

**30<sup>th</sup>**

**ANNUAL REPORT**

**1999-2000**



**ALCOBEX METALS LIMITED**

# ALCOBEX METALS LIMITED, NEW DELHI

30th Annual General Meeting on  
Friday, the 29th September, 2000 at  
Surekha Farms, West End Greens,  
Behind Shiv Murthi, Rangpuri, Rajokri,  
New Delhi - 110 037

<b>BOARD OF DIRECTORS</b>	: 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) Smt. Amita Narain (Nominee IDBI)
<b>BANKER</b>	: Punjab National Bank, Sojati Gate, Jodhpur Bank of India, Chopasni Road, Jodhpur Vijaya Bank, Station Road, Jodhpur Bank of Baroda, Sojati Gate, Jodhpur The Bank of Rajasthan Ltd., Sojati Gate, Jodhpur
<b>AUDITORS</b>	: M/s. Goel Garg & Company, Chartered Accountants, 102, Skylink, E-588, Greater Kailash-II, New Delhi - 110 048 Phones : (011) 6415 236, 6415 777
<b>SHARE TRANSFER AGENTS</b>	: 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
<b>REGISTERED OFFICE</b>	: 4223/1, Ansari Road, Daryaganj, New Delhi - 110 002 Phones : (011) 327 3496, 327 4641 Fax No. : (011) 328 6565
<b>HEAD OFFICE AND WORKS</b>	: 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
<b>ZINC UNIT</b>	: 16th Mile Stone, S.H. No. 9, Udaipur Chittor Road, Shisham Ki Ghati, Dabok, Distt. Udaipur (Raj.) Phones : (0294) 655176, 655254 Fax No. : (0294) 524667

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## NOTICE

NOTICE is hereby given that the thirtieth Annual General Meeting of the Members of Alcobex Metals Limited will be held on Friday, the 29th day of September, 2000 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 31.03.2000, Profit & 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 S.R. Kanunga and Prof. A.D. Bohra, 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 and Company, Chartered Accountants, New Delhi be and are hereby appointed Auditors of the Company for holding office from the conclusion of this Annual General Meeting until the conclusion of the 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 : 31.08.2000

(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 22nd September, 2000 to 29th September, 2000 (Both days inclusive).
4. 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 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 upto date.
  - (1) **The Delhi Stock Exchange Association Limited,**  
West Plaza, I.G. Stadium, Indraprastha Estate,  
New Delhi - 110 002
  - (2) **The Stock Exchange, Mumbai,**  
Pheroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai - 400 001
  - (3) **The Jaipur Stock Exchange Limited,**  
Stock Exchange Building,  
Jawahar Lal Nehru Marg, Malviya Nagar,  
Jaipur - 302 017



## DIRECTORS' REPORT

### TO THE MEMBERS,

Your Directors have pleasure in presenting the 30th Annual Report and Audited Statement of Accounts of the Company for the year ended on 31st March, 2000.

FINANCIAL RESULTS	1999-2000	1998-1999
	(Rupees in Lacs)	
Profit before depreciation and interest	790.82	392.79
Less : Depreciation	132.63	144.70
Less : Interest	1184.48	964.91
Profit (Loss) before taxation	(526.29)	(716.82)
Less : Provision for tax	NIL	NIL
Profit (Loss) after taxation	(526.29)	(716.82)
Surplus as per last year	(485.68)	217.49
Add : Debenture Redemption Reserve written back	1.00	13.65
Add : Investment Allowance Reserve (Utilised) written back	23.53	NIL
Add : Excess depreciation of earlier year written back	0.06	NIL
Available for Appropriation	(987.38)	(485.68)
Balance carried to Balance Sheet	(987.38)	(485.68)

### OPERATIONS

Depressed market's conditions in the Non-ferrous Extrusion Industry continued to prevail during the year under report with the result that the adverse trend in the operational results could not be reversed in spite of serious and all out efforts made by the Management. Indigenous demand of the Company's products remained sub-due. The Company had, therefore, to enter into Overseas Market in a big way with export turnover accounting for nearly 28% of the total turnover during the year under report as against only 15% achieved during the previous year. The Udaipur Unit of the Company continued to remain inoperational and now this Unit has been put on sale with your approval as it cannot possibly be run viably and profitably. The Company achieved a production of 6463 MTs and Turnover of Rs.97.13 Crores at its Jodhpur Unit during the year under report as against the production of 5450 MTs and Turnover of Rs.84.10 Crores during the previous year.

### EXPORTS

The Company's exports during the year under report amounted to Rs.27.19 crores as against Rs.12.50 crores during the previous year.

### FUTURE OUTLOOK

The Company has good amount of Export orders on hand and if international prices of raw materials get stabilised, your directors are hopeful of achieving improved results during the current year as compared to the

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results of the year under report.

**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**

Smt. Amita Narain was appointed by IDBI, Jaipur as its Nominee Director w.e.f. 21.07.2000. Shri S.R. Kanunga and Prof. A.D. Bohra 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 confirmations 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. In regard to non-charging of penal interest, the note at para 6(b) of Schedule 20, is self explanatory. The Company is taking steps to strengthen its Internal Audit System.

**AUDITORS**

M/s. Goel Garg and Company, Chartered Accountants, New Delhi 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 2000-2001.

**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 : 31-08-2000

(G.C. KANUNGA)  
Managing Director

(B.L. KANUNGA)  
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.17.50 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 utilization 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**  
 The Company is continuing to export its products.
- (g) **Total Foreign Exchange earned and used**

	1999-2000	1998-1999
	(Rupees in Lacs)	
Foreign Exchange earned	2718.77	1249.78
Foreign Exchange used	2321.31	2086.61

For and on behalf of the Board of Directors,

Place : Jodhpur  
 Dated : 31-08-2000

(G.C. KANUNGA)  
 MANAGING DIRECTOR

(B.L. KANUNGA)  
 DIRECTOR