

20th

ANNUAL REPORT

1998-99



ALCOBEX METALS LIMITED

ALCOBEX METALS LIMITED, NEW DELHI

29th Annual General Meeting on
Thursday, the 30th September, 1999 at
Surekha Farms, West End Greens,
Behind Shiv Murthi, Rangpuri, Rajokri,
New Delhi - 110 037

BOARD OF DIRECTORS	:	Shri G.C. Kanunga (Managing Director) Prof A.D. Bohra Shri B.L. Kanunga Shri S.R. Kanunga Shri Manoj Kanunga Dr. Arya Kumar (Nominee IIBI) Shri M.P. Jain (Nominee RIICO)
BANKERS	:	Punjab National Bank, Sojati Gate, Jodhpur Bank of India, Chopasani Road, Jodhpur Vijaya Bank, Station Road, Jodhpur Bank of Baroda, Sojati Gate, Jodhpur The Bank of Rajasthan Ltd., Sojati Gate, Jodhpur
AUDITORS	:	M/s. Goel, Garg & Company, Chartered Accountants, 102, Skylink, E- 588, Greater Kailash - II, New Delhi - 110 048 Phones : (011) 6415 236, 6415 777
SHARE TRANSFER AGENTS	:	M/s. Karvy Consultants Limited, "Karvy House", 46, Road No. 4, Street No. 1, Banjara Hills, Hyderabad - 500 034 Phones : (040) 3312 454, 3320 251 3320 751, 3320 752 Fax No. : (040) 3311 968
REGISTERED OFFICE	:	4223/1, Ansari Road, Daryaganj, New Delhi - 110 002 Phones : (011) 327 3496, 327 4641 Fax No. : (011) 328 6565
HEAD OFFICE AND WORKS	:	24/25, Heavy Industrial Area, Jodhpur - 342 003 Phones : (0291) 740366, 740626, 740629, 740631, 740671, 740731, 741974, 741975 Fax No. : (0291) 741990 Telex No. : 0552 - 217, Gram : ALCOBEX
ZINC UNIT	:	16th Mile Stone, S.H. No. 9, Udaipur Chittor Road, Shisham Ki Ghati, Dabok, Distt. Udaipur (Raj.) Phones : (0294) 655 176, 655 254 Fax No. : (0294) 524 667

NOTICE

NOTICE is hereby given that the twenty ninth Annual General Meeting of the Members of Alcobex Metals Limited will be held on Thursday, the 30th day of September, 1999 at 10.00 A.M. at Surekha Farms, West End Greens, Behind Shiv Murthi, Rangpuri, Rajokri, New Delhi - 110 037 to transact the following business :---

ORDINARY BUSINESS :

1. To consider and adopt Balance Sheet of the Company as at 31.3.1999, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint directors in place of Shri B.L. Kanunga and Shri Manoj Kanunga, who retire by rotation and being eligible, offer themselves for reappointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration and in this regard, to consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution :---

"RESOLVED THAT M/s. Goel Garg & Co., Chartered Accountants, be and are hereby appointed Auditors of the Company for holding office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors exclusive of travelling and other out of pocket expenses".

By order of the Board of Directors,

Place : Jodhpur
Dated : 30.07.1999

(G.C. KANUNGA)
MANAGING DIRECTOR

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.
2. The Members/Proxies should bring the attendance slips duly filled in for attending the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23rd day of September, 1999 to 30th day of September, 1999 (Both days inclusive).
4. Pursuant to section 205-A of the Companies Act, 1956, all unpaid or unclaimed dividend amount for the Financial Year ended on 31st March, 1995 has been transferred to the General Revenue Account of the Central Government. Members of the Company who have not encashed the related Dividend Warrants for the said Financial Year are advised to claim the amount of the dividend from the Registrar of Companies, Delhi and Haryana, Paryavaran Bhawan, Block-B, 2nd Floor, CGO Complex, Lodi Road, New Delhi-110 003. Further, please note that the unpaid or unclaimed dividend amount for the years 1995-96 and 1996-97 will be deposited in the Investor Education and Protection Fund in November, 2003 and November, 2004 respectively pursuant to the provisions of amended section 205A of the Companies Act, 1956.
5. As per section 109A of the Companies Act, 1956, the shareholders of the Company are allowed to nominate any person to whom all the rights in the shares shall vest in the event of death of the shareholder. Nomination Forms can be obtained by writing to the Company at its Head Office or to the Share Transfer Agent of the Company at Hyderabad.
6. The Company's Equity Shares are listed at the following Stock Exchanges and listing fees to them have been paid up to date.

(1) The Delhi Stock Exchange Association Limited, West Plaza, I.G. Stadium, Indraprastha Estate, New Delhi - 110 002	(3) The Jaipur Stock Exchange Limited, "Stock Exchange Building", Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302 017
(2) The Stock Exchange, Mumbai, Pheroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001	



DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting the 29th Annual Report and Audited Statement of Accounts of the Company for the year ended on 31st March, 1999.

FINANCIAL RESULTS	1998-99	1997-98
	(Rupees in Lacs)	
Profit before depreciation and interest	392.79	694.13
Less : Depreciation	144.70	105.26
Less : Interest	964.91	527.51
Profit (Loss) before taxation	(716.82)	61.36
Less : Provision for tax	NIL	6.50
Profit (Loss) after taxation	(716.82)	54.86
Surplus as per last year	217.49	159.72
Add : Excess Tax Provision for earlier year written back	—	12.46
Add : Debenture Redemption Reserve written back	13.65	—
Available for Appropriation	(485.68)	227.04
Appropriations :		
General Reserve	NIL	9.55
Balance carried to Balance Sheet	(485.68)	217.49

OPERATIONS

Depressed market conditions that prevailed throughout the year under report in most of the world economies and the consequent adverse impact on the selling prices of the Company's products on the one hand and increase in the cost of production on the other, had seen a major down turn in the Company's financial results. The Company faced erratic market conditions arising from imbalance between supply and demand of industrial products. Liquidity crunch, political instability in the country and volatile fluctuations in the exchange rate and also in the prices of raw materials, mainly copper and zinc, also adversely affected the Company's operations, during the year under report. Udaipur Unit of the Company, more or less, remained totally inoperational during the year under report as the restrictions imposed by the Government on the import of zinc ash, the principal raw material for production of secondary zinc, were not lifted by the Government. The workers and staff of this unit had been laid off. The Company achieved a production of 5450 MT. and turnover of Rs.84.10 crores at its Jodhpur Unit during the year under report as against a production of 5873 MT. and turnover of Rs.91.14 crores respectively during the previous year. At its Udaipur Unit, the production and turnover of Copper and Zinc Sulphate for the year under report were 313 MT (Previous year 863 MT) and Rs.73 Lacs (Previous year = Rs.156.76 Lacs) respectively.

EXPORTS

The Company's exports during the year under report amounted to Rs.12.50 crores as against Rs.7.34 crores during the previous year.

FUTURE OUTLOOK

The Directors are hopeful of achieving better operational results during the current year as compared to the year under report with the economic down turn having taken a reverse direction and increasing

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ports of the Company which, apart from earning valuable foreign exchange for the country, are showing favourable and encouraging results.

DIVIDEND

Owing to the loss incurred by the Company, your directors have not recommended payment of dividend on the Equity Shares for the year under report (Previous year nil).

DIRECTORS

Shri R.K. Limba ceased to be a Director of the Company w.e.f. 23-11-1998 and in his place, Shri M.P. Jain has been appointed by RIICO, Jaipur as the Nominee Director w.e.f. the same date. Consequent upon his resignation, Shri A.S. Bhandari ceased to be a director of the Company w.e.f. 19-4-1999. Shri B.L. Kanunga and Shri Manoj Kanunga retire by rotation and being eligible, offer themselves for reappointment.

AUDITORS' REPORT

In regard to non-confirmation of balances, the Company is continuing its efforts to get confirmation of balances from its debtors and creditors. Provision for debts considered doubtful and also for damages, if any, will be made once it is established that any debt is doubtful of recovery. In accordance with the Company's accounting policy, the gratuity and leave encashment are being accounted for on payment basis and particulars thereof have been disclosed in para 6(a) of the Schedule 20 forming part of the Balance Sheet. The Company is taking steps to strengthen its Internal Audit System.

AUDITORS

M/s. Goel Garg and Company, Chartered Accountants, the Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, and being eligible, have expressed their willingness to be reappointed as such for the financial year 1999-2000

PERSONNEL

There was no employee of the Company drawing salary in excess of the limits prescribed under section 217(2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUT GO

In accordance with the requirement of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, a statement showing particulars in respect of above is annexed and forms part of this Report.

ACKNOWLEDGEMENT

Industrial relations generally remained cordial throughout the year. Your Directors are pleased to place on record their appreciation for the sense of cooperation shown by the employees at all levels. Your Directors also acknowledge with gratitude, the assistance and cooperation provided by the Company's bankers, financial institutions, suppliers, customers and various Government Departments.

For and on behalf of the Board of Directors,

Place : Jodhpur
Dated : 30.07.1999

(G.C. KANUNGA)
MANAGING DIRECTOR

(B.L. KANUNGA)
WHOLETIME DIRECTOR



ANNEXURE TO THE DIRECTORS' REPORT

Conservation of energy, technology absorption, foreign exchange earnings and out go [in accordance with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988]

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken
Efforts are continuously being made to conserve energy. The power factor has been maintained.
- (b) Additional investments and proposals, if any, being implemented for reduction in consumption of energy
The cooling system for the captive generator has already been changed by providing the heat exchangers and the system is working satisfactorily and the efficiency of D.G. Sets has improved. A separate cooling tower has been provided for the D.G. Set with the result that the cooling capacity has increased.
- (c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.
Continuous efforts are being made for energy conservation and for reduction of power consumption per unit of production.
- (d) Total energy consumption and energy consumption per unit of production as per prescribed Form "A"
Not Applicable

B. TECHNOLOGY ABSORPTION

Form "B"

- (e) Research & Development (R & D)
1. Specific areas in which R & D carried out by Company
Developing new brass alloy with cobalt for synronizing ring.
Developing new route of wire manufacturing.
Developing new route for manufacturing small copper and copper alloy sections.
 2. Benefits derived as a result of the above R & D
New areas particularly export market where Company's products can be sold (expansion of marketing areas).
 3. Future plan of action
To improve productivity, additional auxiliary equipments are being added.
 4. R & D Expenditure

(a) Capital	:	Nil
(b) Recurring	:	Rs.15.10 Lacs
(c) Percentage of turnover	:	0.18

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TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts in brief made towards technology absorption, adaptation and innovations
Fullest utilisation of indigenous capabilities through continuous efforts to adopt latest technology, improved machines and methods and to manufacture new high value added items.
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution, etc.
Improvement in quality and productivity along with development of import substitutes and exportable items.
3. In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished
Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUT GO

- (f) Activities relating to exports, initiative taken to increase exports, development of new export market for products and services and export plans

Company is continuing to export its products.

- (g) Total Foreign Exchange earned and used

	(Rupees in Lacs)	
	1998-99	1997-98
Foreign Exchange earned	1249.78	733.57
Foreign Exchange used	2086.61	3186.72

For and on behalf of the Board of Directors,

Place : Jodhpur
Dated : 30.07.1999

(G.C. KANUNGA)
MANAGING DIRECTOR

(B.L. KANUNGA)
WHOLETIME DIRECTOR