000	0.40
Alpesh Kanugo	Promoter	240,000	1.60
Alpesh Kanugo (HUF)	Promoter	240,000	1.60
Meera Kanugo	Promoter	240,000	7.67
Parasmal Kanugo (HUF)	Promoter	240,000	1.60
Giri Prime Housing and Properties	Promoter	3,316,510	22.11
Total		6,750,000	

The Equity Shares allotted to promoters will be subject to lock-in as per SEBI Regulations. The approval of the shareholders is being sought for issue of Equity Shares, to the Promoters, on a preferential basis pursuant to the provisions of Section 81(1A) of the Companies Act, 1956 and other applicable provisions.

Pricing of Preferential Issue:

The above Equity Shares will be issued and allotted at a price not less than the higher of the following in terms of the Regulations :-

a. The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date; or

b. The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during the two weeks preceding the relevant date;

The price per share calculated in accordance with the Guidelines works out to Rs. 12.24 and the allotment will be made at Rs.12.50 per share.

Explanation:

[i] Relevant date for the purpose of this clause means the date thirty days prior to the date on which the meeting of general body of shareholders is held in terms of Section 81 [1A] of the Companies Act, 1956 (including any amendment to or re-enactment thereof) to consider the proposed issue, which relevant date, in the present case, is June 22, 2011.

[ii] Stock Exchange for the purpose of this clause means any of the recognized stock exchanges in which the shares are listed and in which the highest trading volume in respect of shares of the company has been recorded during the preceding six months prior to the relevant date, in the present case being the Bombay Stock Exchange Limited.

Section 81 of the Companies Act, 1956 provides, inter alia, that whenever it is proposed to issue further shares, such shares shall be offered to the existing shareholders of the Company in the manner laid down in the said Section, unless shareholders decide otherwise in the general meeting by way of a Special Resolution.

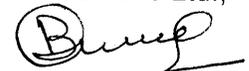
The Guidelines require that when a listed company proposes to make a preferential allotment of equity shares, the notice of the meeting, including the explanatory statement, must make the disclosures mentioned above.

Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Chapter VII Regulation and in terms of the provisions of the Listing Agreement to issue and allot Equity Shares as stated in the Special Resolution.

All the directors of the Company may be deemed to be interested in this resolution to the extent securities that may be allotted to them or any of the associate companies of promoters of which they may be directors/members. Save as aforesaid none of the directors is in any way interested in this resolution

Your Directors commend the above resolution for approval by the shareholders.

By Order of the Board of Directors  
For Baroda Extrusions Ltd.,



Chairman & Managing Director

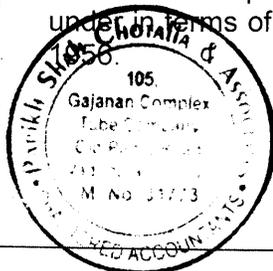
Registered Office:  
Survey No. 65-66,  
Village Garadiya, Jarod-Samalaya Road,  
Taluka Savli, Dist: Vadodara.

Date: 22.06.2011

**AUDITORS' REPORT**

**TO**  
**THE MEMBERS OF**  
**BARODA EXTRUSION LIMITED**

1. We have audited the attached Balance Sheet of BARODA EXTRUSION LIMITED as at 31<sup>st</sup> March 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and also the information and explanation given to us in the normal course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report generally comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956 to the extent applicable.
  - e. On the basis of written representation received from the Directors as on 31<sup>st</sup> March 2011 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31<sup>st</sup> March 2011 from being appointed as a director under the terms of clause (g) of sub-section (1) of Section 274 of the Companies Act,

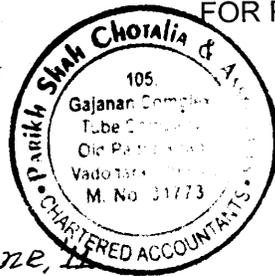


**Offices :**

Subject to the forgoing, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

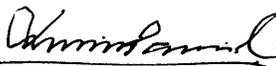
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011,
- (b) In the case of the Profit and Loss Account, of the profit for the year ended on that date and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: VADODARA



FOR PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. 118493W)

Date: 22nd June, 2011

  
(VIJAY M. PARIKH)  
Partner  
Membership No 031773

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our Report of even date to the Members of Baroda Extrusion Ltd on the financial statement for the year ended 31<sup>st</sup> March 2011)

1

- a) The Company has generally maintained records showing broadly the particulars of its fixed assets. The fixed asset register is in the process of being updated.
- b) *The management during the year has not physically verified the fixed assets.* Under the circumstances discrepancies, if any, in the fixed assets have not been ascertained.
- c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.

2

- a) As explained to us the inventories have been physically verified by the management at the year end. *In our opinion, the frequency of such verification should be undertaken at reasonable intervals*
- b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.

3

In respect of the loans, secured or unsecured, granted or taken by the Company to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act 1956 ;

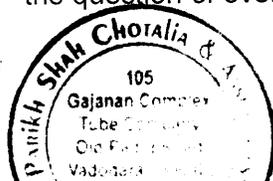
- a) The Company has given short term loans to parties covered under Section 301 of the Companies Act 1956. In respect of the said loans, the maximum outstanding at any time during the year was Rs 1,00,85,120/- and the year end balance is Rs NIL.

The Company has taken loans from parties covered under Section 301 of the Companies Act 1956. In respect of the said loans, the maximum outstanding at any time during the year was Rs 44,00,000/- and the year end balance is Rs 28,00,000/-.

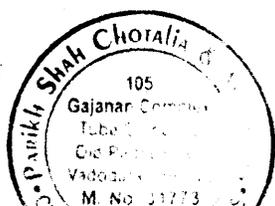
b) In our opinion and according to the information and explanations given to us, the terms and conditions of the short term loans given by the Company, are not prima facie prejudicial to the interest of the Company.

c) The principal amounts are repayable on demand and there is no repayment schedule.

d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amounts does not arise.



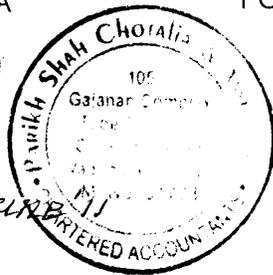
- 4 In our opinion and according to the information and explanations given to us, the existing internal control procedures are inadequate and not commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of the goods and services. *In view of this, we are unable to express our opinion with regard to existence of any major weakness in the internal control procedures.*
- 5 According to the information and explanation given to us, the particulars of the contracts or arrangement referred to in Section 301 of the Companies Act 1956 have been entered in to the register required to be maintained under that section. We are also informed that the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rs 5.00.000/ have been made at prices which are reasonable having regard to prevailing market price at the relevant time.
- 6 The company has not complied with the provisions of Sections 58A of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules 1975.
- 7 The Company has appointed a firm of Chartered Accountant for internal audit of books of accounts and other related areas of the Company during the year under review.
- 8 We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.
- 9 In respect of statutory dues;
- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, VAT, Service Tax, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities except Income Tax.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for more than six months from the date they became payable except *Income Tax ( Self Assessment Tax ) for the assessment year 2009-10 amounting to Rs 38.35 Lacs.*
- 10 As per the accounts verified by us the accumulated losses of the Company at the end of the year has exceeded 50% of its net worth. The Company has not incurred any cash loss during the financial year covered by the audit and also the immediately preceding financial year.
- 11 In our opinion and according to the information and explanation given to us the Company has not defaulted in repayment of dues to financial institutions and Banks as at Balance Sheet date.
- 12 In our opinion and according to the explanations given to us and based on the information available, the Company has not granted any loans or advances on the basis of security by way of pledge of shares and other securities.



- 13 In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 14 In our opinion, the Company is not in the business of dealing in or trading in shares / securities / debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- 15 As informed to us the Company has not given any guarantees or loans taken by others from Banks or financial institutions during the year.
- 16 The Company has not obtained any term loans from any bank or financial institutions during the year under review.
- 17 According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18 The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The company has not issued any debenture during the year.
- 20 The company has not raised any money by way of public issue during the year.
- 21 According to information and explanation given to us, no material fraud by the Company and no material fraud on or by the Company has been noticed or reported during the year.

Place: VADODARA

Date: 22nd June 11

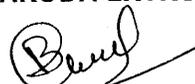
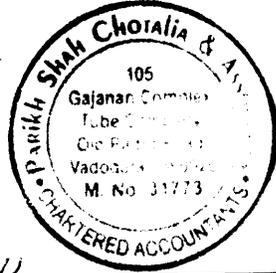


FOR PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. 118493W)

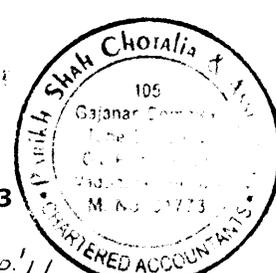
(VIJAY M. PARIKH)  
Partner

Membership No 031773

## BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	AS AT 31-3-2011 Rupees	AS AT 31-3-2010 Rupees
<b>I. SOURCES OF FUNDS:</b>			
<b>1 Share holders' Funds :</b>			
Share Capital	A	81,697,500	81,697,500
Reserves and Surplus	B	2,500,000	2,500,000
<b>SUB TOTAL</b>		84,197,500	84,197,500
<b>2 Loan Funds :</b>			
Secured Loans	C	299,707,502	198,363,882
Unsecured Loans	D	37,957,022	24,832,540
<b>SUB TOTAL</b>		337,664,524	223,196,422
<b>3 Deferred Tax Liability</b>		766,410	453,560
<b>TOTAL</b>		<b>422,628,434</b>	<b>307,847,482</b>
<b>II. APPLICATION OF FUNDS:</b>			
<b>4 Fixed Assets</b>			
Gross Block	E	58,320,913	51,152,581
Less Depreciation		37,244,451	34,460,871
Net Block		21,076,462	16,691,710
Capital Work In Progress		309,230	309,230
<b>5 Current Assets, Loans and Advances</b>			
Inventories	F	96,105,351	56,200,652
Sundry Debtors	G	328,579,538	212,754,625
Cash & Bank Balances	H	28,057,303	2,650,647
Loans and Advances	I	65,520,362	58,578,665
<b>SUB TOTAL</b>		518,262,554	330,184,589
<b>Less : Current Liabilities &amp; Provisions:</b>			
Current Liabilities	J	147,373,194	78,493,557
Provisions		10,775,365	9,925,145
<b>Net Current Assets</b>		360,113,995	241,765,887
<b>6 Profit &amp; Loss Account</b>		41,128,746	49,080,655
<b>TOTAL</b>		<b>422,628,434</b>	<b>307,847,482</b>
<b>Significant Accounting Policies AND Notes on Accounts</b>			
As per our report of even date attached			
<b>For Parikh Shah Chotalia &amp; Associates</b> <b>'Chartered Accountants</b> <b>( FRN 118493W )</b>  <b>( VIJAY M. PARIKH )</b> <b>PARTNER</b> <b>Membership No 031773</b> <b>PLACE: VADODARA</b> <b>DATED: 22nd Jun 11</b>		<b>For and on behalf of the Board</b> <b>BARODA EXTRUSION LTD</b>  <b>P. B. Kanugo</b> <b>Managing Director</b> <b>PLACE: VADODARA</b> <b>DATED:</b>	
		 <b>Rina G. Patel</b> <b>Director</b>	

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	Year Ended 31-3-2011 Rupees	Year Ended 31-3-2010 Rupees
<b>INCOME :</b>			
Turnover			
Manufactured Goods		904,500,300	497,793,411
Traded Goods		75,152,541	163,231,482
Job Work Income		5,014,259	3,420,234
Less ; Excise duty recovered		90,209,857	43,239,102
Net Turnover		894,457,243	621,206,025
Other Income	K	11,524,552	1,811,908
Variation in Stocks	L	45,241,544	14,381,749
<b>TOTAL</b>		<b>951,223,339</b>	<b>637,399,682</b>
<b>EXPENDITURE :</b>			
Raw Material Consumption	M	796,713,402	409,857,942
Manufacturing Expenses	N	21,946,495	18,244,283
Cost of Goods Sold	O	66,107,598	160,834,399
Employee Remuneration and Benefits	P	6,229,491	6,411,203
Administrative and Selling Expenses	Q	7,526,036	7,154,964
Interest and Finance Charges	R	35,965,978	20,579,383
Depreciation		2,783,580	2,465,284
<b>Total Expenditure....</b>		<b>937,272,580</b>	<b>625,547,458</b>
<b>Profit before Tax</b>		13,950,759	11,852,224
Provision for Current Tax			
Income Tax		5,666,000	4,627,000
Wealth Tax		20,000	
Provision for Deferred Tax		312,850	453,560
<b>Profit after Tax</b>		7,951,909	6,771,664
Balance of Loss Brought Forward		49,080,655	55,852,319
<b>Balance of loss Carried to Balance Sheet</b>		<b>41,128,746</b>	<b>49,080,655</b>
<b>Basic and Diluted Earnings per Share of face value of Rs. 10/- each</b>		Rs. 0.98	Rs. 0.84
<b>Significant Accounting Policies AND Notes on Accounts</b>	S		
As per our report of even date attached			
For Parikh Shah Chotalia & Associates Chartered Accountants ( FRN 118493W )		For and on behalf of the Board BARODA EXTRUSION LTD	
 (VIJAY M. PARIKH) PARTNER Membership No 031773 PLACE: VADODARA DATED: 22nd June '11		 P. B. Kanugo Managing Director	 Rina G. Patel Director
		PLACE: VADODARA DATED:	

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE - A  
SHARE CAPITAL**

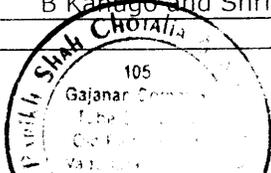
<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
<b>Authorised :</b> 85,00,000 Equity Shares of Rs. 10/- each (85,00,000 Equity Shares of Rs. 10/- each)	<b>85,000,000</b>	<b>85,000,000</b>
<b>Issued, Subscribed and Paid up :</b> 82,50,000 Equity Shares of Rs 10/ each fully paid up (82,50,000) Less : Calls in Arrears - by others	82,500,000 802,500	82,500,000 802,500
<b>TOTAL RS...</b>	<b>81,697,500</b>	<b>81,697,500</b>

**SCHEDULE - B  
RESERVES AND SURPLUS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
State Subsidy As per last Balance Sheet	2,500,000	2,500,000
<b>TOTAL RS...</b>	<b>2,500,000</b>	<b>2,500,000</b>

**SCHEDULE - C  
SECURED LOANS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
<b>WORKING CAPITAL LOANS</b> ( Factoring of Receivables )  From SICOM Limited  The above Loans are secured by way of first charge on the immovable properties as under  Company"s office premises situated at 102 Pavan Flats, Anand Nagar Society, Productivity Road, Vadodara  Non Agricultural Land bearing Account No 810, Block No. 522 situated at Village Chansad, Dist Vadodara  Land bearing Survey No. 287/2,291/2,288,287/1, 286/2, 397/2, admeasuring 891573.600 Sq. Ft. situated at Mouje Dungarpura Sim, Tal Savli, Dist Vadodara  The above loans are also further secured by way of Personal Guarantees of Shri Parasmal B Kanugo and Shri Alpesh P Kanugo	299,707,502	198,363,882
<b>TOTAL RS...</b>	<b>299,707,502</b>	<b>198,363,882</b>



**SCHEDULE - D  
UNSECURED LOANS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
Short Term Loans		
From Banks	10,483,832	-
From others	9,267,650	-
Other Loans and Advances		
From Banks		17,655,540
From others	17,705,540	7,177,000
From Directors	500,000	
<b>TOTAL RS...</b>	<b>37,957,022</b>	<b>24,832,540</b>

**SCHEDULE - F  
INVENTORIES**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
As per Inventories taken, valued and certified by the Management		
Raw Materials	28,108,878	21899800
Trading Material	-	11,545,923
Semi Finished Goods	65,045,839	19413275
Finished Goods	2,950,634	3341654
<b>TOTAL RS...</b>	<b>96,105,351</b>	<b>56,200,652</b>

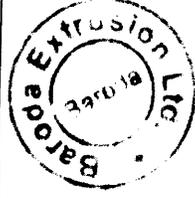
**SCHEDULE - G  
SUNDRY DEBTORS (Unsecured and Considered Good)**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
Over six months	73,168,320	46,259,561
Others	255,411,218	166,495,064
<b>TOTAL RS...</b>	<b>328,579,538</b>	<b>212,754,625</b>



**SCHEDULE - E  
FIXED ASSETS AS ON 31.03.2011  
PARTICULARS**

PARTICULARS	GROSS BLOCK		DEPRECIATION Provided for the year	NET BLOCK		
	As on 1.04.2010	Addition (Deduction 31.03.2011) As on 1.4.2010		As on 31.03.2011	As on 31.3.2011	As on 31.3.2010
Factory Land	1552968	5536971	0	0	7089939	1552968
Factory Building	9554412	0	319117	5396810	4157601	4476719
Office Building	710678	0	11584	222313	488365	499949
Plant & Machinery	27828535	0	1321855	22331445	5497090	6818945
Electrical Installation	3817150	0	269873	3214163	602987	872860
Furniture & Fixture	698006	0	44184	661521	36485	80669
Vehicles	2937934	1090061	552768	2936424	1091571	554278
Laboratory Equipments	329825	71165	16628	226534	174456	119919
Dies, Tools & Moulds	3025997	273391	149629	1687973	1611415	1487653
Office Equipments	275431	86645	22575	186760	175316	111246
Computer	421646	110100	75368	380510	151236	116504
<b>TOTAL</b>	<b>51152580</b>	<b>7168333</b>	<b>2783580</b>	<b>37244452</b>	<b>21076462</b>	<b>16691710</b>



**SCHEDULE - H  
CASH & BANK BALANCES**

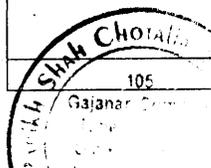
<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
Cash on hand	1205094	36,035
<b>Balance with Banks</b>		
In Current Account		
with Scheduled Banks	26581326	2,614,612
with others	67883,46	
Margin Money with Bank	203000	
<b>TOTAL RS...</b>	<b>28,057,303</b>	<b>2,650,647</b>

**SCHEDULE - I  
LOANS & ADVANCES (Unsecured)**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
Considered good unless otherwise stated		
Advances recoverable in cash or kind or for value to be received	42,767,260	39,394,677
Balance with Excise	7,460,933	3,345,469
Balance with DGCEI	2,500,000	2,500,000
Deposits and Margin	8,515,771	8,102,259
Vat Receivable	4,276,398	5,236,260
<b>TOTAL RS...</b>	<b>65,520,362</b>	<b>58,578,665</b>

**SCHEDULE - J  
CURRENT LIABILITIES AND PROVISIONS**

<b>PARTICULARS</b>	<b>AS AT 31-3-2011 Rupees</b>	<b>AS AT 31-3-2010 Rupees</b>
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
For goods and services	142,586,846	72,829,526
Advance received from Customers	4,697,588	5,446,703
Statutory Liabilities	88,760	217,328
<b>SUB TOTAL</b>	<b>147,373,194</b>	<b>78,493,557</b>
<b>PROVISION</b>		
For Taxation	9,521,000	8,462,000
For Expenses	1,254,365	1,463,145
<b>SUB TOTAL</b>	<b>10,775,365</b>	<b>9,925,145</b>
<b>TOTAL RS...</b>	<b>158,148,559</b>	<b>88,418,702</b>



**SCHEDULE -K  
OTHER INCOME**

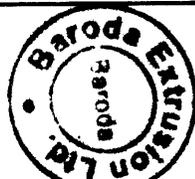
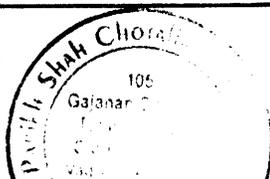
<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Other Income	-	128,992
Profit from Commodity Trading	960,000	-
Interest from Advances TDS Rs. 2,30,276.00 (P.Y. Rs. 1,75,414.00)	2,302,756	1,751,061
Interest on Margine Money	298,840	-
Profit on sale of Land	4,920,420	-
Insurance Claim Received	61,212	-
Subsidy received	86,099	-
Provisions / Liabilities Written Back	2,907,011	920
Exchange Fluctuation Variaton	(11,786)	(69,065)
<b>TOTAL RS...</b>	<b>11,524,552</b>	<b>1,811,908</b>

**SCHEDULE - L  
VARIATION IN STOCK OF FINISHED GOODS & SEMI FINISHED GOODS**

<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
<b>CLOSING STOCK</b>		
Semi Finished Goods	65,045,839	19,413,275
Finished Goods	2,950,634	3,341,654
<b>Sub Total</b>	<b>67,996,473</b>	<b>22,754,929</b>
<b>Less : OPENING STOCK</b>		
Semi Finished Goods	19,413,275	5,993,180
Finished Goods	3,341,654	2,380,000
<b>Sub Total</b>	<b>22,754,929</b>	<b>8,373,180</b>
<b>Increase/ (Decrease) in Stock</b>	<b>45,241,544</b>	<b>14,381,749</b>

**SCHEDULE - M  
RAW MATERIAL CONSUMPTION**

<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Opening Stock of Raw Materials	21,899,800	2,543,880
Add :		
Purchases of Raw Material ( including Related expenses )	802,922,480	429,213,862
<b>Sub Total</b>	<b>824,822,280</b>	<b>431,757,742</b>
Less :		
Closing Stock of Raw Materials	28,108,878	21,899,800
<b>Material Consumption</b>	<b>796,713,402</b>	<b>409,857,942</b>



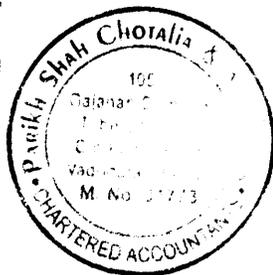
<b>SCHEDULE - N MANUFACTURING EXPENSES</b>		
<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Stores, Spares and Packing Material Consumed	6,199,958	4,647,193
Power and Fuel	14,536,635	12,776,363
Job Work Charges	396,236	275,087
Repairs & Maintenance	813,667	545,640
<b>TOTAL RS...</b>	<b>21,946,495</b>	<b>18,244,283</b>

**SCHEDULE - O  
COST OF GOODS SOLD**

<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
<b>Opening Stock of Traded Goods</b>	11,545,923	-
Add :		
Purchases Trading	54,561,675	172,380,322
	66,107,598	172,380,322
Less :		
Closing Stock of Traded Goods	-	11,545,923
<b>Cost of Goods Sold</b>	<b>66,107,598</b>	<b>160,834,399</b>
<b>TOTAL RS...</b>	<b>66,107,598</b>	<b>160,834,399</b>

**SCHEDULE - P  
EMPLOYEE REMUNERATION AND BENEFITS**

<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Salary & wages	5,614,244	5,025,086
Contribution to Provident Fund	347,895	252,214
Bonus	199,495	299,950
Gratuity	-	748,457
Staff Welfare Expenses	67,857	85,496
<b>TOTAL RS...</b>	<b>6,229,491</b>	<b>6,411,203</b>

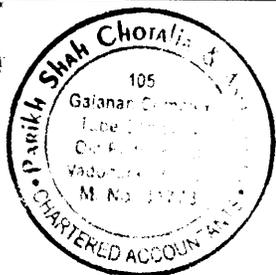


**SCHEDULE -Q**  
**ADMINISTRATIVE AND SELLING EXPENSES**

<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Office Expenses	29,263	84,909
Printing & Stationery	147,923	146,686
Postage & Telephone	655,632	510,864
Vehicles Running Expenses	627,717	405,042
Travelling & Conveyance	376,467	152,319
Legal & Professional Charges	500,467	516,645
Audit Fees	90,000	75,000
Fees, Fines, Rates, Taxes & Insurance	2,445,084	2,237,813
Electricity charges	20,182	40,767
Professional Tax (Company)		7,200
Listing Fees	25,295	85,288
Security Service Charges	407,664	173,722
Director Sitting Fees	2,000	2,000
Shop Rent	-	18,280
Testing Charges	63,504	64,701
Freight Outward, Sales Commission, etc.	669,356	650,159
Discount & Kasar	440,531	717,392
Advertisement & Sales & Promotion	51,119	91,077
Sales PromOtion Exp.	42,101	280,076
Commission	686,874	813,592
Service Tax	195,022	53,934
Sales Tax Assessment Dues	20,482	-
Donation	-	16,000
Membership Fees	29,353	11,500
<b>TOTAL RS...</b>	<b>7,526,036</b>	<b>7,154,964</b>



<b>SCHEDULE - R</b>		
<b>INTEREST &amp; FINANCE CHARGES</b>		
<b>PARTICULARS</b>	<b>2010-11 Rupees</b>	<b>2009-10 Rupees</b>
Interest on working capital borrowings	34,542,766	19,927,149
Bank Charges & Commission	797,771	627,873
Interest on Delayed Payment	9,106	24,361
Interest on Income Tax	616,335	-
<b>TOTAL RS...</b>	<b>35,965,978</b>	<b>20,579,383</b>



## SCHEDULE S

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

#### A) SIGNIFICANT ACCOUNTING POLICIES

##### 1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India. The applicable mandatory Accounting Standards notified under The Companies (Accounting Standard) Rules, 2006 and the requirements of the Companies Act, 1956 of India have been followed in preparation of these financial statement.

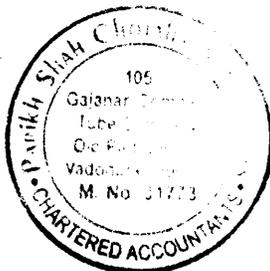
##### 2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosures relating to the contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the year. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from those estimates. Differences between the actual results and estimates are recognized in the period in which the same are known / materialized.

##### 3. Fixed Assets

Fixed Assets are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct costs are capitalized until the assets are ready to use and include financial cost relating to any borrowing attributable to acquisition.

Capital work in progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the Balance Sheet Date.



#### 4. Intangible Assets

Intangible Assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

#### 5. Depreciation

Depreciation on Fixed Assets has been provided on straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on additions to the Fixed Assets is provided on pro-rata basis from the day on which put to use.

#### 6. Inventories

The inventories are valued at cost or net realizable value whichever is lower. The basis of determining the value of each class of inventory is as follows:

Inventories	Cost Formula
Raw Material	At cost on First in First Out basis.
Work-in-Process	At cost comprising of Raw Material and appropriate proportion of manufacturing expenses and overheads.
Finished Goods	Cost represents material, labour and appropriate proportion of manufacturing expenses and overheads.

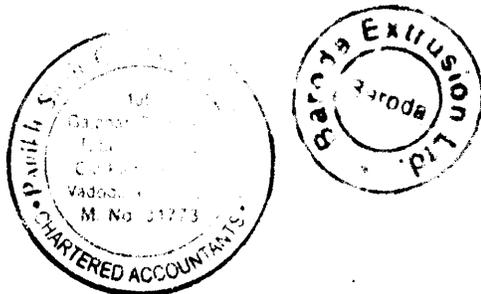
#### 7. Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account.

#### 8. Taxes on Income

Provision for current tax is made on the basis of estimated tax payable for the year as per the applicable provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.



## 9. Employees Benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.

The Company makes Provident Fund contribution to defined contribution retirement benefit plans for qualifying employee. Under the schemes, the company is required to contribute a specified percentage of the payroll costs to funds the benefits.

Post employment and other long term employee benefits are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

The company has no policy of carried forward unutilised privilege leave.

## 10. Revenue Recognition

### a. Sales

-Revenue from sale of goods is recognised when the significant risks and rewards in respect of ownership of products are transferred by the Company.

Sales are inclusive of excise duty but exclusive of VAT

Revenue from Job Work Income is recognised on the completion of Job.

### b. Other Income

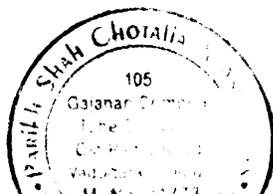
Insurance or other claims, interest etc. is recognised only when it is reasonably certain that the ultimate collection will be made.

## 11. Provisions and Contingent Liabilities

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes.

## 12. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an



asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount in subsequent period.

### 13. Cenvat Credit

The Cenvat Credit available on purchase of raw material is utilised against excise duty payable on clearance of goods produced. The unutilised Cenvat Credit is shown as receivable in "Loans and Advances". (Schedule I)

## B) NOTES TO ACCOUNTS

### 1. Contingent Liabilities not provided for:

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
1) Bank Guarantees	5,00,000	5,00,000

### 2. Auditors' Remuneration (including service tax, wherever applicable):

	2010-11 (Rs.)	2009-10 (Rs.)
Audit fees	90,000	75,000
Other services	47,981	70,592

### 3. Payment to Directors:

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Salary	7,80,000	7,80,000
Contribution to provident fund	28,800	28,800
Sitting fees	2,000	2,000
<b>Total Rs.</b>	<b>8,10,800</b>	<b>8,10,800</b>

### 4. In accordance with Accounting Standard 20 - Earnings Per Share under the Companies Accounting Standards) Rules, 2006, the Basic and Diluted Earning Per Share (EPS) has been calculated as under :

Particulars	2010-11	2009-10
Net Profit after Tax	79,51,908	67,71,664
Net Profit Before Prior Period Adjustments	36,189,013	11,299,665
Number of Equity Shares outstanding (Nos.)	80,89,500	80,89,500
Basic Earning Per Share of Rs. 10/- each	0.98	0.84



**5. Deferred Taxation:**

The deferred tax (assets)/liabilities arising out of significant timing differences are as under

	2010-11 (Rs.)	2010-11 (Rs.)
Difference between book depreciation and tax depreciation	26,26,692	14,63,098
Expenses allowed under tax on payment basis	(1,54,414)	0
<b>Total Deferred tax Liabilities/(Assets)</b>	<b>7,66,410</b>	<b>4,53,560</b>

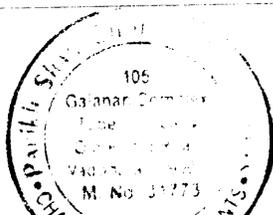
**6. Related Party Transactions:**

Disclosures as required by Accounting Standard -18 are given below:

Sr. no.	Name of Related Parties	Nature of Relationship
1	Mr. Parasmal B. Kanugo	Key Management Personnel
2	Mr. Alpesh P. Kanugo	Relative of Key Management Personnel
3	Mrs. Meera A. Kanugo	Relative of Key Management Personnel
4	Mrs. Sharmila J. Shah	Relative of Key Management Personnel
5	Global Copper Limited	Company in which relative of the Director is Director
6	Ms. Reena G. Patel	Director
6	The following transactions were carried out with the Related Parties in ordinary course of business.	

(Amount in Rs.)

Nature of Transaction	Key Mgt. Personnel / Director	Relative of Key Management Personnel	Company in which relative of Director is Director	Total
<b>Transactions during the year</b>				
Sale of Factory Land	-	-	55,80,000	55,80,000
	-	-	(Nil)	(Nil)
Remuneration	8,10,800	-	-	8,10,800
	(8,10,800)	-	-	(8,10,800)
Salary	-	8,58,000	-	8,58,000
	-	(6,48,000)	-	(6,48,000)
Loans Received / (Repaid)	(6,003,371)	1,217,454	3,909,572	(876,345)
	(2,730,226)	(437,462)	(284,943)	(3,452,631)
<b>Balance as at 31<sup>st</sup> March</b>				
Loan payable	5,00,000			5,00,000
	(71,77,000)			(71,77,000)



## 7. Employee Benefits

### (i) Defined contribution plans

The Company has recognised **Rs. 3,47,895/-** ( P.Y.Rs. 2,52,214/-) for Provident Fund Contribution as expenses under the defined contribution plan in the Profit & Loss account for the year ended 31<sup>st</sup> March, 2011.

### (ii) Defined benefit plan

The Company recognizes the liability towards the gratuity at each balance sheet date.

The most recent actuarial valuation of the defined benefit obligation for gratuity was carried out at March 31, 2011 by an actuary.

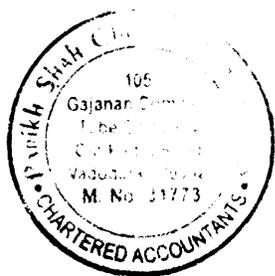
8. In terms of **Accounting Standard – 17 Segment Reporting** the Company operates in only one primary reportable segment. In respect of secondary segment information, the company has identified its geographical segment as (a) domestic and (b) overseas on the basis of location of customers.

	Year ended <u>31/03/2011</u> (Rs.)	Year ended <u>31/03/2010</u> (Rs.)
<b>Sales &amp; Job Work Income (Net)</b>		
Domestic	89,36,42,411	61,73,59,599
Export	<u>8,14,832</u>	<u>38,46,426</u>
Total	<u>89,44,57,243</u>	<u>62,12,06,025</u>

## 9. Consumption of raw materials:

Type of Raw Material	2010-11		2009-10	
	Quantity (Mt.)	Value (Rs.)	Quantity (Mt.)	Value (Rs.)
Copper Scrap, Cathode etc.	2114	79,67,13,402	1377	40,98,57,942
<b>Total Rs.</b>	<b>2114</b>	<b>79,67,13,402</b>	<b>1377</b>	<b>40,98,57,942</b>

	%	(Rs.)	%	(Rs.)
Indigenous	100	79,67,13,402	100	40,98,57,942
Imported	Nil	Nil	Nil	Nil
<b>Total Rs.</b>	<b>100</b>	<b>79,67,13,402</b>	<b>100</b>	<b>40,98,57,942</b>



**10. Consumption of Stores & Spares:**

	%	(Rs.)	%	(Rs.)
Indigenous	100	6199958	100	4647193
Imported	Nil	Nil	Nil	Nil
<b>Total Rs.</b>	<b>100</b>	<b>6199958</b>	<b>100</b>	<b>4647193</b>

**11. Licensed / Installed capacities, Production and Sales during the year:**

Class of Goods	Units	Licensed Capacity	Installed Capacity	Production	Sales (Gross)	
					Qty.	Rs.
Copper & Copper Alloys Extrusion	MT	3600	3000 (3000)	1994 (1335)	1996 (1335)	90,45,00,300 (49,77,93,411)
Traded Goods	Thousands	N.A.	N.A.	N.A.	N.A.	7,51,52,541 (16,32,31,482)
<b>Total</b>						<b>97,96,52,841</b> (66,10,24,893)

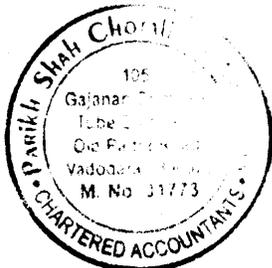
**Notes:** i. Installed capacity is stated on per annum basis.  
(Installed capacity is as certified by the management, but not verified by the auditors being a technical matter.)

**12. CIF Value of Imports:**

Particulars	2010-11 (Rs.)	2009-10 (Rs.)
Raw material	NIL	NIL
Capital goods	NIL	NIL
Packing material	NIL	NIL
Spares	NIL	NIL
Others	NIL	NIL
<b>Total Rs.</b>	<b>NIL</b>	<b>NIL</b>

**13. Expenditure in Foreign Currency:**

	2010-11	2009-10
Travelling	NIL	NIL
Raw Material	NIL	NIL
Repairs to Machinery	NIL	NIL
Stores & Spares	NIL	NIL
Capital Purchases	NIL	NIL
Packing Material	NIL	NIL
<b>Total Rs.</b>	<b>NIL</b>	<b>NIL</b>



#### 14. Earning in Foreign Currency:

	2009-10 (Rs.)	2008-09 (Rs.)
FOB value of exports	8,14,832	38,46,426
<b>Total Rs.</b>	<b>8,14,832</b>	<b>38,46,426</b>

15. The information with regard to the balance due to Micro & Small Enterprises as defined under the Micro, Small and Medium Enterprise Development Act, 2006 is not available with the company and therefore payment made to such suppliers beyond the due dates during the year is not quantified.
16. In the opinion of the Board, Current Assets and Loans and Advances are at values stated in the Balance Sheet, if realisable in the ordinary course of business.
17. Letters seeking confirmation of balances outstanding from banks, debtors, creditors and others are not being issued. Accordingly balances as on 31<sup>st</sup> March, 2011 as appearing in books of account have been recognised and are subject to reconciliation / adjustments, if any, when the accounts of the concerned parties are reconciled and settled. The management does not expect any material difference affecting the current year's financial statements.
18. Old outstanding balances in Sundry Debtors account have been considered good and recoverable unless otherwise specified. The process of recoveries/adjustments to appropriate accounts is being pursued and hence considered good and recoverable.
19. Sales Tax Assessments are completed up to the accounting year 2007-08 and additional liability if any, on this account is recognised on completion of the assessment.
20. Directorate General of Central Excise – Investigation (DGCE-I) during the course of survey on 05-01-2007 debited an amount of Rs 25.00 Lacs in RG 23 Part II without raising any demand for excise and therefore the same is shown under the head "Loans and Advances" - Schedule I. In the opinion of the Board of Directors of the Company no provision is required to be made in respect of such Excise liability as the said liability is not crystallised as on the date of Balance Sheet.
21. Corresponding figures of the previous year have been regrouped and reclassified to make them comparable with current year's figures wherever necessary.



22 Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956.

I. Registration Details: Balance Sheet Date 31.03.2011

Registration No. : 16200 State Code: 04

II. Capital Raised during the year (Amount Rupees in Thousand)

Public Issue : NIL Bonus Issue: NIL

Right Issue : NIL Private Placement: NIL

A) Total Issue : NIL

B) Capital Raised : NIL

III Position of Mobilisation and Deployment of Funds

Total Liabilities : 4,22,628 Total Asset : 4,22,628

**Sources of Funds**

Paid-up Capital : 81,698 Reserves & Surplus : 2,500  
Share Application : NIL Deferred Tax Liability : 766

Secured Loans : 2,99,707 Unsecured Loans : 37,957

**Application of Funds**

Net Fixed Assets : 21,385 Net Current Assets : 3,60,114

Misc. Expenditure : NIL Investment : NIL

Accumulated  
Loss : 41,129

IV. **Performance of Company**

Turn Over : 9,05,982 Total Expenditure: 8,92,031  
& Other Income

Profit Before Tax : 13,951 Profit After Tax: 7,952

Earning per Share : Rs 0.98 Dividend Rate %: NIL

V. Principal Product of Company: Copper & Brass Extrusion.

VI. Generic Names of Three Principal Products/Services of Company (as per monetary terms)



Item Code No.  
(ITC Code)

Product C O P P E R & B R A S S E X T R U S I O N

Description A L L O Y S E X T R U S I O N

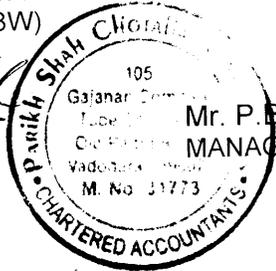
Signatures to Schedule A to S

FOR PARIKH SHAH CHOTALIA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. 118493W)

*V.M. Parikh*  
V.M. PARIKH  
Partner  
Membership No 031773

PLACE : VADODARA

DATE : 22nd June '11



*P.B. Kanugo*  
Mr. P. B. KANUGO  
MANAGING DIRECTOR

PLACE : VADODARA

DATE :

For and on behalf of the Board

*Rina Patel*  
Miss. RINA PATEL  
DIRECTOR