



**ANNUAL  
REPORT  
2012-2013**

**MARDIA SAMYOUNG  
CAPILLARY TUBES COMPANY LIMITED**

**INDO KOREAN JOINT VENTURE**

# MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

## TWENTY FIRST ANNUAL REPORT – 2012-2013

<b>DIRECTORS</b>	Surendra Mardia Ravindra Mardia Virendra Sinh Deora Omana Nayak Bharat J. Chouhan Mohanlall	Chairman Managing Director Director Director Director Special Director (appointed by BIFR)
<b>AUDITORS</b>	Shyam. C. Agrawal & Co. Chartered Accountants	
<b>BANKERS</b>	HDFC BANK THE RATNAKAR BANK LTD. DENA BANK.	
<b>FACTORY</b>	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
<b>REGISTERED OFFICE</b>	J – 55, M. I. D. C, Industrial Area, Tarapur, Boisar - 401 506. District - Thane. Maharashtra.	
<b>REGISTRAR AND TRANSFER AGENT:</b>	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 **21st ANNUAL GENERAL MEETING** of the Members of **MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED** will be held on Saturday the 28<sup>th</sup> September, 2013 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 receive, consider and adopt the **Balance Sheet** as at 31<sup>st</sup> March, 2013 and the **Profit and Loss Account** of the Company for the year ended on that date and the report of the **Board of Directors** and **Auditors** thereon.
2. To appoint a **Director** in place of **Mrs. Omana Nayak**, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a **Director** in place of **Mr. Bharat Chauhan** who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint **Auditors** to hold office from the conclusion of this **Annual General Meeting** until the conclusion of the next **Annual General Meeting** and to fix their remuneration.

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: 31<sup>st</sup> August, 2013.

**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. Explanatory Statement pursuant to 173 (2) of the Companies Act, 1956, for the business at S. No. 5 is annexed hereto.
3. Members are requested to notify immediately any change in their address to the Company's Investors Service Department at Mardia House, 96, C. P. Tank Road, Mumbai 400 004 or to its Registrar and Transfer Agents 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 SHAREGISTRY (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.

4. Members are requested to bring their copy of Annual Report at the Meeting and produce attendance slip at the entrance where the Annual General Meeting will be held. Members, who hold shares in the dematerialized form, are requested to bring their depository account number for identification.
5. Register of members and Share Transfer Books of the Company will be closed from Friday the 20<sup>th</sup> September, 2013 to Friday the 27<sup>th</sup> September, 2013 (Both days inclusive), to comply with the requirement of the Listing Agreement of the Stock Exchange.
6. Members seeking any information as regards to Accounts are requested to write to the Company at least seven days in advance so as to enable the Company to keep the information ready.
7. Equity Shares of the Company are available in dematerialized form both with the National Securities Depository Limited (NSDL) and Central Depository Service (India) Ltd (CDSL).
8. The Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by Companies (vide its Circular No. 17/2011 dated April 21, 2011) and clarified that the service of documents / communications including the Notice of calling the Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc., via. electronic mode by a company can be made through electronic mode instead of sending the physical copy of the document(s).

**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: 31<sup>st</sup> August, 2013.


**ANNEXURE TO THE NOTICE.**

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 fixed for Saturday, the 28th September, 2013 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.

Name of Director	Omana Nayak	Bharat Chouhan
Date of Birth	30-05-1964	13-09-1975
Date of Appointment	25-11-2005	25-11-2005
Expertise in specific functional areas	Wide experience in the field of Accountancy	Wide experience in the field of Accountancy
Qualifications	Commerce Graduate	Commerce Graduate
List of outside Directorships held Excluding Directorship in Private Companies	Mardia Extrusions Ltd. Mardia Tubes Ltd	Mardia Extrusions Ltd. Mardia Tubes Ltd
Chairman/Member of Committee of the Board of Directors of the Companies	Audit Committee Remuneration committee Share Transfer and Investor Grievance Committee	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:	NONE	NONE
Audit Committee	Yes	Yes
Share Transfer and Investor Grievances Committee	Yes	Yes
Remuneration Committee	Yes	Yes
No. of Equity Shares of the Company held on 31-3-2013	250 Shares	Nil



## DIRECTOR'S REPORT

To  
The Members,  
MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED

Your Directors have pleasure in presenting the 21st Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2013.

### FINANCIAL RESULTS:

	CURRENT YEAR (Rs. in Lacs)	PREVIOUS YEAR (Rs. in Lacs)
OPERATING PROFIT/(LOSS) (PBIDT)	(131.28)	(179.08)
Interest & Financial Charges	0.00	0.47
PROFIT/(LOSS) BEFORE DEPRECIATION & TAXATION	(131.28)	(179.55)
Depreciation	19.58	19.95
PROFIT/(LOSS) BEFORE TAXATION	(150.86)	(199.50)
Provision for Taxation	1.26	6.97
NET PROFIT/(LOSS) AFTER TAX	(149.61)	(192.53)

### DIVIDEND:

In view of company's present financial conditions, and pending proposal of merger scheme with BIFR, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2013.

### OPERATIONS AND PROSPECTUS:

During the year under review, the Gross income from operations amounted to Rs. 911.31 lacs as compared to Rs. 4434.15 Lacs for the year 2012-2013. The decrease in the turnover has occurred mainly on account of general economic condition, availability of raw material prices of copper in international markets, which also affected the Company's production and growth. The set up at Tarapur of unit II is now fully operational, & we expect a much better performance in the next year.

### REFERENCE TO BIFR

As per the Audited Accounts as on 31/03/1999, the Company's net worth had 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 17<sup>th</sup> 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 already submitted a rehabilitation scheme to BIFR, including the possible turnaround of the group companies together by way of merger and provide liquidity to the shareholders at large. The B.I.F.R. after the hearing, has approved the scheme of amalgamation of Mardia Tubes Limited & Mardia Extrusions Limited with your company and passed the necessary order to that effect. Accordingly we have disposed off the Land and Building of our Unit II, Silvassa.



**APPOINTMENT / REAPPOINTMENT OF DIRECTORS:**

In accordance with the Provisions of the Companies Act, 1956, and Articles of Association of the Company, Mrs. Omana Nayak & Mr. Bharat Chauhan who retire by rotation, at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Brief profiles of Directors being appointed at the ensuing Annual General Meeting forms part of notice convening 21st Annual General Meeting.

Your Directors have informed your Company that they are not debarred for re-appointment/ continuation as directors under 274(1) (g) of the Company Act, 1956 The Board recommends their appointment.

**APPOINTMENT OF NOMINEE DIRECTORS BY THE HON'BLE B.I.F.R.:**

The chairman informed the Board that the Hon'ble BIFR has appointed Shri Mohan Lall as nominee Director on the Board of the company.

**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 2012-13 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 three 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 managerial 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 adequate 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 Banks, Central, State Government and Local bodies, Customers, Suppliers and other business associates towards conduct of efficient operations of your company.

For and on behalf of the Board

SURENDRA MARDIA  
Chairman

Place: Mumbai.

Date: 31<sup>st</sup> August, 2013.





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.
I) Electricity:			
a) Purchased			
Units (kwh)		241643	381661
Total Amount	Rs.	2311160	2882510
Rate per unit	Rs,	9.56	7.55
B. Consumption per unit of production			
		CURRENT YEAR	PREVIOUS YEAR.
Products (with details)	Unit		
Copper Brass Semies	Ton	147.13	147.13
(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. The Company has installed a new Induction furnace to improve the quality of its product and therefore the Electricity Consumption has increased during the year.

**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 processes 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

SURENDRA MARDIA  
Chairman

Place: Mumbai.

Date: 31<sup>st</sup> August, 2013.

**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 Co. 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.

**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 2012-13, 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) decreased from Rs.Rs. 4434.15 lacs in 2011-12 to Rs. 910.68 in the year 2012-13 Due to the general economic condition and increase in raw material price and unavailability of required raw material easily.

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

During the period under review, production in terms of quantity has reduced compared to last year due to poor utilization of capacity. While sale of Brass Rods had been maintain at same level, the sale of other items of Copper and Brass had been increased to meet the demand.

### 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 an 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. The company employed around 10 associates. (Including 2 Officers) as on March 31, 2013.



**CORPORATE GOVERNANCE REPORT  
(ANNEXURE TO THE 21st DIRECTORS' REPORT 2012-2013)**

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 aspirations of customers, stakeholders and expectations of the Society. The Company strives to achieve better performance.

The Board of Directors support 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 31/03/2013.**

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/ Committee meetings are recorded. Draft minutes are circulated amongst 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.

**f. Compliance:**

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

**g. 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 01.04.2012 to 31.03.2013, 5 (Five Board Meetings were held on, 26.04.2012, 16.07.2012, 31.08.2012, 10.11.2012 & 18.01.2013).

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 29-09-2012	Attendance in Board Meetings of 2012		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	Virendrasinh 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 31<sup>st</sup> March, 2013.

Name of the Committee Member	Category
Mr. Ravindra Mardia	Executive
Ms. Omana V Nayak	Independent
Mr. Virendrasinh 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 26.04.2012, 16.07.2012, 31.08.2012, 10.11.2012 & 18.01.2013.

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 31<sup>st</sup> March, 2013.**

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 18<sup>th</sup> August, 2013.

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

**IV. Stock Options:**

Company has not issued any stock options to its Directors.

**3. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

**I. Composition as on 31<sup>st</sup> March, 2013**

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

**II. 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 Reversal 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.

**III. Compliance officer : Omana Nayak**

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

Date	Time	Venus
28/09/2012	10.30 A.M	J – 55, MIDC, Industrial Area, Tarapur, Boisar – 401 506
29/09/2011	10.30 A.M	J – 55, MIDC, Industrial Area, Tarapur, Boisar – 401 506
29/09/2010	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.

**IV. 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: 28<sup>th</sup> September, 2013.

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, 2012 to 31st March, 2013.

**iii. Book Closures:**

Friday 20<sup>th</sup> September, 2013 to Friday 27<sup>th</sup> September 2013. (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:-

Month	Open Price	High Price	Low Price	Close Price	WAP	No. of Shares	No. of Trades	Total Turnover (Rs.)	Spread High-Low	Spread Close Open
Apr-12	5.13	5.13	5.13	5.13	5.13	100	1	513	0	0
May-12	4.51	4.51	4.51	4.51	4.51	400	1	1804	0	0
Jun-12	3.35	3.38	3.35	3.38	3.38	3100	7	10474	0.03	0.03
Jul-12		2.99	2.72	2.72	2.72	3500	2	9520	0.27	-0.27
Aug-12	2.44	2.44	2.44	2.44	2.44	100	1	244	0	0
Sep-12	2.23	2.23	2.23	2.23	2.23	100	1	223	0	0
Oct-12	1.92	1.92	1.92	1.92	1.92	100	1	192	0	0
Nov-12	1.85	1.85	1.85	1.85	1.85	100	1	185	0	0
Dec-12	3.4	3.4	3.4	3.4	3.4	100	1	340	0	0
Jan-13	3.4	3.4	3.4	3.4	3.4	100	1	340	0	0
Feb-13	3.79	3.79	3.79	3.79	3	1	1	3	0	0
Mar-13	3.66	3.66	3.66	3.66	3.66	99	1	362	0	0





**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. 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.

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.

**DEMATERIALIZED 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.

❖ **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 31 <sup>ST</sup> March, 2013			
	Category shares held	No. of shareholding	Percentage of
<b>A</b>	<b>Promoter's Holding</b>		
<b>1</b>	Promoters - <u>Indian Promoters:</u>	4817800	60.22%
	<u>Foreign Promoters:</u>	Nil	Nil
<b>2</b>	Persons acting in concert	Nil	Nil
	<b>Sub-Total</b>	<b>4817800</b>	<b>60.22</b>
<b>B</b>	<b>Non-Promoter's Holding</b>		
<b>3</b>	Institutional Investors		
	Mutual Funds and UTI	10200	0.13
	Bank, Financial Intuitions, Insurance Companies (Central/State Govt. Institutions, Non-Govt. Institutions)	100	0.00
	FII's	NIL	NIL
	<b>Sub-Total</b>	<b>10300</b>	<b>0.13</b>
<b>4</b>	<b>Others</b>	6100	0.07
<b>a.</b>	Private Corporate Bodies	144300	1.80
<b>b.</b>	Indian Public	2858100	35.73
<b>c.</b>	NRIs / OCBs	162600	2.03
<b>d.</b>	Any other (Please Specify)		
	Shares In transit	NIL	NIL
	Forfeited Shares	NIL	NIL
	Foreign Nationals	NIL	NIL
	Trust	800	0.01
	<b>Sub-Total</b>	<b>3172000</b>	<b>39.64</b>
	<b>Grand-Total</b>	<b>8000000</b>	<b>100.00</b>

# 21st Annual Report 2012-13



## DISTRIBUTIONS SCHEDULE AS ON 31ST MARCH 2013

SHARE HOLDING OF NOMINAL VALUE OF	NUMBER	TOTAL%	IN RS.	% TOTAL
UP TO 5000	13406	96.38	15929000	19.91
5001 - 10000	261	1.88	2268000	2.84
10001 - 20000	112	0.81	1725000	2.16
20001 - 30000	54	0.39	1378000	1.72
30001 - 40000	17	0.12	630000	0.79
40001 - 50000	19	0.14	928000	1.16
50001 - 100000	8	0.06	696000	0.87
100001 AND ABOVE	33	0.24	56446000	70.56
<b>TOTAL</b>	<b>13910</b>	<b>100</b>	<b>80000000</b>	<b>100</b>

**ix Plant Location/Site Address:**

Unit – I 203, Piparia Industrial Area, Silvassa, Dadra & Nagar Haveli ( U. T )  
 Unit – II J-55 MIDC Industrial Area, Boisar, Tarapur.

**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

Place: Mumbai.

Date: 31<sup>st</sup> August, 2013.

**SURENDRA MARDIA**  
 Chairman

**CHAIRMAN & MANAGING DIRECTOR 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, 31<sup>st</sup>, 2013 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 2012-13. For and on behalf of the Board

Place: Mumbai

Date: 31<sup>st</sup> August, 2013

**SURENDRA MARDIA**  
 Chairman

**RAVINDRA MARDIA**  
 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 by **Mardia Samyoung Capillary Tubes Company Limited** for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement(s) of the Company with Stock Exchange(s) in India.

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

Based on such review, In our opinion and to the best of our information and explanations given to us and the representations made to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Clause 49 of Listing Agreement.

We state that no investor grievance for a period exceeding one month against the Company as on 31<sup>st</sup> March, 2013 is pending as per the records maintained by the company and presented to the Investor/Shareholders Grievance Committee of the Board.

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.

For SHYAM C. AGRAWAL & CO.  
Chartered Accountants

(Proprietor)  
Membership No. 31774

Place: Mumbai.

Date: 31<sup>st</sup> August, 2013



**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

**INDEPENDENT AUDITOR'S REPORT**

To the members of Mardia Extrusions Limited.

**Report on Financial Statement**

We have audited the accompanying financial statements of **Mardia Samyoung Capillary Tubes Company Limited.**, which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act 1956, and in accordance with the accounting principles generally accepted in India. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013.
- ii) In the case of the Statement of Profit and Loss, of the profit of the company for the year ended on that date, and
- iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



**Report on other Legal and Regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 the law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with this report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For SHYAM C. AGRAWAL & CO.**  
**Chartered Accountants**

Place: Mumbai.  
Date: 31/08/2013

**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 31<sup>st</sup> March, 2013.

**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 disposed off its land & building at Silvasa as per the guidelines of BIFR order 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. i) 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.
- ii) 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. (i) 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.
- (ii) 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. (i) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, 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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- (ii) According to the information and explanations given to us, an amount of Rs. 748.52 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. 260.84 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. 655.01 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, 2012 for a period of more than six months from the date they became payable.
- (iii) 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 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 31<sup>st</sup> March 2013.
  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

S. C. AGRAWAL  
(Proprietor)

Membership No. 31774

Place: Mumbai.  
Date: 31/08/2013



## Balance Sheet as at 31-Mar-2013

In <sup>1</sup> (Rupees)

Particulars	Note No.	as at 31-Mar-2013	as at 31-Mar-2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	79,891,600.00	79,891,600.00
(b) Reserves and Surplus	3	27,317,758.38	43,257,521.00
		<b>107,209,358.38</b>	<b>123,149,121.00</b>
<b>2 Current Liabilities</b>			
(a) Short-Term Borrowings	4	37,113,614.26	25,553,445.76
(b) Trade Payables	5	32,427,813.66	99,546,694.58
(c) Short-Term Provisions	6	5,482,719.24	6,366,473.24
(d) Other Current Liabilities	7	250,324.04	---
		<b>75,274,471.20</b>	<b>131,466,613.58</b>
<b>Total</b>		<b>182,483,829.58</b>	<b>254,615,734.58</b>
<b>II. ASSETS</b>			
<b>1 Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	8	17,184,302.00	63,279,198.06
(ii) Deferred Tax Assets		15,027,923.00	14,902,402.00
(b) Long term loans and advances	9	1,176,551.00	---
		<b>33,388,775.25</b>	<b>78,181,600.06</b>
<b>2 Current Assets</b>			
<b>(a) Current Investments</b>			
(b) Trade receivables	10	115,739,551.48	70,863,868.00
(c) Cash and Cash Equivalents	11	4,472,856.48	2,501,663.53
(d) Short-Term Loans and Advances	12	7,049,203.01	81,233,776.99
(e) Inventories	13	12,724,035.00	21,834,826.00
(f) Other Current Asset	14	9,109,408.36	---
		<b>149,095,054.33</b>	<b>176,434,134.52</b>
<b>3 Miscellaneous Expenditure</b>		<b>0.00</b>	<b>---</b>
<b>Total</b>		<b>182,483,829.58</b>	<b>254,615,734.58</b>

The Notes referred to above form an integral part of the Balance sheet & Statement of Profit and Loss Account

As per our report of even date

For and On behalf of the Board of  
MARDIA SAMYOUNG CAPILLARY TUBES CO. LTD

For Shyam C. Agrawal & Co.  
CHARTERED ACCOUNTANTS

Shyam C. Agrawal  
Proprietor  
Membership No. 31774  
Place: Mumbai  
Date: 31/08/2013

SURENDRA MARDIA  
CHAIRMAN  
  
RAVINDRA MARDIA  
MANAGING DIRECTOR





## Statement of Profit and Loss for the year ended 31-Mar-2013

In ' (Rupees)

Particulars	Note No.	as at 31-Mar-2013	as at 31-Mar-2012
<b>I Revenue from Operations</b>	15	91,068,029.00	443,414,913.10
<b>II Other Income</b>	6	19,156,010.00	46,909.00
<b>III TOTAL REVENUE (I + II)</b>		<b>110,224,039.00</b>	<b>443,461,822.10</b>
<b>IV EXPENSES</b>			
Raw Materials Consumed	17	93,487,392.98	424,132,003.87
Payment to and Provision for Employees	18	9,339,031.00	3,909,461.44
Depreciation	19	1,958,573.00	1,994,855.00
Interest and Financial Charges	20	---	46,772.71
Other Expenses	21	12,244,876.90	16,299,895.87
Increase/(Decrease) in Stock	22	8,343,303.50	16,982,254.50
Miscellaneous Expenses Written Off			
		<b>125,373,177.37</b>	<b>463,365,243.39</b>
<b>V Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>-15,149,138.37</b>	<b>-19,903,421.29</b>
<b>VI Exceptional Items</b>		0.00	0.00
<b>VII Profit before Extraordinary Items and Tax</b>		<b>-15,149,138.37</b>	<b>-19,903,421.29</b>
<b>VIII Extraordinary Items</b>		0.00	0.00
<b>IX Profit Before Tax</b>		<b>-15,149,138.37</b>	<b>-19,903,421.29</b>
<b>X Tax Expense</b>			
Current Tax			
Deferred Tax		125,520.74	697,324.00
<b>XI Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>-15,023,617.63</b>	<b>-19,206,097.29</b>
<b>XII Profit/(Loss) from Discontinuing Operations</b>		-	-
<b>XIII Tax Expense of Discontinuing Operations</b>		-	-
<b>XIV Profit/(Loss) from Discontinuing Operations (after tax) (XII-XIII)</b>		<b>-15,023,617.63</b>	<b>-19,206,097.29</b>
<b>XV Profit/(Loss) for the Period (XI+XIV)</b>		<b>-15,023,617.63</b>	<b>-19,206,097.29</b>
<b>XVI Earnings per Equity Share</b>			
-Basic		0.00	0.00
-Diluted		0.00	0.00

The Notes referred to above form an integral part of the Balance sheet &amp; Statement of Profit and Loss Account

As per our report of even date

For Shyam C. Agrawal & Co.  
CHARTERED ACCOUNTANTSShyam C. Agrawal  
ProprietorMembership No. 31774  
Place: Mumbai  
Date: 31/08/2013For and On behalf of the Board of  
MARDIA SAMYOUNG CAPILLARY TUBES CO. LTDSURENDRA MARDIA  
CHAIRMANRAVINDRA MARDIA  
MANAGING DIRECTOR

**NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013****NOTE - 2****SHARE CAPITAL**

2.1 Disclosure pursuant to Note no.6(A) (a,b &amp; c) of Part I of SCHEDULE VI to the Companies Act,1956

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised Equity shares of Rs. 10 each	85,000,000.00	850000000.00	85,000,000.00	850000000.00
		85,000,000.00		85,000,000.00
(b) Subscribed and fully paid up Equity shares of Rs.10 each with voting rights	8,000,000.00	80000000.00	8,000,000.00	80000000.00
Less Calls in Arrears		108400.00		108400.00
<b>TOTAL</b>		79891600.00		79891600.00

2.2 Disclosure pursuant to Note no. 6(A) (d) of Part I of SCHEDULE VI to the Companies Act 1956

Reconciliation of Number of Shares and Amounts outstanding at the beginning and at end of the reportin period

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of	Rs.	Number of	Rs.
<b>Equity Shares with Voting Rights:</b>				
Opening Balance		79,891,600.00		79,891,600.00
Fresh issue		---		---
Bonus		---		---
ESOP		---		---
Conversion		---		---
Buy Back		---		---
Other Changes		---		---
<b>Closing Balance</b>		79,891,600.00		79,891,600.00

2.3 Disclosure pursuant to Note no. 6(A) (f) of Part I of SCHEDULE VI to the Companies Act 1956

Details of Shares held by Holding Company, The Ultimate Holding Company, Their Subsidiaries &amp; Associates

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of	Rs.	Number of	Rs.
	Not Applicable			


**2.4 Disclosure pursuant to Note no. 6(A) (g) of Part I of SCHEDULE VI to the Companies Act 1956**  
 Details of Shares held by each shareholders holding more than 5 percent shares

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% Holding	Number of shares held	% Holding
Surendra M. Mardia	1738340.00	21.73	1738340.00	21.73
Ravindra M. Mardia	1137733.00	14.22	1137733.00	14.22
Ravindra Mardia HUF	414200.00	5.18	414200.00	5.18
Surendra M. Mardia HUF	411200.00	5.14	411200.00	5.14
Gaurav R. Mardia	401327.00	5.02	401327.00	5.02
Samyoung Jung Kwan Co. Ltd.	0	0	0	0

**2.5 Disclosure pursuant to Note no. 6(A) (i) of Part I of SCHEDULE VI to the Companies Act 1956**

Particulars	Aggregate No. of shares 2013	Aggregate No. of shares 2012	Aggregate No. of shares 2011	Aggregate No. of shares 2010
<b>Equity Shares:</b>				
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL
Fully paid up by way of Bonus Shares	NIL	NIL	NIL	NIL
Shares Bought back	NIL	NIL	NIL	NIL

**NOTE - 3**
**Reserves and surplus**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Revaluation reserve Opening balance	32,697,537.00	33,826,090.00
Add: Addition on revaluations during the year	0.00	0.00
Less: Utilised for set off against depreciation Written back / other utilisations during the year (give details)	916,145.00	1,128,553.00
Closing balance	<b>31,781,392.00</b>	<b>32,697,537.00</b>
(b) General reserve Opening balance	29,488,074.00	30,000,000.00
Add: Transferred from surplus in Statement of Profit and Loss		
Less: Utilised / transferred during the year for: Issuing bonus shares Others		(511,926.00)
Closing balance	<b>29,488,074.00</b>	<b>29,488,074.00</b>

NOTE - 3

Reserves and Surplus (contd. )

(c) Surplus / (Deficit) in Statement of Profit & Loss		
Opening balance	-18,928,089.99	351,139.29
Add: Profit / (Loss) for the year	-15,023,7617.63	(19,279,229.28)
Amounts transferred from:		
General reserve		
Other reserves (give details)		
Closing balance	-33,951,707.62	-18,928,089.99
<b>Total</b>	<b>27,317,758.38</b>	<b>43,257,521.01</b>

NOTE - 4

Short-term borrowings

Particulars	As at 31 March, 2013	As at 31 March, 2012
Other loans and advances	---	24,330,009.25
Bank O/D	37,113,614.26	1,223,436.51
<b>Total</b>	<b>37,113614.26</b>	<b>25,553,445.76</b>

NOTE - 5

Trade payable

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade payables:		
Acceptances	32,427,813.66	99,546,694.58
<b>Total</b>	<b>32,427,813.66</b>	<b>99,546,694.58</b>

NOTE - 6

Short Term Provision

Particulars	As at 31 March, 2013	As at 31 March, 2012
Gratuity	2,386,071.44	3,269,825.44
Other Short-Term Provision	3,096,647.80	3,096,647.80
<b>Total</b>	<b>5,482,719.24</b>	<b>6,366,473.24</b>

NOTE - 7

Other Current Liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Current maturities of long-term debt		
(b) Current maturities of finance lease obligations		
(c) Interest accrued but not due on borrowings		
(d) Interest accrued and due on borrowings		
(e) Income received in advance (Unearned revenue)		
(f) Unpaid dividends		
(g) Application money received for allotment of securities and due for refund and interest accrued thereon		
(h) Unpaid matured deposits and interest accrued thereon		
(i) Unpaid matured debentures and interest accrued thereon		
Other payables	250,324.04	
<b>Total</b>	<b>250,324.04</b>	



**NOTE - 9**

**Long-term loans and advances**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Security deposits		
Secured, considered good		
Unsecured, considered good	1176551	-
Doubtful		
Less: Provision for doubtful deposits		
<b>Total</b>	<b>1176551</b>	<b>-</b>

**NOTE - 8**

**Trade receivables**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade receivables outstanding for a period less than six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	110,142,937.63	41,746,869.67
Doubtful		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good		
Unsecured, considered good	5,596,613.85	29,116,998.33
Doubtful		
<b>Total</b>	<b>115,739,551.48</b>	<b>70,863,868.00</b>

**NOTE - 11**

**Cash and cash equivalents**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Cash on hand	2,283,003.82	1,666,487.44
(b) Balances with banks		---
(C) Balance with Banks	2,189,852.66	835,176.09
<b>Total</b>	<b>4,472,856.48</b>	<b>2,501,663.53</b>

**NOTE - 12**

**Short-term loans and advances**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Others		
Secured, considered good		
Unsecured, considered good		81,233,776.99
Doubtful		
Less : Provision for other doubtful	7,049,203.01	
<b>Total</b>	<b>7,049,203.01</b>	<b>81,233,776.99</b>

**NOTE - 13****Inventories**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(At lower of cost and net realisable value)		
(a) Raw materials (including Goods-in-transit)	1,091,890.00	1859377.50
(b) Work-in-progress @ (Refer Note below) Goods-in-transit	1,903,530.40	4036597.50
(c) Finished goods (other than those acquired for trading) Goods-in-transit	5,728,615.00	11938851.00
(d) Stock-in-trade (acquired for trading) Goods-in-transit	0.00	0.00
(e) Stores and spares Goods-in-transit	4,000,000.00	4,000,000.00
(f) Loose tools		
(g) Others (Specify nature)		
<b>Total</b>	<b>12,724,035.40</b>	<b>21,834,826.00</b>

**NOTE - 14****Other Current Assets**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Other Payables	9,109,408.36	---
<b>Total</b>	<b>9,109,408.36</b>	<b>---</b>

**NOTE - 15****Revenue from operations**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Sale of Products	91,068,029.00	443,414,913.10
	91,068,029.00	443,414,913.10

**NOTE - 16****Other income**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Interest income (Refer Note (i) below)	577,640.00	0.00
<b>Total</b>	<b>577,640.00</b>	<b>0.00</b>
(i) Interest income comprises: Interest from banks on: deposits other balances	54,059.00	46,909.00
(II) Interest Income (other)	523,581.00	---
<b>Total - Interest income</b>	<b>577,640.00</b>	<b>46,909.00</b>
(i) Other non-operating income comprises: Income tax refund received Tender Fees Sale of Assests	38,437.00 122,500.00 18,417,433.00	--- --- ---
<b>Total - Other Non-Operating Income</b>	<b>18,578,370.00</b>	<b>---</b>
<b>Total Other Income</b>	<b>19,156,010.00</b>	<b>46,909.00</b>


**NOTE - 17**
**Cost of materials consumed**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Opening stock	1,859,377.50	12,318,043.00
Add: Purchases	92,719,905.47	413,673,338.37
	94,579,282.97	425,991,381.37
Add : Closing Stock	1,091,890.00	1,859,377.50
	93,487,392.97	424,132,003.87
<b>TOTAL</b>	<b>93,487,392.97</b>	<b>424,132,003.87</b>

**NOTE - 18**
**Employee benefits expense**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Salaries and wages	8,162,509.00	3659885.44
Staff Welfare Expenses	491,241.00	249576.00
Gratuity for the year	685,281.00	0.00
<b>Total</b>	<b>9,339,031.00</b>	<b>3909461.44</b>

**NOTE - 20**
**Interest and Finance Charges**

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Interest expense on:		
(i) Interest		46,772.71
<b>Total</b>		<b>46,772.71</b>

**NOTE -21**
**Other expenses**

Particulars	As at 31 March, 2013	As at 31 March, 2012
Consumption of stores and spare parts	---	1584074.93
Power and fuel	3,105,917.00	2919454.00
Repairs and maintenance - Others	120,229.00	448913.07
Insurance	2,492.00	0.00
Rates and taxes	1,699,396.00	39800.00
Rent	39,600.00	---
Communication	---	412645.00
Travelling and conveyance	---	2426993.00
Printing and stationery	---	91003.00
Sales commission	---	506554.50
sales promotion	---	6141.00
Donations and contributions	---	48307.00
Legal and professional	1904954.00	405997.00
Payments to auditors (Refer Note (i) below)	129214.00	82725.00
Miscellaneous expenses	5243074.90	7327288.37
<b>Total</b>	<b>12,244,876.90</b>	<b>16299895.87</b>



**NOTE - 19**

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31 March, 2013	As at 31 March, 2012
<u>Inventories at the end of the year:</u>		
Finished goods	5,728,615.00	11,938,851.00
Work-in-progress stores	1,903,530.40	4,036,597.50
	4,000,000.00	4,000,000.00
	<b>11,632,145.40</b>	<b>19,975,448.50</b>
<u>Inventories at the beginning of the year:</u>		
Finished goods	11,938,851.00	12,810,034.00
Work-in-progress	4,036,597.50	16,647,669.00
Stores	4,000,000.00	7,500,000.00
	<b>19,975,448.50</b>	<b>36,957,703.00</b>
<b>Net (increase) / decrease</b>	<b>(8,343,303.50)</b>	<b>(16,982,254.50)</b>



MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED



Note 16 Depreciation

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2012-13 WITH REVALUATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 1.04.2012	Additions Deduct.	As At 31.03.2013	Upto 31.03.2012	For The YEAR	Upto 31.03.2013	Sale During The Year	As At 31.3.2013	As At 31.03.2012	Rate %
LAND	1200000	0	1200000	0	0	0	0	1200000	1200000	0.00
LAND DEVELOPMENT	2925000	0	2925000	0	0	0	2925000	0	2925000	0
FACTORY BUILDING	40615230	0	40615230	14927742	857962	15785704	40615230	0	25687488	3.34
RESIDENCE BUILDING	3550354	0	3550354	692649	46581	739230	3550354	0	2857705	1.63
PLANT & MACHINERY	31779547	0	31779547	14508935	1785781	16294716	0	15484831	17270612	10.34
MOTOR PUMP AND BOREWELL	7000	0	7000	4042	306	4348	7000	0	2958	10.34
ELECTRICITY INSTALLATION	967034	0	967034	335322	44662	279984	967034	0	631712	7.07
ELECTRICITY INSTALLATION	462956	0	462956	83882	26801	110682	0	352274	378974	7.07
GENERATORS	162726	0	162726	51578	7858	59436	0	103290	111148	7.07
TRANSFORMERS	34000	0	34000	14431	1384	15815	34000	0	19569	7.07
DIES AND MOULDS	1201200	0	1201200	429093	54588	483681	0	717519	772107	7.07
FURNITURE AND FIXTURES	100000	0	100000	38623	3885	42508	100000	0	61377	6.33
OFFICE EQUIPMENT	10000	0	10000	3789	384	4173	0	5827	6211	6.19
COMPUTER	273973	10750	284723	47228	14701	61929	0	222794	226745	6.19
VEHICLES	849000	0	849000	548706	28528	577234	0	271766	300294	9.50
OTHER ASSETS	39000	0	39000	11701	1297	12998	0	26002	27299	4.75
TOTAL	94977020	10750	94987770	31697721	2874717	34572438	60198618	17184302	63279199	
	94951937	24266	94976203	28573597	3123407	31697004	0	63279199	66378340	

Note 16 Depreciation

STATEMENT OF FIXED ASSETS & DEPRECIATION FOR THE YEAR 2012-13 WITHOUT REVALUATION

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 1.04.2012	Additions Deduct.	As At 31.03.2013	Upto 31.03.2012	For The YEAR	Upto 31.03.2013	Sale During The Year	As At 31.03.2013	As At 31.3.2012	Rate %
LAND	1187596	0	1187596	0	0	0	1187596	0	1187596	0.00
LAND DEVELOPMENT	1205972	0	1205972	0	0	0	1205972	0	1205972	00.00
FACTORY BUILDING	26599044	0	26599044	13116698	450310	13567008	26599044	0	13472153	3.34
RESIDENCE BUILDING	2174092	0	2174092	605087	25575	630662	2174092	0	1595004	1.63
PLANT & MACHINERY	23203941	0	23203941	10122635	1352607	11475242	0	11728699	13081306	10.34
MOTOR PUMP AND BOREWELL	7000	0	7000	4042	306	4348	7000	0	3299	10.34
ELECTRICITY INSTALLATION	533408	0	533408	201878	23439	225317	286309	21782	739436	7.07
ELECTRICITY INSTALLATION	462956	0	462956	83889	26800	110689	137489	248178	385667	7.07
GENERATORS	60000	0	60000	25464	2442	27906	0	32094	37163	7.07
TRANSFORMERS	34000	0	34000	14431	1384	15815	34000	0	21058	7.07
DIES AND MOULDS	1201200	0	1201200	429093	54588	483681	0	717519	830848	7.07
FURNITURE AND FIXTURES	100000	0	100000	38623	3885	42508	100000	0	65525	6.33
OFFICE EQUIPMENT	10000	0	10000	3789	384	4173	0	5827	6621	6.19
COMPUTER	273973	10750	284723	33868	15528	49396	0	224577	215839	6.19
VEHICLES	849000	0	849000	848706	28	848734	0	266	331817	9.50
OTHER ASSETS	39000	0	39000	11702	1297	12999	0	26001	28660	4.75
TOTAL	57941182	10750	57951932	25539905	1958573	27498478	31731502	13004943	33207964	
PREVIOUS YEAR	57916916	24266	57941182	24934457	1994854	25511066	0	30827443	38822297	

**NOTE - 20****NOTES FORMING PART OF THE ACCOUNTS AS ON 31<sup>st</sup> MARCH, 2013.****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 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 in 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.

**B. NOTES ON ACCOUNTS**

**1. CONTINGENT LIABILITIES NOT PROVIDED FOR**

- a) According to the information and explanations given to us, an amount of Rs.748.521Lacs. (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. 260.81 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. 655.01Lacs (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, 2012 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. 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. Related Party Disclosures :**

**1. List of Related Parties over which control exists**

Sr. No.	Related Parties
<b>I</b>	<b>Associates</b>
	Mardia Tubes Ltd
	Mardia Extrusions Ltd
	Mardia Tube & Wire Industries
<b>II</b>	<b>Key Management Personnel (KMP)</b>
	Surendra Mardia
	Ravindra Mardia
	Omana Nayak
<b>III</b>	<b>Relatives &amp; Enterprises of KMP</b>
	Sunita Mardia
	Bina Mardia
	Gaurav Mardia



II Names of the Related Parties with whom transactions were carried out during year and description of relationship

Sr. No.	Name of the Related Party
I	<b>Associates</b>
	Mardia Tubes Ltd.
	Mardia Extrusions Ltd.
	Mardia Tube & Wire Industries
II	<b>Key Management Personnel (KMP)</b>
	Ravindra Mardia
	Omana Nayak

III Disclosure of Related Party transactions

(Rs. In Lacs)

Sr. No.	Nature of relationship/ Transactions	Associates	KMP & Relatives	Total (Rs.)
1	Purchase of Goods & Services	NIL	NIL	NIL
2	Sale of Goods & Services	117.10	NIL	117.10
3	Interest Received	NIL	NIL	NIL
4	Directors' Remuneration	NIL	1.56	1.56
5	Salary & Wages	NIL	NIL	NIL
6	Purchase of Capital Goods	NIL	NIL	NIL
7	Rent Received	NIL	NIL	NIL
8	Loan Given	NIL	NIL	NIL
9	Loan Repaid	NIL	NIL	NIL
10	Rent Paid	NIL	NIL	NIL

IV Amount due to / from Related Parties as on 31.03.2013

(Rs. In Lacs)

Sr. No.	Nature of relationship/ Transactions	Associates	Relatives of KMP)	Total (Rs.)
1	Sundry Debtors	5.23	NIL	5.23
2	Sundry Creditors	362.17	NIL	362.17
3	Loans & Advances	NIL	NIL	NIL

6. PAYMENT TO AUDITORS

	Rupees in lacs Current year Amount	Rupees in lacs Previous year Amount
Audit Fees, Tax Audit etc.	0.83	0.48
Income Tax Matters	0.00	0.00
Out of Pocket Expenses & others	0.00	0.00
	<u>0.83</u>	<u>0.48</u>

7. 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) Copper and Brass Tubes, Bars, Ingots, Stainless Steel etc	MT.	1800	1800
Being technical in nature, relied on the Certificate of the Managing Director.			



**III Production, turnover, opening and closing stock**

Value Rs. In lacks

Unit	Production		Turnover		Opening Stock		Closing Stock	
	Quantity	Quantity	Amount	Amount	Quantity	Amount	Quantity	Amount
Stainless Steel, Copper and Brass Tubes, Bars, Ingots etc.M T	135.328	140.328	910.68	84.301	218.34	34.433	127.24	
	(1375.368)	(1378.510)	(4434.15)	(280.060)	(393.32)	(84.301)	(218.34)	

(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.			1334.99	2588.06

**V Value of Imported / Indigenous Raw Materials Consumed**

Rupees in Lacs

	Current year		Previous year	
	Amount	Percentage	Amount	Percentage
i) Imported	0.00	0.00	0.00	0.00
ii) Indigenous	0.00	100	4241.32	100.00
	<u>0.00</u>	<u>100.00</u>	<u>4241.32</u>	<u>100.00</u>

	Current year	Previous year
	Amount	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. M/s Mardia Extrusions Ltd. (MEL) has submitted a new DRS for the merger with your company to the Hon'ble B.I.F.R. through its operating agency UBI. Now the company is waiting for the approval of merger of MTL, MEL & MSL from the Hon'ble B.I.F.R. The Scheme has been passed by the BIFR & we are waiting for the Minutes.

- 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 31<sup>st</sup> March, 2013 are not ascertainable.
- 12. 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

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

S. C. AGRAWAL  
Proprietor

SURENDRA MARDIA  
Chairman

Place: Mumbai  
Date: August 31<sup>st</sup>, 2013

RAVINDRA MARDIA  
Managing Director



**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 15.051995**

**PART - IV**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**I Registration Details**

Registration	- - - 6 9 1 0 4	State Code	I I
Balance Sheet	3 1      0 3	2 0 1 3	
	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 8 2 4 8 4	1 8 2 4 8 4
Sources of Funds	Paid -Up Capital	Reserves & Surplus
	7 9 8 9 2	2 7 3 1 8
	Secured Loans	Unsecured Loans
	N I L	3 7 1 1 4
Application of Funds	Net Fixed Assets	Investments
	1 7 1 8 4	N I L
	Net Current Assets	Misc. Expenditure
	7 3 8 2 0	N I L
	Accumulated Losses	
	N I L	

**MARDIA SAMYOUNG CAPILLARY TUBES COMPANY LIMITED**



**IV Performance of Company (Amount In Thousand)**

Turnover & Other Income

1 1 0 2 2 4

Total Expenditure

1 2 5 3 7 3

Profit/Loss Before Tax

- 1 5 1 4 9

Profit/Loss after Tax

- 1 5 0 2 4

(Please tick Appropriate Box + for Profit - Loss)

Earning Per Shares In Rs..

2 . 4 9

Dividend Rate %

N I L

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

Items Code No.  
(ITC Code)

9 6 0 8 9 9 = 0 9

Product Description

B A L L P E N T I P S

Items Code No.  
(ITC Code)

7 4 1 2 1 = 0 0

Product Description

B R A S S T U B E S

Items Code No.  
(ITC Code)

7 3 0 6 4 0 = 0 0

Product Description

S S T U B E S

As Per Our report of even date attached  
For and on behalf of the Board

For SHYAM C. AGRAWAL & CO..  
Chartered Accountants

1. Surendra Mardia  
Chairman

S. C. AGRAWAL  
Proprietor

2. Ravindra Mardia  
Managing Director

Place : Mumbai  
Date : 31/08/2013



**Rs. In Lacs**  
**CASH FLOW STATEMENT**

	Year ended 31.03.13	Year ended 31.03.12
<b>A Profit (Loss) Before Tax</b>	-151.49	-199.03
<b>Add:- Non cash expenditure &amp; Non recurring Expenditure</b>		
Depreciation	19.58	19.95
Misc. Expenditure W/Off	0.00	0.00
Interest & Financial Charges	<u>0.00</u>	<u>0.47</u>
	-131.91	-178.61
<b>Less:- Non Recurring Income</b>		
Other Income	<u>191.56</u>	<u>0.47</u>
	-323.47	-179.08
<b>Changes in Working Capital</b>		
Inventories	-7.67	274.41
Debtors	-445.87	-20.65
Loans & Advances	730.08	-522.31
Creditors & Provisions	<u>-677.52</u>	<u>406.40</u>
	-724.45	137.85
		(41.23)
<b>Less: Yaxes Paid</b>	<u>0.00</u>	<u>0.00</u>
<b>Cash Generated From Operations</b>	<u>-724.45</u>	<u>(41.23)</u>
 <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales/Purchase of Fixed Assets	437.00	-0.24
Miscellaneous Expenses	0.00	0.00
Revaluation of Fixed Assests	0.00	0.00
Investments	0.00	0.00
Interest & Other Income	191.56	0.47
	<u>628.56</u>	<u>0.23</u>
 <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowing Net	115.60	58.45
Prior Period Adjustment	<u>0.00</u>	<u>-0.48</u>
Net Cash from Financing Activities	<u>115.60</u>	<u>57.97</u>
Revaluation Reserve		
 <b>Net Increase/(Decrease) in</b>		
Cash and cash equivalents	19.71	16.97
Cash and cash equivalents as on 31.03.12	25.02	8.05
Cash and cash equivalents as on 31.03.13	44.73	25.02



**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**

**21<sup>st</sup> ANNUAL GENERAL MEETING ON**  
(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 Twenty First Annual General Meeting of the Company held on Saturday the 28th September, 2013 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.

**P R O X Y**

I /We \_\_\_\_\_

Being a member(s) of Mardia Samyoung Capillary Tubes Company Limited hereby appoint \_\_\_\_\_  
or failing him/her \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Saturday, the 28<sup>th</sup> September, 2013, 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 \_\_\_\_\_ 2013.

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.