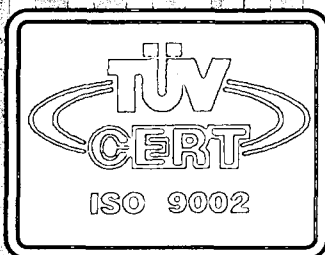


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AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

KABRA
EXTRUSIONTECHNIK



15th
Annual
Report
1997-98

KABRA EXTRUSIONTECHNIK LIMITED

ANNUAL REPORT 1997-98

FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	1997-98	1996-97	1995-96	1994-95	1993-94
Operating Results					
Sales & Other Income	3089.21	2641.90	3478.18	2779.96	2057.31
Profit before depreciation but after interest	247.37	391.81	684.75	593.80	394.10
Profit before Tax (PBT)	183.85	331.78	627.89	561.59	367.91
Taxation	20.00	73.00	120.00	185.00	135.00
Profit after Tax (PAT)	163.85	258.78	507.89	376.59	232.91
Retained earnings	95.26	155.90	370.75	272.25	154.22
Earning per share (EPS) (Rs.)	4.78	7.55	14.81	10.98	8.72
Dividend %	20	30	40	32	28
Financial Summary					
Assets Employed					
Fixed Assets (Net)	1124.80	1162.66	1193.81	1063.67	532.62
Working Capital (Net)	1238.95	1384.48	877.57	670.45	320.85
Capital Employed	2590.86	2757.40	2310.16	1947.95	978.95
Financed by					
Share Capital	342.95	342.95	342.95	342.95	267.00
Reserves	2141.16	2069.19	1923.59	1552.83	500.88
Total Shareholders Funds	2484.11	2412.14	2266.54	1895.78	767.88
Borrowings	106.75	345.25	43.62	52.16	211.06
Debt: Equity	0.04 : 1	0.14:1	0.02:1	0.03:1	0.27:1
Others					
Book Value Per Share (Rs.)	72.43	70.33	66.09	55.28	28.76
Gross fixed Assets	1399.42	1376.20	1374.66	1209.60	646.43
Employees Cost	156.98	148.77	126.14	102.95	86.85

BOARD OF DIRECTORS

Shreevallabh G. Kabra	Chairman & Managing Director
Satyanarayan G. Kabra	Director
Punamchand C. Parmar	Director
Haridas S. Sanwal	Director
Mahavir Prasad Taparia	Director

COMPANY SECRETARY

Y. D. Sanghavi

AUDITORS

A. G. Ogale & Co.
Chartered Accountants
Pune.

BANKERS

State Bank of India

REGISTERED OFFICE

Kolsite House, Off Veera Desai Road, Andheri (W), Mumbai - 400 053.
Tel : 6367551 (8 lines) ● Fax : 6367512

WORKS

Plot No. 16, Kabra Industrial Estate,
Kachigam, Daman - 396 210.



Plot No. 14 & 15, Kabra Industrial Estate,
Kachigam, Daman - 396 210.

15th ANNUAL GENERAL MEETING

Date : 16th September, 1998
Day : Wednesday
Time : 3.00 p.m.
Place : Juhu Jagruti Audio-Visual Centre,
Shri Bhaidas Maganlal Sabhagriha,
2nd Floor, Near Mithibai College,
Juhu Vile-Parle Development Scheme,
Vile Parle (West),
Mumbai - 400 056.

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ANNUAL REPORT 1997-98**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of **KABRA EXTRUSIONTECHNIK LIMITED** will be held on Wednesday, the 16th day of September, 1998 at 3.00 p. m. at Juhu Jagruti Audio-Visual Centre, Shri. Bhaidas Maganlal Sabhagriha, 2nd Floor, Near Mithibai College, Juhu Vile-Parle Development Scheme, Vile Parle (West), Mumbai - 400 056 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1998 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 1998
3. To appoint a Director in place of Shri. S. N. Kabra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. P. C. Parmar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Messrs. A. G. Ogale & Co. Chartered Accountants, as Auditors of the Company to hold such office from the conclusion of this Meeting, until the conclusion of the next Annual General Meeting, on such remuneration plus out of pocket expenses, if any, as may be determined by the Board of Directors of the Company.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution :
"RESOLVED THAT in accordance with the provisions of Section 81 (1-A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification and re-enactment thereof, for the time being in force), subject to the guidelines issued by the Securities and Exchange Board of India ("SEBI") with regard to the preferential allotment of shares, the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and approval of all other concerned authorities, if any, and to the extent necessary, and such other approvals, consents, permissions, sanctions as may be required and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions and which may be agreed to by the Board of Directors of the Company and/or the duly authorised committee thereof (hereinafter referred to as "the Board") the consent of the Company be and is hereby accorded to the Board to offer/issue/allot upto 5,70,500 equity shares of the Company, of the face value of Rs.10/- each for cash, on preferential basis to the promoter, directors, associates/ group companies/bodies corporate at a price to be fixed and on such other terms and conditions and in such manner as prescribed in SEBI guidelines issued in this behalf.

RESOLVED FURTHER THAT such equity shares shall rank pari passu in all respects with the existing shares of the Company save and except that the Dividend on equity shares if any, declared by the Company in respect of its financial year ended 31st March, 1999, shall be paid proportionately from the date of allotment of such shares.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue/allotment of equity shares on preferential basis and its listing with Stock Exchanges, as it may in its absolute discretion deem fit and to finalise and execute all documents and writings as may be necessary."

7. To consider and, if thought fit, to pass, with or without modification the following resolution as a Special Resolution :
"RESOLVED THAT subject to the guidelines prescribed by the Securities and Exchange Board of India (SEBI) and in accordance with the other regulations laid down in this behalf by SEBI and Stock Exchange/(s), the consent of the Company be accorded to the Board of Directors of the Company, to approach and apply to the Stock Exchanges at Ahmedabad and Pune for voluntary delisting of equity shares of the Company from the said stock exchanges.

RESOLVED FURTHER THAT Board of Director of the Company be and are hereby authorised for the purpose of giving effect to the above resolution and to do all such acts, matters, things, deeds as are necessary or desirable from time to time for voluntary delisting of securities as hereinabove provided."

By order of the Board of Directors
For **KABRA EXTRUSIONTECHNIK LIMITED**

Y. D. SANGHAVI
Company Secretary

Mumbai, 26th June, 1998

Registered Office :
Kolsite House,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400 053.

NOTES :

- i) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

- ii) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business under item no. 6 & 7 of the notice is annexed hereto.
- iii) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 1st September, 1998 to Wednesday, 16th September, 1998 (both days inclusive).
- iv) Shareholders seeking any information with regard to accounts are requested to write to the Company at least fifteen days in advance so as to enable the Company to keep the information ready.
- v) The dividend on equity shares recommended by the Board of Directors for the year ended 31st March, 1998 if declared at this meeting, will be paid to those Members whose names will be appearing on the Register of Members as on 16th September, 1998.
- vi) Members are requested to notify immediately any change in their address, to the Company at its Registered Office by quoting their folio number(s).
- vii) Members/Proxies are requested to bring their copies of the Annual Report and also the Attendance Slip duly filled in for attending the meeting.
- viii) Members are requested to intimate their Bank Account details, if not already sent, so that the same can be printed on the dividend warrant to avoid the incidence of fraudulent encashment of the dividend warrant.
- ix) Pursuant to Section 205-A of the Companies Act, 1956, all dividend which remain unclaimed for a period of three years shall be transferred to the General Reserve Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, and therefor Members who have not encashed their dividend warrants for the financial year ended 31st March, 1995, 31st March, 1996 and 31st March, 1997 are hereby requested to approach the Company Secretary for revalidation of the warrants or for obtaining duplicate dividend warrants.
- The unclaimed dividend for the financial year ended 31st March, 1995 will be transferred to the General Revenue Account of the Central Government on **28th November, 1998**.
- The Company has transferred the unclaimed dividend for the financial year ended **31st March, 1994** to the General Revenue Account of the Central Government on **28th November, 1997**. Any member who has not claimed the dividend for the said financial year is requested to approach the Office of Registrar of Companies, Maharashtra, Mumbai Hakoba Mill Compound, 2nd Floor, Bombay Industrial Estate, Dattaram Lad Marg, Kala Chowki, Chinchpokli (East), Mumbai - 400 033 by submitting their application in the prescribed form.
- x) The equity shares of the Company are listed at The Stock Exchange, Mumbai and The National Stock Exchange, Mumbai. The Company has paid listing fees for the year 1998-99.

By order of the Board of Directors
For **KABRA EXTRUSIONTECHNIK LIMITED**

Y. D. SANGHAVI
Company Secretary

Mumbai, 26th June, 1998

Registered Office :
Kolsite House,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400 053.

ANNUAL REPORT 1997-98**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 6

As the Members are aware that the promoters and their associates have always remained instrumental in successful implementation of the projects taken up by your Company. Their joint efforts have continued to guide the affairs of the Company resulting in credible performance of the Company over the years. Your Company even during last two years of overall slow down of economy and negative growth in the capital goods sector has maintained its track record of recommending dividend to share the benefits with shareholders of the Company.

Presently equity holding of your promoters & associates is 43.60% of the existing paid-up capital and it is thought desirable to raise it to 51% of the after issue capital by making equity offer to them on preferential basis, which they have agreed to subscribe.

Your approval to such preferential offer is a pointer of your confidence in the management and shall also ensure continuity of your management resulting in so much benefit to the Company and its shareholders over all these years. Fund so raised by equity offer under consideration shall strengthen the working capital base of the Company and meet the growing need of working capital in the present economic conditions/to augment funds for general corporate purposes.

Such equity offer shall be made strictly in terms of the existing applicable SEBI guidelines prescribing norms for price determination and other terms and manners of issue. Equity shares proposed to be offered and allotted shall rank pari passu in all respects with the existing shares of the Company, save and except that the dividend on equity shares, if any, declared in respect of financial year ended 31st March, 1999, shall be paid proportionately from the date of allotment.

In terms of Section 81 (1-A) of the Companies Act, 1956 for further issue of shares to any persons whether or not such person is/are the existing members of the Company or not, the approval of the existing member is necessary and therefore the approval of the Members is sought to a Special Resolution as set out in this Notice at Item No. 6

The Board of Directors commend the resolution mentioned in the Notice for your approval as being eminently in the interest of the Company.

Shri. S. V. Kabra and Shri. S. N. Kabra are deemed to be interested in the said resolution to the extent of equity shares that may be offered and allotted to them individually and/or to their relatives.

All directors except Shri. M. P. Taparia being the director of other bodies corporate under the same management are deemed to be interested in the said resolution to the extent of equity shares that may be offered and allotted to any of the associates /group companies.

Item No. 7 :

Your Company's equity shares were listed on the Stock Exchanges at Mumbai, Ahmedabad and Pune with intention to provide wider trading facility.

The Company has been regular in statutory compliance prescribed by the Stock Exchange. It has been observed by the Company that the purpose of listing Company's equity shares on the stock exchanges at Ahmedabad and Pune has not been served much, as the shareholders and investors hardly trade through the said stock exchanges.

As per quotation record, infrequent trading is noticed on the Stock Exchange at Ahmedabad and Pune and that too for negligible volume of shares.

In view of above, it is thought desirable to apply for voluntary delisting of securities from the Stock Exchanges at Ahmedabad and Pune in terms of revised guidelines issued by SEBI on 29th April, 1998 related to Voluntary delisting of securities on the Stock Exchanges other than the Regional Stock Exchange.

The listing on Stock Exchange at Mumbai shall remain in force to provide marketability and liquidity. Your Company's shares are highly traded on The Stock Exchange, Mumbai continuously since its listing and therefore no hardship shall be caused to any of the shareholders and/or investors by such voluntary delisting of equity shares of the Company.

In accordance with SEBI guidelines referred above, a specific prior approval of the shareholders is necessary and accordingly your approval is sought by a Special Resolution as set out at item No. 9 of Notice of this meeting.

None of the Directors is concerned or interested in the said resolution save and except as the shareholder of the Company.

By order of the Board of Directors
For **KABRA EXTRUSIONTECHNIK LIMITED**

Y. D. SANGHAVI
Company Secretary

Mumbai, 26th June, 1998

Registered Office :

Kolsite House,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400 053.

DIRECTORS' REPORT

To,
The Members,
Kabra Extrusiontechnik Limited,
Mumbai.

Your Directors are pleased to present the FIFTEENTH ANNUAL REPORT, together with the AUDITED STATEMENT OF ACCOUNTS of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	Year ended 31-3-98 (Rs. in lacs)	Year ended 31-3-97 (Rs. in lacs)
Sales turnover & Other income	3089.21	2641.90
Profit before interest and depreciation	283.31	434.17
Less : Interest	35.94	42.36
Depreciation	63.52	60.03
Gross Profit before Tax	183.85	331.78
Provision for Taxation	20.00	73.00
Net Profit after tax	163.85	258.78
Less : Earlier years adjustments	(16.44)	—
Add : Balance b/f from previous year	332.41	212.80
Balance available for appropriation	479.82	471.58

APPROPRIATIONS :

Transferred to General Reserves	20.00	26.00
Proposed Dividend	68.59	102.88
Corporate Dividend Tax	6.86	10.29
Surplus balance c/f to balance sheet	384.37	332.41
	479.82	471.58

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 2.00 per Equity Share of Rs. 10/- each for the year ended 31st March, 1998 (Rs. 3/- per share for the previous year) subject to the Members' approval. Corporate dividend tax has been provided @ 10% of the dividend amount.

OPERATIONS :

The Company has been able to achieve the Operations Income for the year under review at Rs.3089.21 lacs as against the previous year's operations income of Rs.2641.90 lacs despite the overall slow down of economy and negative growth in the Capital Goods Sector. Consequently, the profits of the Company were under severe constraints. The profit after tax are Rs.163.85 lacs as against the previous year's profits after tax of Rs.258.78 lacs.

EXPORTS :

Exports during the year has been to Rs. 669.13 lacs as against Rs. 584.47 lacs of exports in the previous financial year.

SUBSIDIARY COMPANY :

The audited statement of Accounts alongwith the Report of "KABRA GEORG SAHM WINDERS LIMITED", a subsidiary of your Company and the Auditors' Report thereon for the year ended 31st March, 1998 are annexed.

A statement pursuant to Section 212 of the Companies Act, 1956 is also attached herewith.

ANNUAL REPORT 1997-98**DIRECTORS :**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri. S. N. Kabra and Shri. P. C. Parmar, Directors of the Company, will retire by rotation at the ensuing Annual General Meeting, being eligible offer themselves for re-appointment.

AUDITORS :

Messrs. A. G. Ogale & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a certificate for re-appointment u/s 224(1-B) of the Companies Act, 1956 and have indicated their eligibility and willingness to continue.

VOLUNTARY DELISTING :

Due to infrequent trading being noticed on the Stock Exchange at Ahmedabad and Pune, the Company intends to apply for Voluntary delisting of its equity shares from these exchanges in terms of the revised guidelines prescribed by Securities and Exchange Board of India.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The particulars required under 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 form part of this report as Annexure A.

EMPLOYEES RELATIONS :

Employees relations continued to be cordial. The energy, skills and dedication of all employees continues to be the driving force in achieving the goals. The directors deeply appreciate the efforts put in by the employees at all levels.

A Statement of Particulars of employees remuneration as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, form part of this report as per Annexure B.

ACKNOWLEDGEMENT :

The Board of directors of your Company place on record their gratitude and would like to thank Shareholders, Bankers, Financial Institutions, Foreign Collaborators, Customers and Suppliers for their support and co-operation.

For and on behalf of the Board

S. V. KABRA
Chairman

Mumbai, 26th June, 1998

ANNEXURE - A TO THE DIRECTORS' REPORT

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER 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 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998.

A. CONSERVATION OF ENERGY :**a) Energy Conservation Measures taken :**

Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc. is strictly monitored and certain savings are expected, but total impact of this cannot be measured.

b) Additional investments and proposals, if any being implemented for reduction of consumption of energy : None**c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods : With the implementation of measures indicated in (a) above, it is expected that there would be a corresponding favourable impact on the energy cost per unit of production.****B. TECHNOLOGY ABSORPTION :**

Efforts made in technology absorption :

1. Specific areas in which R & D carried out by the Company:

- New BEX Model of 65mm Twin Screw Extruder has been developed and marketed successfully.
- The company has also developed and marketed PVC Profile Plant based on totally new concept for the first time in India.

2. Benefits derived as a result of the above R & D:

- Higher output, lower energy consumption and lower plant cost per kg. of output has been achieved. The product range of the company has been widened.

3. Future plan of action:

- New models of PVC Compounding plants of different capacities are under development.

4. Expenditure on R & D:

- During the year, the Company incurred expenditure on R & D which have been included in the respective expenses heads. No separate account head for expenditure on R & D has been maintained.

5. Technology imported during the last 5 years.

Technology for	Imported from	Year of import	Status
Manufacture of new BEX Models of Twin Screw Extrusion Plants	M/s. Battenfeld Extrusionstechnik GmbH, Germany	1993	In the process of absorption

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

	1997-98 (Rs. in lacs)	1996-97 (Rs. in lacs)
Foreign Exchange earned	669.13	577.69
Foreign Exchange used	42.72	178.09

For and on behalf of the Board

S. V. KABRA
Chairman

Mumbai, 26th June, 1998

ANNUAL REPORT 1997-98**ANNEXURE - B TO THE DIRECTORS' REPORT**

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 1998

Name / Age (Years)	Designation	Qualification	Experience (Years)	Gross Remuneration (Rs.)	Date of Commence- ment of employment	Particulars of last employment held
S. V. Kabra (61)	Chairman & Managing Director	B. A. (Eco.)	33	4,67,385	01-04-89	Managing Director Kolsite Maschine Fabrik Limited.
R. K. Mundra (44)	President	B. E.	24	7,12,994	01-04-89	Partner Kolsite Engineering Corporation.

NOTES :

1. Gross Remuneration include Salary, Allowances, Medical re-imbursement, Company's contribution to Provident Fund, Family Pension Fund, Superannuation Fund.
2. The nature of employment is contractual.
3. Shri. S. V. Kabra is a relative of Shri. S. N. Kabra, Director of the Company.



On behalf of the Board of Directors

S. V. KABRA
Chairman

Mumbai; 26th June, 1998