

**ANNUAL
REPORT
2008-2009**

CERTIFIED TRUE COPY

FOR MARDIA SAMYOUNG CAPILLARY
TUBES COMPANY LIMITED.

MANAGING DIRECTOR

**MARDIA SAMYOUNG CAPILLARY TUBES
COMPANY LIMITED**

INDO KOREAN JOINT VENTURE

MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED.

SEVENTEENTH ANNUAL REPORT - 2008 - 2009

DIRECTORS	Surendra Mardia Ravindra Mardia Virendra Singh Deora Omana Nayak Bharat J. Chouhan	Chairman Managing Director Director Director Director
AUDITORS	Shyam. C. Agrawal & Co. Chartered Accountants	
BANKERS	HDFC BANK THE RATNAKAR BANK LTD.	
FACTORY (UNIT I)	203, Piparia Industrial Area, Piparia, Silvassa, Dadra & Nagar Haveli (U. T.)	
(UNIT II)	J - 55, M. I. D. C, Industrial Area, Tarapur, Boisar - 401 506. District - Thane. Maharashtra.	
REGISTERED OFFICE	J - 55, M. I. D. C, Industrial Area, Tarapur, Boisar - 401 506. District - Thane. Maharashtra.	
REGISTRAR AND TRANSFER AGENT:	M/s. Purva Sharegistry India Private Limited., Shiv Shakti Indl. Estate, Unit No. 9, 7-B, J.R. Boricha Marg, Sitaram Mill Compound, Mumbai 400 011.	

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NOTICE

NOTICE is hereby given that the **17TH ANNUAL GENERAL MEETING** of the Members of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** will be held on Tuesday, the 29th September, 2009 at 10.30 A. M. at the 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, 2009** 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. Surendra Mardia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ravindra Mardia who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditor's 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.

Registered Office:
J-55, M. I. D. C. Industrial Area,
Tarapur. Boisar - Maharashtra.

For and on behalf of the Board of Directors.

Place: Mumbai
Dated: 22nd August, 2009.

SURENDRA MARDIA
Chairman

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 or to its Registrar and Transfer Agent at following address. Shareholders should quote their folio number in all their correspondence. Members holding Shares in the dematerialized form are requested to notify the aforesaid changes to their Depository Participant(s).

• M/S PURVA SHAREREGISTRY (I) PVT. LTD.
No. 9, Shiv Shakti Industrial Estate, Ground Floor,
J. R. Boricha Marg, Opp. Kasturba Hospital,
Lower Parel, Mumbai 400 011
Tel No 022 2301 8261 / 2301 6761.
Fax No 2301 2517. Email : busicomp@vsnl.com.

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. 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 remain closed from Wednesday 16/09/2009 to Thursday 24/09/2009 (Both days inclusive), to comply with the requirement of the Listing Agreement of the Stock Exchange.
5. Members seeking any information as regards to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.
6. Equity Shares of the Company are available in dematerialized form with the National Securities Depository Service Ltd. (NSDL) and Central Depository Service (India) Ltd (CDSL).

17th Annual Report 2008-09



Brief resume of Directors being appointed/re appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorship and membership / chairmanship of Board Committee, as stipulated under Clause 49 of Listing Agreement with Stock Exchange in India, is as under :

Details of the Directors seeking re-appointment at the Annual General Meeting :

Name of Director	Surendra Mardia	Ravindra Mardia
Date of Birth	11.06.1946	06.09.1954
Date of Appointment	19.10.1992	19.10.1992
Expertise in specific functional areas	He has been in the trade of Non-ferrous Metal extrusion Products for almost 2 decades.	He has been in the trade of non-ferrous metal extrusion products for almost 2 decades.
Qualifications	Mechanical Engineer	Science Graduate
List of outside Directorships held Excluding Directorship in Private Companies	Mardia Extrusions Limited Mardia Tubes Ltd.	Mardia Extrusions Limited Mardia Tubes Ltd.,
Chairman/Member of Committee of the Board of Directors of the Companies	NIL	Audit Committee Remuneration committee Share Transfer and Investor Grievance Committee
Chairman/Member of Committee of the Board of Directors of other Companies in which he/she is a Director:	NIL	
Audit Committee	NO	Yes
Share Transfer and Investor Grievances Committee	NO	Yes
Remuneration Committee	NO	Yes
No. of Equity Shares of the Company held on 31-3-2009	751100	150000 Shares

For and on behalf of the Board of Directors

Registered Office:
J-55, M. I. D. C, Industrial Area,
Tarapur. Boisar - Maharashtra

SURENDRA MARDIA
Chairman

Place: Mumbai
Dated: 22nd August, 2009.



DIRECTOR'S REPORT

To
The Members,

Your Directors have pleasure in presenting the 17th Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS:

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
OPERATING PROFIT/LOSS (PBIDT)	167.80	59.20
Interest & Financial Charges	0.58	0.18
PROFIT/LOSS BEFORE DEPRECIATION & TAXATION	167.22	59.02
Depreciation	-25.22	31.99
PROFIT/LOSS BEFORE TAXATION	142.00	27.03
Provision for Taxation	6.00	119.25
NET PROFIT/LOSS AFTER TAX	148.00	146.28

DIVIDEND:

In view of carried forward loss in the current year, your Directors do not recommend any dividend for the year ended 31st March 2009.

OPERATIONS AND PROSPECTUS:

During the year under review, the Gross income from operations amounted to Rs. 2463.46 Lacs as compared to Rs. 1035.01 Lacs for the year 2007-2008. The increase in the turnover has occurred mainly on account of general economic condition, increase in demand for the Company's Products, availability of raw material and increase in the prices of copper in international markets, which also affected the Company's profitability.

*** 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 to B.I.F.R. under section 15 of Sick Industrial Companies (Special Provision) Act, 1985. The Company has been registered with B.I.F.R. ICICI Bank has been appointed as the Operating Agency. Hon'ble A.A.I.F.R. has opined that:

"Several positive developments have taken place since the impugned order was passed. The appellant company has arrived at a settlement with all its secured creditors and the amounts due as per the settlement agreement have been paid.

In view of the significant positive development that has taken place, there is now a distinct possibility of revival. We, therefore allow the appeal and set aside the impugned order dated 17th September 2004. The matter is remanded to B.I.F.R. with a direction to formulate a rehabilitation scheme for the revival of the appellant company and pass appropriate orders in accordance with law."

Hon. B.I.F.R. thereafter appointed ICICI Bank as the Operating Agency to review and act upon the rehabilitation scheme. ICICI Bank has since submitted the DRS scheme to BIFR. (Hon. BIFR called meetings and the matter is under consideration).

PROPOSAL FOR MERGER OF GROUP COMPANIES:

In order to improve the shareholders value and to augment the strength and achieve the synergy among the group companies, which are all registered with BIFR, the Board of Directors, subject to approval of the required authorities, have proposed to submit a rehabilitation scheme to BIFR, including the possible turnaround of the group companies together by law way of merger and provide liquidity to the shareholders at large.

APPOINTMENT / REAPPOINTMENT OF DIRECTORS:

The Brief profiles of Directors being appointed at the ensuing Annual General Meeting forms part of notice convening 17th Annual General Meeting.

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

The Board recommends their 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 may 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.

CONSERVATION OF ENERGY

The Company has taken adequate steps to conserve energy at all levels. An in-house team comprising of experts, regularly keep a check on all the energy conservation systems applied by the Company at the work place. At regular intervals the reports and findings of this team are discussed by the senior management. The Energy Conservation system of the Company gives emphasis on

- I Personnel specially trained for this task.
- II Research on use of such component in the equipments and final product which will maximize energy conservation.
- III Proper maintenance of all machinery & other equipment and timely replacement of worn-out components.
- IV Maximum utilization of available resources.

In accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 the required information relating to conservation of energy, technology absorption and Foreign Exchange earning and outgoing is annexed to the report.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, we, the Directors of MARDIA SAMYOUNG CAPILLARY TUBES CO. LIMITED, state in respect of Financial Year 2008-09 that :

- a) In the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material discrepancies, if any :
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) The Annual Accounts have been prepared on a ' Going Concern Basis'.

AUDIT COMMITTEE

- a) Pursuant to the provisions of Section 292A of the Company's Act, 1956, the Board has constituted an Audit Committee comprising of four independent Directors, and one executive Director, inter-alia for holding discussions with the Auditors periodically, review of quarterly, half yearly and annual financial statements before submission to the Board, review of observations of Auditors and to ensure compliance of internal control systems;
- b) The Audit Committee has also been delegated with authority for investigation and access for full information and external professional advice for discharge of the function delegated to it by the Board;
- c) The Board agrees that the recommendations of the Audit Committee on any matter relating to financial and management including the audit report would be binding on the Board; and
- d) Based on the above and the Internal Audit System, the Audit Committee, the Board opines that the Company has internal control system commensurate with the size of the Company and the nature of its business.



CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreements with the Stock Exchanges, Corporate Governance and Management discussion and Analysis Report form part of this Annual Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Auditors' certificate confirming compliance of the Corporate Governance is attached to the Report on Corporate Governance.

ACKNOWLEDGEMENT:

Your Directors are pleased to place on record their appreciation of the value, contribution, devotion and sense of commitment extended by the employees of the Company, which inspires confidence to plan for greater accomplishments in the current financial year. Your Directors would also like to place on record its sincere appreciation for the whole hearted support and contributions made by the various Financial Institutions, Banks, Central, State Government and Local bodies, Distributors, Suppliers and other business associates towards conduct of efficient operations of your company.

For and on behalf of the Board of Directors

SURENDRA MARDIA
Chairman

Place: Mumbai.
Date 22nd August, 2009.



ANNEXURE 'A' TO THE DIRECTOR'S REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

FORM A

A. Power and Fuel consumption

		CURRENT YEAR	PREVIOUS YEAR
1) Electricity:			
a) Purchased			
Units (kwh)		138476	160137
Total Amount	Rs.	581693	568276
Rate per unit	Rs.	4.20	3.55

B. Consumption per unit of production

		CURRENT YEAR	PREVIOUS YEAR
Products (with details) Unit			
Copper Brass Semies Ton		112.18	160.30
(Purchased & Generated)			
Kwh / per MT of semies			

FORM B

Disclosure of particulars with respect to technology absorption.

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

Research and Development:

No Research and Development activities have been carried out separately by the Company during the year. However, product cost reduction, quality improvement and automation are ongoing process along with regular production.

C. FOREIGN EXCHANGE EARNING AND OUTGOING:

The company is presently concentrating on the domestic market. The Exports efforts are being laid down to achieve desired exports in the future.

Foreign Exchange Earning	: Rs.	Nil
Foreign Exchange Outgoing	: Rs.	Nil
CIF Value of import of Capital Goods	: Rs.	Nil
Traveling Expenses	: Rs.	Nil

For and on behalf of the Board of Director

SURENDRA MARDIA
Chairman

Place: Mumbai.

Date. 22nd August, 2009.



MANAGEMENT DISCUSSIONS AND ANALYSIS

The management is pleased to present herewith the Management & Analysis Report as per the provisions of Listing agreement entered into with the Stock Exchanges and the Code of Corporate Governance approved by the Securities & Exchange Board of India broadly touching the following aspects:

1. Industry structure and developments.
2. Material Developments during the year
3. Opportunities and Threats.
4. Segment-wise or product wise performance.
5. Outlook - Risks and concerns.
6. Internal control systems and their adequacy.
7. Discussion on financial performance with respect to operational performance.
8. Material developments in Human Resources / Industrial Relations front, including number of people employed.

This management discussion and analysis report might contain certain forward looking statements which represent the management's vision for the future. The actual results may vary depending on various internal and external factors beyond the control of the management. The views mentioned herein are also subject to change as and when required to suit the future management policies and circumstances in the market or economy.

Statement in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking Statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. Further the discussions following herein reflects the perceptions on major issues as on date, and the opinions expressed here are subject to change without notice.

The company undertakes no obligation to publicly update or revise any of the opinions or forward looking statements expressed in this report, consequent to new information, future events or otherwise.

The company has adopted the best and the most sophisticated technology to suit Indian needs. The company as a part of reducing manufacturing cost of products as also to strengthen the bottom line, has decided to adopt the policy of becoming 'backbone provider' to the industry through focusing on various components.

Industry Structure and Development

The company's products include Copper, Brass, Stainless Steel and alloys of Copper in form of Bars, Tubes, Wires, Ingots and Profiles. These products have applications in various engineering and electrical industries which manufacturing metal parts and components. Non-Ferrous Metal industries normally manufacture some of the above items and specialize in one of the items, however Mardia Samyoung Capillary Tubes Company Limited (MSL) produces all the above items and also specializes in irregular shapes and sizes of profiles and sections.

The growth in non-ferrous metal industry is directly related to the growth of industries having engineering and electrical applications like automotive, gas valves, pumps, fans and industrial machinery. High volume segments are catered by domestic manufacturers. MSL primarily caters to Various Engineering and Electrical industries in the country.

Material Developments

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 to B.I.F.R. under section 15 of Sick Industrial Companies (Special Provision) Act, 1985. The Company has been registered with B.I.F.R. ICICI Bank has been appointed as the Operating Agency. Hon'ble A.A.I.F.R. has opined that:

"Several positive developments have taken place since the impugned order was passed. The appellant company has arrived at a settlement with all its secured creditors and the amounts due as per the settlement agreement have been paid.

In view of the significant positive development that has taken place, there is now a distinct possibility of revival. We, therefore allow the appeal and set aside the impugned order dated 17th September 2004. The matter is remanded to B.I.F.R. with a direction to formulate a rehabilitation scheme for the revival of the appellant company and pass appropriate orders in accordance with law."

Hon. B.I.F.R. thereafter appointed ICICI Bank as the Operating Agency for review and act upon the rehabilitation scheme. ICICI Bank has since submitted the DRS scheme to BIFR. (Hon. BIFR called meetings and the matter is under consideration).

During the year the Company has rented out part of its premises at Silvassa, which was lying unutilized by the Company, for a period of 2 years only ending 31.03.2011.

PROPOSAL FOR MERGER OF GROUP COMPANIES :

In order to improve the shareholders value and to augment the strength and achieve the synergy among the group companies, which are all registered with BIFR, the Board of Directors, subject to approval of the required authorities, have proposed to submit a rehabilitation scheme to BIFR, including the possible turnaround of the group companies together by way of merger and provide liquidity to the stakeholders at large.

Opportunities and Threats

As mentioned above, the growth of metal industry is linked to the growth of the major engineering and electrical applications industry, i.e. the Automobile / Engineering / Railways. Demand growth in Non-Ferrous Metal industries will largely depend on growth of the original equipment manufacturers (OEM) in the automobile industry, engineering & electrical segment and opportunities in the international markets. The demand for MSL's growth will heavily depend on the growth in served industrial Engineering and Electrical industries business both in domestic and international markets.

The growth in demand for Non-Ferrous Metals will depend on the growth of Industrial and infrastructural activities. Liberalization of industrial policy, WTO driven reductions in duty structure, growth in demand in export markets, and increasing demand for industrial products may result in an increase in demand for large Non-Ferrous Metals.

Segment wise performance

The Management reviewed the disclosure requirement of segment wise reporting and is of the view that since the Company manufactures Non-Ferrous Metals and related products which is a single business segment in terms of AS-17, a separate disclosure on reporting by business segments is not required.



The geographical segments however, have been determined on the basis of location of major customers of the Company. During 2007-08, 100% of the Company's turnover was to customers located in India. However the company is now poised to export some of its products to European countries.

Outlook – Risks and Concern

MSL, being one of the leading manufacturer and part of large Surendra Mardia Group, enjoys several advantages which will become increasingly important in view of a globalizing Indian economy:

- The possibility to export to other countries represents a good growth potential for MSL and provides a possibility to partially compensate variation in demand on the domestic Indian market.
- With increase in growth of Industrial and infrastructural activities the demand for non-ferrous metals is likely to improve.
- MSL enjoys the locational advantages as major consumers are located in this region of the country. It is centrally located with easy geographical access to rest of the country.
- The Company has plans to improve the productivity, efficiency at all levels and manage expenses effectively.
- MSL unit is well equipped with sophisticated facilities. With continuous up gradation of technology MARDIA has successfully developed several types of Copper based alloys & are geared up for mass production.
- MSL offers prompt services, Professional Managers play a role of active participant in development activities of valued customers. Mardia has successfully reached all customers and sectors of Indian Industry and its products find appreciation in various Industrial like Aeronautics, Automobiles, Agriculture, bearing, Defense and Ordnance, Electrical, General Engineering, LPG/ Industrial Gases, Refrigeration and Air conditioning, Sugar, Thermal power etc.

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

The main risks are:

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

The management of MSL is aware of both, opportunities and threats, and will continue to work to maintain competitiveness by reducing costs and improving quality as well as on growth of sales in the domestic market.

Internal Control Systems

The various internal control systems operating in the company are working satisfactorily. The internal Audit team continuously monitored the adequacy and effectiveness of these systems and the findings of these audits are reported to the Audit Committee of the Board and also to the Board of directors. The adequacy of the internal control system has also been examined by the Statutory Auditors and they have not received any major adverse comments from them on the adequacy of the internal control systems.

The Company has an internal control system commensurate with its size and nature of business which provides for:

- Accurate recording and custody of assets.
- Compliance with applicable statutes, policies procedures, listing requirements, management guidelines and circulars.
- Transactions being accurately recorded, cross verified and promptly reported.
- Efficient use and safeguarding of resources.
- Adherence to applicable accounting standards and policies.

Internal checks and controls are exercised by strictly adhering to the various procedures laid at the time of Delegation of Authorities and other Procedures. The delegation clearly indicates the powers along with the monetary limits, where ever necessary, that can be exercised by various levels of the Managers in the Company.

Financial Performance vis-à-vis Operational Performance

The Net Sales (with other income) has increased from Rs. 1387.49 lacs in 2007-08 to Rs. 2256.35 in the year 2008-09. Due to the improvement in metal prices and increase in demand, the Company could improve upon its working and achieve nearly 100% increase in Sales and the Company has become profitable after several years. Moreover, the interest burden on the company is also now negligible.

Cautionary Statement.

Statement in the Management Discussion and Analysis describing the company's objectives, projections, estimates, expectations may be "forward-looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice.

The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, and future events or otherwise.

Human Resources & Industrial Relations

The Associates remained our most valuable assets & actively involved towards growth & progress. The relationship between the Associates of the company and the Management remained congenial ever time & any time.



CORPORATE GOVERNANCE REPORT (ANNEXURE TO THE 17th DIRECTORS' REPORT 2008-2009)

Mardia Samyoung Capillary Tubes Company Limited has been following the Principles of good corporate governance over the years. Corporate governance at Mardia Samyoung Capillary Tubes Company Limited means, ensuring the compliance with regulatory requirements, but also means being responsive to aspiration of customers, stakeholders and expectations of the Society. The Company strives to achieve better performance.

The Board of Directors supports the broad principles of corporate governance and lays strong emphasis on transparency, accountability and integrity. Given below is the report on corporate governance of the Company.

1. Composition of the Board of Directors as on 31/03/2009.

Name of Directors	Executive/Non Executive Independent	No. of other Directorships in Public Limited Companies	No. of Other Board Committee of Which Member/ Chairman
Surendra Mardia	Executive	3	Nil
Ravindra Mardia	Executive	3	2
Virendra Singh Deora	Independent	2	2
Omana V Nayak	Independent	2	2
Bharat J Chouhan	Independent	2	2

2. Board / Committee Meeting and Proceedings:

a. Institutionalised decision making process:

With a view to institutionalise all corporate affairs and setting up systems and procedures for advanced planning for matters requiring discussion/decisions by the Board, the Company has defined guidelines for the meetings of the Board of Directors and committees thereof. These guidelines seek to systematize the decision making process at the meeting of Board/Committees, in an informed and efficient manner.

b. Scheduling and Section of Agenda Items:

All Board Committee Members are given notice of the meeting in advance. The meetings are governed by structured agenda. The agenda along with the explanatory notes are distributed well in advance.

c. Availability of information to the Members:

The Members have unqualified access to all information available with the Company. In fact, all items in the agenda are supported by detailed background information to enable the members to take informed decisions. The information generally provided to the Members includes:

- 1 Quarterly and Half-yearly financial results.
- 2 Minutes of meeting of Audit and other Committees of the Board.
- 3 Establishment and operations.
- 4 Minutes of Board Meeting, Annual General Meeting of Subsidiary Companies and significant transactions if any.
- 5 Related Party Transactions.

d. Recording minutes of the Proceedings.

Minutes of the proceeding of each board/ Committees meetings are recorded. Draft minutes are circulated almost all members for their comments. The Minutes of the proceeding of the meetings are entered in the minutes book.

e. Follow up mechanism:

The guidelines for the Board / Committee meeting facilitate an effective post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees.

a. Compliance:

The Board periodically reviews the Compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines.

b. Code of Conduct

The Company has laid down code of conduct which binds all the Board members and senior management of the Company. A declaration by the Chairman and Managing Director to this effect is appended to this report.

3. Board Meetings:

The Company placed before the Board all the relevant and necessary information at their meeting such as production, sales, exports review of product-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 01-04.2008 to 31.03.2009, Five Meetings were held on : 29.04.2008, 21.07.2008, 31.07.2008, 22.10.2008 & 20.1.2009. The Attendance of Directors at these Board Meetings and at the previous Annual General Meeting was as under:

Sr. No.	Name of Director	Whether attended AGM held on 21-08-2008.	Attendance in Board Meetings		Other Board		
			Total	Attended	Directorship	Committee Chairmanship	Committee Membership
1	Surendra Mardia	Yes	5	5	3	--	--
2	Ravindra Mardia	Yes	5	5	3	--	3
3	Virendra Singh Deora	Yes	5	4	2	1	3
4	Omana V Nayak	Yes	5	5	2	1	3
5	Bharat J Chouhan	Yes	5	5	2	1	3

Board Committee

The Board has constituted three Committees i. e Audit Committee, Shareholders / Investors Grievance Committee and Remuneration Committee.

1. AUDIT COMMITTEE

I. Composition as on 31st March, 2009.

Name of the Committee Member	Category
Mr. Ravindra Mardia	Executive
Ms. Omana V Nayak	Independent
Mr. Virendra Singh Deora	Independent
Mr. Bharat J Chouhan	Independent

The Audit Committee comprises of Independent directors and financially literate persons having vast experience in the area of finance and accounts.

II. Scope of Audit Committee

The terms of reference:

The terms of reference and scope of Audit Committee are as laid down in clause 49 of the listing Agreement and Section 292A of the Companies Act, 1956.



III. Meeting and Attendance:

During the financial year under consideration, Five meetings of the Committee were held on: 29.04.08, 21.07.08, 31.07.08, 22.10.08 & 20.01.09

Name of the Committee Member	Category	Meeting held during respective tenure	Meeting Attended
Mr. Ravindra Mardia	Executive	5	5
Ms. Omana V Nayak	Independent	5	5
Mr. Virendra Singh Deora	Independent	5	4
Mr. Bharat J Chouhan	Independent	5	5

2. REMUNERATION COMMITTEE:

I. Composition as on 31st March, 2009.

Name of the Committee Member	Category
Mr. Ravindra Mardia	Executive
Ms. Omana V Nayak	Independent
Mr. Virendra Singh Deora	Independent
Mr. Bharat J Chouhan	Independent

II. Scope of Remuneration Committee:

The following matters are referred to the Remuneration Committee:

- Fixing the remuneration payable to the Directors.
- Determining the remuneration policy of the Company.

III. Directors Remuneration

The Promoter – Executive Director is drawing remuneration, No Sitting Fees has been paid to any directors during the year.

Meeting and Attendance:

During the financial year under consideration, one meeting of the Committee was held on 29th September, 2009.

Name of the Members	Meeting Held	Meeting Attended
Mr. Ravindra Mardia	1	1
Ms. Omana V Nayak	1	1
Mr. Vinrendra Singh Deora	1	1
Mr. Bharat J Chouhan	1	1

III. Stock Options:

Company has not issued any stock options to its Directors.

3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

I. Composition as on 31st March, 2009.

Name of the Committee Member	Category
Mr. Ravindra Mardia	Executive
Ms. Omana V Nayak	Independent
Mr. Vinrendra Singh Deora	Independent
Mr. Bharat J Chouhan	Independent



I. Scope of shareholders/investors grievance committee:

The Committee administers the following Committee:

- a. Transfer of Shares
- b. Transmission of Shares
- c. Issue of Duplicate Share Certificates
- d. Change of Status
- e. Change of Name
- f. Transposition of Shares
- g. Consolidation of Shares
- h. Shareholders request for Dematerialisation / Rematerialisation of Shares

The Board has delegated the power of Share Transfer to Registrar & Share Transfer Agents, who process the Transfer. The Committee also looks after Redessal of Investors grievance and performance of the Registrar and Transfer Agent of the Company.

The Committee monitors violations of the code of conduct prescribed by the Company for prevention of insider trading.

II. Compliance officer : Omana Nayak

Details of Last Three (3) Annual General Meetings of the Company were held as under:

Date	Time	Venus
21/08/2008	05.00 P.M	J – 55, MIDC, Industrial Area, Tarapur, Boisar – 401 506
21/08/2007	10.30 A.M	J – 55, MIDC, Industrial Area, Tarapur, Boisar – 401 506
20/06/2006	10.30 A.M	J – 55, MIDC, Industrial Area, Tarapur, Boisar – 401 506

Postal Ballot:

Whether special resolutions were put through postal ballot last year; details of voting patterns : No.
 Whether any special resolution is proposed to be conducted through postal ballot. : No.

I. Disclosures:

Materially significant related party transaction i.e., material transaction of the Company with its promoters, directors or management or their subsidiaries or relatives, etc., that may have potential conflict with interest of the Company at large	The company has transactions with other organizations in which the management, their subsidiaries have interest. Such transactions however, do not pose potential conflict with the interest of the company at large.
Non – Compliance by the Company, penalties, Strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority , on any matter related to capital markets during the last three years	None.
Whistle Blower Policy and affirmation that no personnel have been denied access to the audit committee	Whistle Blower Policy introduced and no person has been denied access to the audit committee.
Details of Compliance with mandatory requirements and adoption of the non mandatory requirements of this clauses	The Company has complied with mandatory requirements.



- V. 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, 2009.
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, 2008 to 31st March, 2009.
- iii. **Book Closures:**
Wednesday 16th September, 2009 to Thursday 24th September 2009. (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 Bombay Stock Exchange Limited – Rotunda Building, 1st Floor, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001.
2. Ahmedabad Stock Exchange Limited – Kamdhenu Complex, Near Polytechnic, Panjara Pole, Ahmedabad- 380 015.

Stock Market Data

The monthly movement of equity share price on BSE is summarized below:-

Period	Company's Share Price	
	High	Low
April 2008	15.44	11.00
May 2008	20.50	10.80
June 2008	10.27	5.47
July 2008	7.65	5.20
August 2008	10.50	8.03
September 2008	15.10	10.00
October 2008	15.70	13.51
November 2008	12.84	9.45
December 2008	9.00	7.74
January 2009	7.36	5.72
February 2009	8.66	5.44
March 2009	12.39	9.08

- vi. **Registrar and Transfer Agents.**
The Company has engaged the Common agency for Share registry.

M/s Purva Sharegistry India Private Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Borichia Marg, opp. Kasturba Hospital, Lower Parel, Mumbai 400 011.
Tel No 022 2301 8261 / 2301 6761. Fax No 2301 2517. Email : busicomp@vsnl.com.

All correspondence with regard to Share Transfer, Change of Address etc. are to be addressed to the Company or its Registrar and Transfer Agents.

INVESTOR SERVICE DEPARTMENT:

Mardia Samyoung Capillary Tubes Company Limited.
Mardia House, 96, C. P. Tank Road, Mumbai - 400 004.

- vii. **Share Transfer System:**

- ❖ A shareholder's request is normally attended and reply is sent in 10-15 days time and the Certificates after transfer of Shares are returned within one-month period except in the cases that are constrained for technical reasons.
- ❖ Shares are being transferred and demat option letter in their respect are dispatched approximately within 20-25 days from the date of receipt, so long as the documents have been clear in all respects.

DEMATERIALISED TRADING.

As the shareholders are aware the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for compulsory dematerialised trading for all investors. The Company has already entered into agreements with Central Depository Services (India) Limited (CDSL) and with National Securities Depository Limited (NSDL) for dematerialisation of equity Shares, to enable members of the Company to select the depository of their choice for holding and dealing in shares in electronic form. The Shareholders are requested to make use of such facility for maximizing their convenience in the dealing of Company's Share. The ISIN (International Securities Identification Number) of the Company is INE277E01018. The Total No. of Shares in Demat : 62,700 (0.78%) Physical 79,37,300 (99.22%) as on March 31st, 2009



❖ Investor Relations :

All complaints received from shareholders have been cleared within the financial year. The Complaints are generally replied to within 15 to 20 days from their lodgments with the Company. The Investors/members may write for their queries to Company's Investor Service Department.

SHAREHOLDING PATTERN AS ON 31ST March, 2009

	Category	No. of shares held	Percentage of shareholding
A	Promoter's Holding		
1	Promoters		
	<u>Indian Promoters:</u>	2842327	35.52
	<u>Foreign Promoters:</u>	1974473	24.68
2	Persons acting in concert	NIL	NIL
	Sub-Total	4816800	60.20
B	Non-Promoter's Holding		
3	Institutional Investors		
	a. <u>Mutual Funds and UTI</u>	10200	0.13
	b. <u>Bank, Financial Institutions, Insurance Companies (Central/State Govt. Institutions, Non-Govt. Institutions)</u>	100	0.00
	c. <u>FII's</u>	NIL	NIL
	Sub-Total	10300	0.13
4	Others		
	a. <u>Private Corporate Bodies</u>	91100	1.14
	b. <u>Indian Public</u>	2891900	36.15
	c. <u>NRIs/OCBs</u>	189100	4.20
	d. <u>Any other (Please Specify)</u>		
	Shares In transit	NIL	NIL
	Forfeited Shares	NIL	NIL
Foreign Nationals	NIL	NIL	
Trust	800	0.01	
	Sub-Total	3172900	39.8
	Grand-Total	8000000	100.00

DISTRIBUTION SCHEDULE AS ON 31st March, 2009

Shares Holding of nominal Value of	Share holders			Share Amount		
	Rs.	Rs.	Numbers	% to total	(In Rs.)	% to total
Up to - 5,000	-	5,000	13609	96.29	16192000	20.24
5,001 - 10,000	-	10,000	279	1.97	2415000	3.02
10,001 - 20,000	-	20,000	116	0.82	1801000	2.25
20,001 - 30,000	-	30,000	55	0.39	1407000	1.76
30,001 - 40,000	-	40,000	17	0.12	630000	0.79
40,001 - 50,000	-	50,000	19	0.13	931000	1.16
50,001 - 100,000	-	100,000	7	0.05	625000	0.78
100,001 - & Above	-	& Above	32	0.23	55999000	70.00
*** Total ***			14134	100.000	80000000	100.000



ix Plant Location/Site Address:

203, Piparia Industrial Area, Silvassa, Dadra & Nagar Haveli (U. T.)

x Address for Correspondence:

Investor Service Department
Mardia Samyoung Capillary Tubes Company Limited
Mardia House, 96, C. P. Tank Road.,
Mumbai - 400 004.

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. The Board Members and Senior Management have affirmed compliance with the code of Conduct.

For and on behalf of the Board of Director

Place: Mumbai.
Date: August 22nd, 2009.

SURENDRA MARDIA
Chairman

CHAIRMAN & MD CERTIFICATION
(Pursuant to Clause No. 49(I)(D)(ii) and 49(V) of the Listing Agreement)

To the Members
Mardia Samyoung Capillary Tubes Company Ltd.

We, Mr. Surendra Mardia, Chairman & Mr. Ravindra Mardia, Managing Director, of Mardia Samyoung Capillary Tubes Company Ltd., certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the year ending March 31st, 2009 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps have been taken or are proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee that:
- (i) there were no significant changes in internal control over financial reporting during the year;
 - (ii) there were no significant changes in accounting policies during the year; and
 - (iii) there were no instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (e) We further declare that all Board Members and Senior Management have affirmed the compliance with the code of conduct for the year 2008-09.

For and on behalf of the Board

Place: Mumbai
Date: 22nd August, 2009

SURENDRA MARDIA
Chairman

RAVINDRA MARDIA
Managing Director



S. C. Agrawal

B.Com. (Hons.) L.L.B., F.C.A.

Shyam. C. Agrawal & Co.

Chartered Accountants

3/910 - L Navjivan Society,

Lamington Road, Mumbai - 400 008.

Phone : (O) 2307 3538 (R) 2836 5931 Fax : 26835699

COMPLIANCE CERTIFICATE OF THE AUDITORS

A Certificate from the auditors of the Company regarding compliance of Conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

AUDITORS' CERTIFICATE

To
The members of
MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED.

We have examined the Compliance of conditions of Corporate Governance procedures implemented by **Mardia Samyoung Capillary Tubes Company Limited** for the year ended on March 31st 2009, as stipulated in Clause 49 of the listing agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is responsibility of the management. Our examination was limited to a review of procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company, on the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement with Stock Exchange have been complied with all material respect by the Company and that no investor grievance(s) is/are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

For SHYAM C. AGRAWAL & CO.,
Chartered Accountants

Place: Mumbai
Date: 22/8/2009

S. C. AGRAWAL
(Proprietor)
Membership No. 31774



S. C. Agrawal

B.Com. (Hons.) L.L.B., F.C.A.

Shyam. C. Agrawal & Co.

Chartered Accountants

3/910 - L Navjivan Society,

Lamington Road, Mumbai - 400 008.

Phone : (O) 2307 3538 (R) 2836 5931 Fax : 26835699

AUDITORS' REPORT

To,
The Shareholders of
MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

1. We have audited the attached Balance Sheet of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** at 31st March, 2009, and the Profit and Loss Account and Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. 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 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 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.
4. The Account has been prepared on going concern, basis based on the management's perception of the future of the company.
5. Further to our comments in the annexure referred to above, we report that:
 - a. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of accounts.
 - d. In our opinion the Balance Sheet and the Profit & Loss Account and Cash Flow statement comply with the accounting standards referred to in Sub Section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors, as on 31st March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as Directors in term of clause (g) of Sub Section (1) 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with, and subject to the notes to the accounts relating to Balance Sheet and Profit & Loss account 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.
 - i. In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2009 and
 - ii. In the case of Profit and Loss Account, of the Profit for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For SHYAM C. AGRAWAL & CO.
Chartered Accountants

Place: Mumbai.
Date: 22/08/2009

S. C. AGRAWAL
(Proprietor)
Membership No. 31774



S. C. Agrawal

B.Com. (Hons.) L.L.B., F.C.A.

Shyam. C. Agrawal & Co.

Chartered Accountants

3/910 - L Navjivan Society,

Lamington Road, Mumbai - 400 008.

Phone : (O) 2307 3538 (R) 2836 5931 Fax : 26835699

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph (3) of our report of even date on the accounts of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** the year ended 31st March, 2009.

1. In respect of its Fixed Assets:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. Fixed Assets were physically verified by the management at periodic intervals. In our opinion, the period of verification is reasonable, having regards to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- b. The company has not disposed off any of its fixed assets during the year.

2. In respect of Inventories:

- a. As explained to us, inventories have been physically verified by the management at regular intervals during the year, and in our opinion the frequency of verification is reasonable.
- b. In our opinion and according to information and explanation given to us, the procedures of physical verification of inventories followed by the management are 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 inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3.

- a) As per the information furnished, the Company has not taken nor granted secured or unsecured loans from parties listed in the register maintained under section 301 of the Companies Act, 1956.

- b) As the company has not taken nor granted secured or unsecured loans, to / from parties listed in the register maintained under section 301 of the Companies Act, 1956, the clause (iii) (b), (c), (d), (e), (f) and (g) of the order are not applicable.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets, and also for the sale of goods. During the course of our audit, we have not observed any major weakness in internal controls.

5.

- (a) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under the section 301 of the Companies Act, 1956, have been so entered.

- (b) In our opinion and according to the information and explanation given to us, the transaction made in the pursuance of contract or arrangement entered in the register maintained under section 301 of the Companies Act, 1956, exceeding the value of Five Lacs Rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.

6. The Company has not accepted any deposits from the public.

7. In our opinion, the internal audit system of the Company is commensurate with the size & nature of its business.

8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 in respect of the activities carried on by the Company.

9.

- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sale Tax, Wealth Tax, Custom Duty, Excise Duty, Educational Cess tax and other statutory dues have been generally regularly deposited with the appropriate authorities.



S. C. Agrawal

B.Com. (Hons.) L.L.B., F.C.A.

Shyam. C. Agrawal & Co.

Chartered Accountants

3/910 - L Navjivan Society,

Lamington Road, Mumbai - 400 008.

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- (b) According to the information and explanations given to us, an amount of Rs. 659.88 Lacs, (Rs. 659.88 Lacs). towards Customs Import Duty, Interest & Penalty on the capital goods imported under EPCG Scheme & resultant export obligation not fulfilled is payable by the company. Proportionate custom duty amount saved, in respect of Advance Import License against which export obligation is pending, is Rs. 221.82 Lacs (Rs. 221.82 Lacs). Bank Guarantees issued against the same is Rs. 101.10 Lacs (Rs. 101.10 Lacs). Further an amount of Rs. 239.16 Lacs (239.16 Lacs) is pending towards the Excise Duty, Interest & Penalty claims made by the various Central Excise authorities, the company has preferred Appeals against such orders, at the appropriate levels. However, no other amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
- (c) Custom duty saved on import of total Capital goods under EPCG Scheme is Rs 137.50 Lacs (Rs.137.50 Lacs). Bank Guarantee issued against the same is Rs. 70.37 Lacs (Rs 70.37 Lacs). Total export obligation under the EPCG Scheme was USD 81.25 Lacs.
10. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year
11. According to the information and explanation given to us, the company has fully paid all its secured creditors under OTS (One Time Settlement Scheme), separately entered with Dena Bank and Union Bank of India and M/s Assets Reconstruction Company of India Limited has taken the possession of the company's movable assets. The company has no secured creditors as on 31st March 2009.
12. According to the information & explanation given to us, the Company has not granted loans & 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, clause 4(xiii) of the Companies (Auditor's Report) order 2003 is not applicable to the Company.
14. In our opinion, and according to the information and explanation given to us, the company is not dealing in or trading in share, securities, debenture, and other investment. According to the provision of clause 4(xiv) of the order is not applicable to the Company.
15. As informed to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loan during the year.
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 loans have been used to finance short-term assets.
18. During the year, the Company has not made any preferential allotment of Shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any Debentures during the year, nor are there any outstanding debentures.
20. The Company has not raised any money by way of public issue during the year and therefore clause 4 (XX) of the order is not applicable.
21. During the course of our examination of the books and records of the Company, carried in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the management.

For SHYAM C. AGRAWAL & CO
Chartered Accountants

Place: Mumbai.
Date. 22/08/2009

S. C. AGRAWAL
(Proprietor)
Membership No. 31774

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCH	RUPEES	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
I SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS				
Share Capital	A		79,891,600.00	79,891,600.00
Reserves & Surplus	B		<u>58,268,756.02</u>	<u>45,024,024.80</u>
			<u>140,372,843.29</u>	<u>124,915,624.80</u>
II APPLICATION OF FUNDS				
FIXED ASSETS				
Gross Block	C	90,417,780.00		81,602,926.00
Less: Depreciation		<u>21,940,085.00</u>		<u>18,003,027.00</u>
Net Block			68,477,695.00	63,599,899.00
DEFERRED TAX ASSET	D		12,516,677.00	11,925,000.00
CURRENT ASSETS, LOANS & ADVANCES	E			
Inventories		54,292,462.25		55,879,280.50
Sundry Debtors		31,056,620.22		28,081,368.50
Cash and Bank Balances		2,124,891.89		925,517.46
Loans and Advances		<u>13,789,489.63</u>		<u>14,484,603.20</u>
			101,263,463.99	99,370,769.66
Less: CURRENT LIABILITIES & PROVISIONS	F			
Current Liabilities		34,414,141.70		42,827,761.86
Provisions		<u>8,202,173.00</u>		<u>7,152,282.00</u>
			42,616,314.70	49,980,043.86
NET CURRENT ASSETS			<u>58,647,149.29</u>	<u>49,390,725.80</u>
MISCELLANEOUS EXPENDITURE			731,322.00	0.00
PROFIT & LOSS ACCOUNT	N		0.00	0.00
			<u>140,372,843.29</u>	<u>124,915,624.80</u>

NOTES ON ACCOUNTS

As per our report of even date attached
For SHYAM C. AGRAWAL & CO.
Chartered Accountants

For and on behalf of the Board

SURENDRA MARDIA
Chairman

S. C. AGRAWAL
Proprietor
Membership No. 31774

RAVINDRA MARDIA
Managing Director

Place : Mumbai
Date : 22.08.2009



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

SCHEDULE	CURRENT YEAR 31.03.2009 RUPEES	PREVIOUS YEAR 31.03.2008 RUPEES
<u>INCOME</u>		
Sales	246,346,041.72	103,500,585.03
Other Income	5,627,314.77	5,617,763.00
Increase/(Decrease) in Stock	3,661,699.25	29,631,038.00
	<u>255,635,055.74</u>	<u>138,749,386.03</u>
<u>EXPENDITURE</u>		
Raw Materials Consumed	210,125,457.22	126,036,688.50
Manufacturing and Other Expenses	19,428,359.25	3,049,744.23
Payment to and Provision for Employees	3,886,101.00	1,853,283.00
Administrative and Selling Expenses	5,418,848.06	1,889,413.00
Depreciation	2,521,933.00	3,199,285.00
Interest and Financial Charges	57,701.99	18,261.81
Total	<u>241,438,400.52</u>	<u>136,046,675.54</u>
PROFIT / LOSS BEFORE TAXATION	14,196,655.22	2,702,710.49
NET PROFIT / (LOSS)	14,196,655.22	2,702,710.49
Add: Deffered Tax Asset	591,677.00	11,925,000.00
PROFIT / LOSS AFTER TAXATION	14,788,332.22	14,627,710.49
Less : Fringe Benefit Tax Paid	128,475.00	0.00
	1,469,857.22	0.00
Add: balance B/ f	7,989,399.80	(6,638,310.69)
Balance carried over to Balance Sheet	<u>22,649,257.02</u>	<u>7,989,399.80</u>

NOTES ON ACCOUNTS

N

As per our report of even date attached
For SHYAM C. AGRAWAL & CO.
Chartered Accountants

For and on behalf of the Board of Director

SURENDRA MARDIA
Chairman

S. C. AGRAWAL
Proprietor
Membership No. 31774

RAVINDRA MARDIA
Managing Director

Place : Mumbai
Date : 22.08.2009

SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

RUPEES	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
<u>SCHEDULE 'A'</u>		
<u>SHARE CAPITAL</u>		
Authorised 85,00,000 Equity Shares of Rs.10/- each	85,000,000.00	85,000,000.00
Issued, Subscribed and paid-up 80,00,000 Equity Shares of Rs.10/- each fully paid up	80,000,000.00	80,000,000.00
Less: Calls in Arrears	108,400.00	108,400.00
	<u>79,891,600.00</u>	<u>79,891,600.00</u>
<u>SCHEDULE 'B'</u>		
<u>RESERVES & SURPLUS</u>		
Revaluation Reserves	35,619,499.00	37034625.00
Add : Profit For the year	22,649,257.02	7989399.80
	<u>58,268,756.02</u>	<u>45024024.80</u>
<u>SCHEDULE 'D'</u>		
Deffered Tax Assets Previous Balance	11,925,000.00	0.00
Depreciation as per IT Act	4,436,748.00	4,124,330.00
Depreciation as per Co. Act	2,521,933.00	3,199,285.00
Difference Depreciation	1,914,815.00	925,045.00
Add : Deffered Tax Assets During The Year	591,677.00	285,839.00
Provision for gratuity of deffered Assets	0.00	31,673.00
B/F losses deffered tax assets	0.00	12,179,159.00
Less : Transferred to Balance Sheet	12,516,677.00	11,925,000.00
<u>SCHEDULE 'E'</u>		
CURRENT ASSETS, LOANS AND ADVANCES		
1. Current Assets		
Inventories (As taken, valued and certified by Management)		
a) Raw Materials and scraps (At cost) (including goods in transit)	14,624,181.00	19,872,698.50
b) Work-in-process (At estimated cost)	25,127,211.75	24,390,910.00
c) Finished goods (At estimated cost)	6,741,069.50	6,615,672.00
d) Stores & spares (At cost)	7,800,000.00	5,000,000.00
	<u>54,292,462.25</u>	<u>55,879,280.50</u>
Sundry Debtors (Unsecured considered good)	27,227,700.22	0.00
Outstanding for exceeding 6 months	3,828,920.00	5,323,311.71
Others	106,067,797.80	22,758,056.79
	<u>109,896,717.80</u>	<u>28,081,368.50</u>

MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED.



SCHEDULE 'C'

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2008-2009

WITH REVALUATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		RATE %	
	AS AT 1.04.2008	Additions/ Deductions	REVALU ATION	AS AT 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	UPTO 31.03.2009	AS AT 31.03.2009		AS AT 31.03.2008
	LAND	12000000	0	0	12000000	0	0	0		12000000
LAND DEVELOPMENT	2925000	0	0	2925000	0	0	0	2925000	2925000	0.00
FACTORY BUILDING	40155067	0	0	40155067	10846567	1341179	12187746	27967321	29308500	3.34
RESIDENCE BUILDING	3550354	0	0	3550354	490354	57871	548225	3002129	3060000	1.63
PLANT & MACHINERY	19343165	8509502	0	27852667	6035165	2235884	8271049	19581618	13308000	10.34
MOTOR PUMP AND BOREWELL	7000	0	0	7000	2172	724	2896	4104	4828	10.34
ELECTRICITY INSTALLATION	962413	176098	0	1138511	112413	80493	192906	945605	850000	7.07
GENERATORS	162726	0	0	162726	12726	11505	24231	138495	150000	7.07
TRANSFORMERS	34000	0	0	34000	7212	2404	9616	24384	26788	7.07
DIES AND MOULDS	1201200	0	0	1201200	154198	84925	239123	962077	1047002	7.07
FURNITURE AND FIXTURES	100000	0	0	100000	18990	6330	25320	74680	81010	6.33
OFFICE EQUIPMENT	10000	0	0	10000	1857	619	2476	7524	8143	6.19
COMPUTER	14000	129255	0	143255	2600	8867	11467	131788	11400	6.19
VEHICLES	1099000	0	0	1099000	313215	104405	417620	681380	785785	9.50
OTHER ASSETS	39000	0	0	39000	5558	1853	7411	31590	33442	4.75
TOTAL	81602925	8814855	0	90417780	18003027	3937058	21940085	68477695	63599898	
PREVIOUS YEAR	42198300	2370000	37034625	81602925	14803742	3199285	18003027	63599898	27394558	

MARDIA SAMYOUNG CAPILLARY TUBES CO. LIMITED

SCHEDULE 'C'

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2008-2009

WITHOUT REVALUATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		RATE %
	AS AT 1.04.2008	Additions/ Deductions	AS AT 31.03.2009	UPTO 31.03.2008	FOR THE YEAR	UPTO 31.03.2009	AS AT 31.03.2009	AS AT 31.03.2008	
	LAND	1187596	0	1187596	0	0	0	1187596	
LAND DEVELOPMENT	1205972	0	1205972	0	0	0	1205972	1205972	0.00
FACTORY BUILDING	26138881	0	26138881	10846567	873039	11719606	14419275	15292314	3.34
RESIDENCE BUILDING	2174092	0	2174092	490354	35438	525792	1648300	1683738	1.63
PLANT & MACHINERY	10767559	8509502	19277061	6035165	1349166	7384331	11892730	4732394	10.34
MOTOR PUMP AND BOREWELL	7000	0	7000	2172	724	2896	4104	4828	10.34
ELECTRICITY INSTALLATION	530000	176098	706098	112413	49921	162334	543764	417587	7.07
GENERATORS	60000	0	60000	12726	4242	16968	43032	47274	7.07
TRANSFORMERS	34000	0	34000	7212	2404	9616	24384	26788	7.07
DIES AND MOULDS	1201200	0	1201200	154198	84925	239123	962077	1047002	7.07
FURNITURE AND FIXTURES	100000	0	100000	18990	6330	25320	74680	81010	6.33
OFFICE EQUIPMENT	10000	0	10000	1857	619	2476	7524	8143	6.19
COMPUTER	14000	129255	143255	2600	8867	11467	131788	11400	6.19
VEHICLES	1099000	0	1099000	313215	104405	417620	681380	785785	9.50
OTHER ASSETS	39000	0	39000	5558	1853	7411	31590	33442	4.75
TOTAL	44568300	8814855	53383155	18003027	2521933	20524959	32858196	26565273	
PREVIOUS YEAR	42198300	2370000	44568300	14803742	3199285	18003027	24195273	27394558	


SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
Cash and Bank Balances		
i. Cash in hand	160,604.12	1,40,102.87
ii. Balance With Scheduled Banks		
a) In Current Accounts	1,457,594.77	278,721.59
b) In Margin Account	416,040.00	416,040.00
c) Public Issue Refund Account	90,653.00	90,653.00
	<u>1,964,287.77</u>	<u>785,414.59</u>
	<u>2,124,891.89</u>	<u>925,517.46</u>
 2. LOANS AND ADVANCES (Unsecured considered good)		738,979.00
a) Advance against Salary	1,099,147.00	303,314.00
b) Sundry Deposits	3,936,363.00	3,262,482.00
c) Tax deducted at Source	2,744,431.20	1,142,188.20
d) Excise Duty Modvat credit	5,740,495.60	8,889,444.00
e) Excise Duty cess credit	64,332.61	131,993.00
f) Higher Education Cess	204,720.22	16,203.00
	<u>13,789,489.63</u>	<u>14,484,603.20</u>
 SCHEDULE 'F' CURRENT LIABILITIES		
a) Service Tax Payable	54,765.80	279039.80
b) Loan (Liability)	5,950,150.23	0.00
	6,004,916.03	0.00
c) Sundry Creditors	25,805,630.67	39,838,426.48
d) Veena Industries Ltd. (DEPOSIT)	2,500,000.00	2,500,000.00
e) FBT Payable	103,595.00	0.00
g) TDS Payable	0.00	37,752.00
	<u>28,409,225.67</u>	<u>42,376,178.48</u>
	34,414,141.70	
 PROVISIONS		
Provision for Expenses	914,500.00	0.00
Provision for Gratuity	3,211,673.00	3,152,282.00
Provision for audit fees	76,000.00	0.00
Provision For Income Tax	4,000,000.00	4,000,000.00
	<u>8,202,173.00</u>	<u>7,152,282.00</u>
TOTAL	<u>42,616,314.70</u>	<u>49,528,460.48</u>


SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET

RUPEES	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
<u>SCHEDULE 'G'</u>		
OTHER INCOME		
Interest received	278,298.00	763.00
Bank Interest	16.77	0.00
Lease Rent & Rent Income	5,349,000.00	5,617,000.00
	<u>5,627,314.77</u>	<u>5,617,763.00</u>
<u>SCHEDULE 'H'</u>		
Increase / (Decrease) in Stocks		
Closing Stock :		
Finished goods	6,741,069.50	6,615,672.00
Work-In-Process	25,127,211.75	24,390,910.00
Stores	7,800,000.00	5,000,000.00
	<u>39,668,281.25</u>	<u>36,006,582.00</u>
Less : Opening Stock		
Finished goods	6,615,672.00	98,206.50
Work-In-Process	24,390,910.00	6,252,337.50
Stores	5,000,000.00	25,000.00
	<u>36,006,582.00</u>	<u>6,375,544.00</u>
	3,661,699.25	29,631,038.00
<u>SCHEDULE 'I'</u>		
RAW MATERIAL CONSUMED		
Opening Stock	19,872,698.50	3,719,940.00
Add: Purchases (net)	204,876,939.72	142,189,447.00
	<u>224,749,638.22</u>	<u>145,909,387.00</u>
Less: Closing Stock	14,624,181.00	19,872,698.50
Raw Material Consumed	<u>210,125,457.22</u>	<u>126,036,688.50</u>


SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

RUPEES	AS AT 31.03.2009 RUPEES	AS AT 31.03.2008 RUPEES
SCHEDULE 'J'		
MANUFACTURING AND OTHER EXPENSES		
C.S.T	309,310.00	0.00
Consumables & Stores	3,226,361.25	82,729.00
Electricity Expenses	2,458,969.00	469,808.00
Excise Duty Paid	464,453.00	2,330,674.23
Labour Charges	2,497,106.00	0.00
Oil & Fuels Expenses	7,303,778.00	0.00
Repairs & Maintenance	2,706,850.00	166,168.00
Sales Tax Paid	432,319.00	0.00
Testing Charges	29,213.00	365.00
	<u>19,428,359.25</u>	<u>3,049,744.23</u>
SCHEDULE 'K'		
PAYMENT TO AND PROVISION FOR EMPLOYEES		
Salary, Wages and Bonus	32,30,289.00	1,531,316.00
Director's Remuneration	349,000.00	156,000.00
Staff Welfare Expenses	247,421.00	64,567.00
Provision for Gratuity	59,391.00	101,400.00
	<u>3,886,101.00</u>	<u>1,853,283.00</u>
SCHEDULE 'L'		
ADMINISTRATIVE AND SELLING EXPENSES		
Advertising Expenses	68,720.00	22,390.00
Auditors Remuneration	108,811.00	9,027.00
Brokerage & Commission	383,905.00	541,318.00
Consultancy	142,350.00	378,700.00
Conveyance & Travelling	654,763.00	222,348.00
Donation	21,508.00	0.00
Insurance Charges	30,347.00	23,518.00
Interest Paid	0.00	1,250.00
Labour Charges	0.00	3,000.00
Lease Rent Paid	150,000.00	0.00
Legal & Professional Fees & Membership & Subscription	470,704.00	414,138.00
Office Expenses	394,936.50	199.00
Office Expenses	434,919.00	0.00
Postage & couriers	38,470.00	10,920.00
Printing & Stationery	125,292.56	74,781.00
Professional Fees	10,000.00	0.00
Professional Tax	6,670.00	0.00
Rent, Rate & Taxes	70,413.00	0.00
Telephone Expenses	489,984.00	42,748.00
Transportation, Octroi & Cartage	1,817,055.00	145,076.00
	<u>5,418,848.06</u>	<u>1,889,413.00</u>
SCHEDULE 'M'		
INTEREST AND FINANCIAL CHARGES		
Speculation Loss	7,408.70	
Bank Charges	50,293.29	18,261.81
	<u>57,701.99</u>	<u>18,261.81</u>



SCHEDULE 'N'

NOTES FORMING PART OF THE ACCOUNTS AS ON 31ST MARCH, 2009.

A. SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS

The Company generally follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those significant uncertainties, warehousing charges and leave pay.

2. FIXED ASSETS

Fixed assets stated at cost (net of modvat credit) which include all related expenses up to acquisition and installation of fixed assets. The fixed assets have been revalued on 31.3.2008.

3. DEPRECIATION

Depreciation on fixed assets has been provided on pro-rata basis on straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956. No depreciation is provided on the assets not put to use.

4. INVENTORIES VALUATION

Items of inventories are valued as under:

- | | |
|---------------------|---|
| a. Raw materials | : At Cost. On first in first out basis (Including materials with third party) |
| b. Works in Process | : At estimated cost |
| c. Finished Goods | : At estimated cost |
| d. Stores & Spares | : At Cost |
| e. Scraps | : At estimated cost |

5. FOREIGN CURRENCY TRANSACTIONS

- Transaction in foreign currencies, are recorded at exchange rate prevailing on the date of relevant transaction.
- Balance in form of Current assets and Current liabilities in foreign currency, outstanding at the close of the year, are converted into Indian currency at the appropriate exchange rates prevailing at the date of balance Sheet.
- Resultant gain or loss with respect to (a) above is accounted during the year.

6. RETIREMENT BENEFITS

Retirement benefits payable to the employees have been accounted for by making a provision, as regards to Gratuity payable to Employees based on actual valuation. This is in harmony with AS - 15 issued by the Institute of Chartered Accountants of India, which came into force from 01.04.1995

7. MISCELLANEOUS EXPENDITURE

- Preliminary Expenses & Public issue expenses are amortized over a period of ten years.

8. REVENUE RECOGNITION

- Sales are recognized at the time of the dispatch of the goods. Sales are exclusive of excise duty and net of return.
- Income arising out of lease rent is accounted for as per the terms of the lease agreements entered into with the Lessees.

9. IMPAIRMENT OF ASSETS

The company has not worked out any "Impairment of Assets" as per Accounting standard-28.

10. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

- The company recognizes as provisions, the liabilities being present obligations arising out of past events, the settlement of which is expected to result in an outflow of resources and which can be measured only by using a substantial degree of eliminations.
- Contingent liabilities are disclosed by way of a note to the financial statement after careful evaluation by the management of the facts and legal aspects of the matter involved.
- Contingent assets are neither recognized nor disclosed.

- 11.
- a) **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to relevant assessment year.
 - b) **Deferred Tax:** In accordance with the accounting standard 22 "Accounting for Taxes on the Income" issued by the Institute of Chartered Accountants of India, the deferred tax for the timing difference is measured using the tax rates and tax law that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax asset arising from timing difference are recognized only on the consideration of prudence.
 - c) **Fringe Benefit Tax:** Provision for Fringe Benefit Tax is made in accordance with the provisions of the Income Tax Act, 1961.

A. NOTES ON ACCOUNTS

1. CONTINGENT LIABILITIES NOT PROVIDED FOR

- a) According to the information and explanations given to us, an amount of Rs. 659.88 Lacs, (Rs. 659.88 Lacs). towards Customs Import Duty, Interest & Penalty on the capital goods imported under EPCG Scheme & resultant export obligation not fulfilled is payable by the company. Proportionate custom duty amount saved, in respect of Advance Import License against which export obligation is pending, is Rs. 221.82 Lacs (Rs. 221.82 Lacs). Bank Guarantees issued against the same is Rs. 101.10 Lacs (Rs. 101.10 Lacs). Further an amount of Rs. 239.16 Lacs (239.16 Lacs) is pending towards the Excise Duty, Interest & Penalty claims made by the various Central Excise authorities, the company has preferred Appeals against such orders, at the appropriate levels. However, no other amount payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2008 for a period of more than six months from the date they became payable.
 - b) Custom duty saved on import of total Capital goods under EPCG Scheme is Rs 137.50 Lacs (Rs.137.50 Lacs). Bank Guarantee issued against the same is Rs. 70.37 Lacs (Rs 70.37 Lacs). Total export obligation under the EPCG Scheme was USD 81.25 Lacs.
 - c) Bank Guarantee for obtaining power given to Gujarat Electricity Board is Rs. 5.00 Lacs (Rs. 5.00 Lacs)
2. Sundry debtors, creditors and advances are subject to confirmation and reconciliation.
3. In the opinion of Board of Directors, the Current assets, loans and advances have a value of at least equal to the amounts shown in the balance sheet. If realized in the ordinary course of business provision for all known liabilities is adequate and not in excess of amount considered reasonably necessary. There are no contingent liabilities other than those stated in Note No. 1.
4. The company operates in one segment only, of manufacturing Stainless Steel, Copper and Brass Tubes, Bars, Ingots etc. Hence in the opinion of the management this is the only reportable segment. As per accounting standard 17 on segment reporting issued by the Institute of Chartered Accountants of India.
5. As on 31st March 2008, the Company has revalued its fixed assets as per the valuation of registered value. This has resulted in to increase in the Gross Block by Rs. 37034625/- and corresponding increase in the Revaluation Reserve by the same amount.
6. **Related Party Disclosures :**

Name of the Related Party	Nature of the Relationship	Nature of Transactions During the year	Volume of Transaction 2008-09	Volume of Transaction 2007-08	Balance at the end 31.3.09	Balance at the end 31.3.08
Mr. Ravindra Mardia	Key Management Personnel	Directors Remuneration	169000	169000	Nil	Nil
Mr. Surendra Mardia	Chairman	Directors Remuneration	180000	180000	Nil	Nil

7. a. Associates cover entities over which Key Management Personnel / their relatives are able to exercise significant influence.



- b. Related party as defined under Clause 3 of Accounting Standard –18 has been identified on the basis of representation made by key managerial personnel and information available with the company.
- c. There are no provisions for doubtful debts or amounts written off or written back during the year, for debts due from or to related parties.

8. PAYMENT TO AUDITORS	Rupees in lacs	
	Current year Amount	Previous year Amount
Audit Fees, Tax Audit etc.	0.78	0.35
Income Tax matters	0.20	0.10
Out of Pocket Expenses & others	0.10	0.05
	<u>1.08</u>	<u>0.50</u>

9. Additional information pursuant to the provision of paragraphs (3) & (4) of part II of schedule VI to The Company's Act, 1956, read together with other notes.

A. Particulars in respect of licensed capacity, installed capacity, production and Stocks :

	Units	Current year	Previous year
I Licensed Capacity		N.A.	N.A.
II Installed Capacity		N.A.	N.A.
a) Stainless Steel, Copper and Brass Tubes, Bars, Ingots etc	MT.	1800	1800
b) S. S. Round / Flats etc.	MT.	N.A.	N.A.
c) Ball pen, tips moulded Parts	PCS.	N.A.	N.A.

Being technical in nature, relied on the Certificate of the Managing Director.

III Production, turnover, opening and closing stock

	Value Rs. In lacs							
	Production		Turnover		Opening Stock		Closing Stock	
	Unit	Quantity	Quantity	Amount	Quantity	Amount	Quantity	Amount
Stainless Steel, Copper and Brass Tubes, Bars, Ingots etc.	M.T.	1234.445 (999.80)	1232.637 (999.80)	2463.46 (1035.01)	142.892 (0.281)	378.317 (0.98)	158.113 (142.892)	382.59 (378.317)

(Production is certified by Managing Director.)

IV Consumption of Raw Material

	Units	Current year		Previous year	
		Quantity	Amount	Quantity	Amount
Copper, Brass & other Semis	MT.	1252.572	2101.26	895.16	1242.15



V Value of Imported / Indigenous Raw Materials Consumed

	Rupees in Laacs			
	Current year		Previous year	
	Amount	Percentage	Amount	Percentage
i) Imported	19.92	0.95	0.00	0.00
ii) Indigenous	2081.34	99.05	1242.15	100.00
	<u>2101.26</u>	<u>100.00</u>	<u>1242.15</u>	<u>100.00</u>

VI Expenditure in foreign currency

	Current year Amount	Previous year Amount
Foreign Traveling	NIL	NIL
Earning in Foreign Exchange	NIL	NIL

10. 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 to B.I.F.R. under section 15 of Sick Industrial Companies (Special Provision) Act, 1985. The Company has been registered with B.I.F.R. and ICICI Bank has been appointed as the Operating Agency. During the Year M/s. Mardia Extrusions Ltd. (MEL) has submitted a new DRS for Merger with Your Company to the Hon'ble B.I.F.R. through it's operating Agency UBI. Now the Company is waiting for approval of merger MTL MEL & MSL from Hon'ble B.I.F.R.

11. The Company has not received any information from any of the suppliers of their being a small scale industrial unit. Hence the amount due to small scale industrial unit outstanding as on 31st March, 2009 are not ascertainable.

12. CALCULATION OF DEFFERED TAX LIABILITY AS ON 31.03.2009

Depreciation as per book	2521933	
Depreciation as per Income Tax	<u>4436748</u>	
	1914815	
Tax effect		591677
Opening Balance		<u>11925000</u>
Differed Tax Assets		<u>12516677</u>

13. Figures for the previous year have been regrouped, reclassified wherever necessary to make them comparable with the current year's figures. Figures in the bracket, wherever appeared are for previous year.

For and on behalf of the Board of Directors

As per our report of even dated attached
For SHYAM C. AGRAWAL & CO.
Chartered Accountants

SURENDRA MARDIA
Chairman

S. C. AGRAWAL
Proprietor

RAVINDRA MARDIA
Managing Director

Place: Mumbai.
Date: August 22nd, 2009.



MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED
ADDITIONAL INFORMATION AS REQUIRED UNDER
PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 IN TERMS OF
GOVERNMENT OF INDIA NOTIFICATION DATE 15.05.1995

PART - IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration

-	-	-	6	9	1	0	4
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 State Code

1	1
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Balance Sheet

3	1
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0	3
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2	0	0	9
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Date Month Year

II Capital Raised during the Year (Amount In Thousand)

Public Issue Right Issue

	N	I	L				N	I	L		
--	---	---	---	--	--	--	---	---	---	--	--

Bonus Issue Private Issue

	N	I	L				N	I	L		
--	---	---	---	--	--	--	---	---	---	--	--

III Position of Mobilizing and Deployment of Funds (Amount In Thousand)

Total Liabilities Total Assets

	1	4	0	3	7	2		1	4	0	3	7	2
--	---	---	---	---	---	---	--	---	---	---	---	---	---

Sources of Funds Paid -Up Capital Reserves & Surplus

		7	9	8	9	2			5	8	2	6	9
--	--	---	---	---	---	---	--	--	---	---	---	---	---

Secured Loans Unsecured Loans

		N	I	L					N	I	L		
--	--	---	---	---	--	--	--	--	---	---	---	--	--

Application of Funds Net Fixed Assets Investments

		6	8	4	7	8			N	I	L		
--	--	---	---	---	---	---	--	--	---	---	---	--	--

Net Current Assets Misc. Expenditure

		5	8	6	4	7				7	3	1
--	--	---	---	---	---	---	--	--	--	---	---	---

Accumulated Losses

		N	I	L		
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IV Performance of Company (Amount In Thousand)

Turnover & Other Income							Total Expenditure											
		2	5	5	6	3	5			2	4	1	4	3	8			
Profit/Loss Before Tax							Profit/Loss after Tax											
+					1	4	1	9	7	+				1	4	7	8	8

(Please tick Appropriate Box + for Profit - Loss)

Earning Per Shares In Rs..

1 - 8 5

Dividend Rate %

N I L

V. Generic Names of Three Principal Products / Services Company
(as Per monetary terms)

Items Code No. 9 6 0 8 9 9 = 0 9

(ITC Code)

Product Description

B A L L P E N T I P S

Items Code No.

7 4 1 2 1 = 0 0

(ITC Code)

Product Description

B R A S S T U B E S

Items Code No.

7 3 0 6 4 0 = 0 0

(ITC Code)

Product Description

S S T U B E S

As Per Our report of even date attached

For and on behalf of the Board of Directors

For SHYAM C. AGRAWAL & CO.,
Chartered Accountants

1. SURENDRA MARDIA
Chairman

S. C. AGRAWAL
Proprietor

2. RAVINDRA MARDIA
Managing Director

Place : Mumbai
Date :22/08/2009



CASH FLOW STATEMENT

	Year Ended 3/31/2009	(Rs. In Lacs) Year Ended 3/31/2008
A Profit (Loss) before tax	141.97	27.03
Add: Non cash Expenditure & Non Recurring Expenditure		
Depreciation	25.22	31.99
Miscellaneous Expenditure W/OFF	0.00	0.00
Interest & Financial Charges	0.58	0.18
	<u>25.8</u>	<u>32.17</u>
	167.77	59.20
Less : Non Recurring Income		
Other income	56.27	56.18
	<u>111.50</u>	<u>3.02</u>
Changes in Working Capital		
Inventories	15.87	(457.84)
Debtors	-29.75	120.72
Loan & Advances	6.95	(107.97)
Creditors and Provisions	-51.98	378.57
	<u>-58.91</u>	<u>(66.52)</u>
	52.59	(63.50)
Less: Taxes Paid/Fringe Benefit	0.99	0.00
Cash Generated From Operations	<u>51.6</u>	<u>(63.50)</u>
B Cash Flow from Investing Activities:		
Purchase of fixed assets	-88.15	(23.70)
Miscellaneous Expenses	-7.31	0.00
Revaluation of Fixed Assets	0	(370.34)
Transfer to Revaluation Reserve	0	370.34
Interest & Financial Charges	0.58	(0.18)
Interest & Other Income	56.27	56.18
	<u>-38.61</u>	<u>32.30</u>
C Cash Flow from Financing Activities		
Borrowing (Net)	0.00	0.00
Prepaid Taxes	-0.99	0.00
Net Cash from Financing Activities	<u>(0.99)</u>	<u>0.00</u>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	12.00	(31.20)
Cash and Cash equivalents as on 31/03/2008	9.25	40.45
Cash and Cash equivalents as on 31/03/2009	21.25	9.25

For and on behalf of the Board of Directors

Place : Mumbai
Date : 22.08.2009

Surendra Mardia
Chairman

MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED.

Registered Office of the Company at J – 55, M. I. D. C, Industrial Area, Tarapur , Boisar - 401 506

ATTENDANCE SLIP

17TH ANNUAL GENERAL MEETING
(To be handover at the entrance of the Meeting Hall)

Client ID/Folio No. _____

No. of Shares held _____

Name

Address

JH1

JH2

I/We hereby record my/our presence at the Seventeenth Annual General Meeting of the Company held on Tuesday the 29th September, 2009, at 10.30 A. M. at J – 55, M. I. D. C, Industrial Area, Tarapur , Boisar - 401506.

Signature of Member/Proxy

Notes :

1. A member/Proxy wishing to attend the meeting must complete this Admission Slip and hand it over at entrance.
2. If you intend to appoint a proxy, please complete the proxy form below and deposit it at the Company's Registered office at least 48 hours before the meeting.

MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED.

Registered Office of the Company at J – 55, M. I. D. C, Industrial Area, Tarapur , Boisar - 401 506.

PROXY

I/We _____

Being a member(s) of Mardia Samyoung Capillary Tubes Company Limited hereby appointment _____ or failing him/her _____

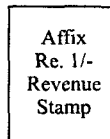
of _____ as my/our proxy to vote for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, the 29th September, 2009, at 10.30 A. M. at J – 55, M. I. D. C, Industrial Area, Tarapur , Boisar - 401506 and at any adjournment thereof.

Signed this _____ day of _____ 2009.

Client ID/Folio No. _____

No. of Shares held _____

DP. ID No.



(Signature of Member)

Notes:

1. Proxies, in order to be effective must be received at the registered office of the Company not less than 48 hours before the time of the meeting.
2. Proxy need not be a member.
3. Revenue Stamp of Re. 1/- is to be affixed on this form.
4. This form should be signed across the stamp as per specimen signature registered with the Company.

BOOK POST

If undelivered, please return to:
MARDIA SAMYOUNG CAPILLARY TUBES CO. LTD.
MARDIA HOUSE,
96, C. P. TANK ROAD,
MUMBAI - 400 004.