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KABRA EXTRUSIONTECHNIK

16th Annual Report 1998-99

KABRA EXTRUSIONTECHNIK LIMITED

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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

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WORKS

Plot No. 14, 15, & 16 Kabra Industrial Estate,
Kachigam, Daman - 396 210.

16th ANNUAL GENERAL MEETING

Date : 17th September, 1999

Day : Friday

Time : 2.30 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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FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	1998-99	1997-98	1996-97	1995-96	1994-95
Operating Results					
Sales & Other Income	3014.58	3089.21	2641.90	3478.18	2779.96
Profit before depreciation but after interest	288.60	247.37	391.81	684.75	593.80
Profit before Tax (PBT)	224.05	183.85	331.78	627.89	561.59
Taxation	35.00	20.00	73.00	120.00	185.00
Profit after Tax (PAT)	189.05	163.85	258.78	507.89	376.59
Retained earnings	120.46	95.26	155.90	370.75	272.25
Earning per share (EPS) (Rs.)	5.50	4.78	7.55	14.81	10.98
Dividend %	20	20	30	40	32
Financial Summary					
Assets Employed					
Fixed Assets (Net)	1110.24	1124.80	1162.66	1193.81	1063.67
Working Capital (Net)	1359.53	1238.95	1384.48	877.57	670.45
Capital Employed	2675.61	2590.86	2757.40	2310.16	1947.95
Financed by					
Share Capital	342.95	342.95	342.95	342.95	342.95
Reserves	2254.07	2141.16	2069.19	1923.59	1552.83
Total Shareholders Funds	2597.02	2484.11	2412.14	2266.54	1895.78
Borrowings	78.58	106.75	345.25	43.62	52.16
Debt: Equity	0.03 : 1	0.04 : 1	0.14:1	0.02:1	0.03:1
Others					
Book Value Per Share (Rs.)	75.73	72.43	70.33	66.09	55.28
Gross fixed Assets	1447.36	1399.42	1376.20	1374.66	1209.60
Employees Cost	186.08	156.98	148.77	126.14	102.95

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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of **KABRA EXTRUSIONTECHNIK LIMITED** will be held on Friday, the 17th day of September, 1999 at 2:30 p. m. at Juhu Jagruti Audio-Visual Centre, Shri Bhaidas Maganlal Sabhagriha, 2nd Floor, Near Mithibai College, JVPD Scheme, Vile Parle (West), Mumbai - 400 056 to transact the following business :

ORDINARY BUSINESS :

1. To receive and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date together with Directors' and Auditors' Reports thereon.
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 1999
3. To appoint a Director in place of Shri. H. S. Sanwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri. M. P. Taparia, 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, and on such remuneration plus out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution :

"**RESOLVED THAT** pursuant to Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded to the re-appointment of Shri. S. V. Kabra as Managing Director of the Company for a further period of 5 years effective from April 1, 1999 on the following terms and conditions :

(a) Salary : Rs. 40,000/- per month.

(b) *Perquisites : In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual* salary. Unless the context otherwise requires, perquisites are classified into three categories - 'A', 'B' and 'C' as follows :

CATEGORY A :

i) Housing I : The expenditure by the Company on hiring furnished accommodation will be subject to a ceiling of 60% of the salary, over and above 10% payable by him.

Housing II : In case the accomodation is owned by the Company, 10% of the salary shall be deducted by the Company.

Housing III : In case no accomodation is provided by the Company, he shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishing, if any shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director.

ii) Medical Reimbursement : For self and his family subject to a ceiling of one month's salary in a year or three months' salary in a block of three years.

iii) Leave Travel Concession : For self and his family once in a year, in accordance with the rules of the Company.

iv) Club Fees : Club fees, subject to a maximum of two clubs. This will not include admission and life membership fees.

v) Personal Accident Insurance : Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-

Explanation *: For the purpose of CATEGORY–A, 'Family' means the spouse, the dependent children and dependent parents of* the appointee.

CATEGORY B :

i)Contribution to the Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites, to the extent these, either singly or put together, are not taxable under the Income-Tax Act, 1961.

ii)Gratuity not exceeding half a month's salary for each completed year of service with a maximum limit of Rs. 2,50,000/-.

iii)Encashment of leave at the end of the tenure as per the rules of the Company.

However, these will not be included in the computation of ceiling on perquisites.

CATEGORY C :

Provision of car and telephone at residence for use on Company's business will not be considered as perquisites. However, personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.

(c) Minimum Remuneration : Notwithstanding anything to the contrary contained herein, where, in any financial year during the currency of the tenure of Shri. S. V. Kabra, the Company has no profits or its profits are inadequate, the Company will pay salary and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII as minimum remuneration.

"**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to enhance, enlarge, widen, alter or vary the extent and scope of the remuneration and perquisites, including monetary value thereof, payable to the Managing Director subject to the limits, if any, specified under the provisions of the Companies Act, 1956, or any amendment thereto, from time to time."

The above terms and conditions shall be deemed to be an abstract under Section 302 of the Companies Act, 1956.

Shri. S. V. Kabra and Shri. S. N. Kabra are considered as interested or concerned in the above resolution.

Place : Mumbai
Dated : 21st July, 1999

By order of the Board
For **Kabra Extrusiontechnik Limited**

Y. D. Sanghavi
Company Secretary

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

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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 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.

2) The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business under item Nos. 6 of the Notice is annexed hereto.

3) The Register of Members and the Share Transfer Books of the Company will remain close from Monday, 6th September, 1999 to Friday, 17th September, 1999 (both days inclusive).

4) Shareholders seeking any information with regard to accounts are requested to write to the Company at least fifteen days in advance of the meeting so as to enable the Company to keep the information ready.

5) The dividend on equity shares recommended by the Board of Directors for the year ended 31st March, 1999 if declared at this meeting, will be paid to those Members whose names will be appearing on the Register of Members as on 17th September, 1999.

6) Members/Proxies are requested to bring their copies of the Annual Report and also the Attendance Slip duly filled in for attending the meeting.

7) 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.

8) Members who have not encashed their dividend warrants for the financial year ended 31st March, 1995, 31st March, 1996, 31st March, 1997 and 31st March, 1998 are hereby requested to approach the Company for revalidation of the warrants or for obtaining duplicate dividend warrants at the earliest.

   As per amended Section 205-A and 205-C of the Companies Act, 1956 the amount which remains unpaid or unclaimed for a period of seven years shall be tranferred by the Company to the **Investor Education and Protection Fund** of the Central Government.

9) Members are requested to address all their correspondence by quoting their Folio Number to the Registered Office of the Company. Please note that the Share Transfer work is being managed inhouse by the Company and no Registrar & Transfer Agent is deputed for this purpose and therefore all are requested to lodge their shares only at the Registered Office of the Company.

10) The Company's shares are listed and traded mainly on the Stock Exchange, Mumbai and National Stock Exchange, Mumbai. The Company has already paid listing fees for the year 1999-2000 to the said stock exchanges. Delisting application made last year is under consideration of the Stock Exchange authorities at Ahmedabad and listing fees payable to them for current year is pending therefore.

11) Individual shareholders can now avail of the facility of nomination. The nominee shall be the person in whom all rights of transfer and/or amount payable in respect of the shares shall vest in the event of the death of the shareholder(s). A minor can be a nominee provided the name of the guardian is given in the Nomination Form. The facility of nomination is not available to non-individual shareholders such as societies, trusts, bodies corporate, partnership firms, Kartas of Hindu Undivided Families and holders of Powers of Attorney.

12) Members holding shares in the identical order of names in more than one folio are requested to consolidate their holdings into one folio.

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

Y. D. SANGHAVI
Company Secretary

Mumbai, 21st July, 1999

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

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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

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

Item No. 6

With the Shareholders' approval in the Tenth Annual General Meeting of the Company Shri. S. V. Kabra was appointed as a Managing Director for a period of five years w.e.f. 1st April, 1994.

While re-appointing him in the meeting of the Board of Directors held on 21st July, 1999, the Board of Directors have thankfully considered the valuable services rendered by him. Shri. S. V. Kabra has rich and varied experience of more than 35 years in the plastics industry and his re-appointment would be in the best interests of the Company. The Board therefore recommends resolution set out at Item No. 6 of the Notice.

As the terms of appointments and the remuneration proposed are in conformity with the relevant provisions of the Companies Act, 1956 read with Schedule XIII to the said Act, no Central Government approval is necessary for this appointment.

The draft Agreement between the Company and Shri. S. V. Kabra is available for inspection by the Members of the Company at its Registered office between 11:00 a.m. to 1:00 p.m. on any working day of the Company.

Except Shri. S. V. Kabra and Shri. S. N. Kabra, who are related to each other, no other Director of the Company is concerned or interested in this Resolution.

This Explanatory Statement and Resolution at Item No. 6 of the Notice is to be regarded as an abstract of the terms of the draft Agreement between the Company and Shri. S. V. Kabra and Memorandum of Interest pursuant to Section 302 of the Companies Act, 1956.

Place : Mumbai
Dated : 21st July, 1999

By order of the Board
For **Kabra Extrusiontechnik Limited**

Y. D. Sanghavi
Company Secretary

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

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DIRECTORS' REPORT

DIRECTOR'S REPORT

To,
The Members,
Kabra Extrusiontechnik Limited,
Mumbai.

Your Directors are pleased to present the SIXTEENTH ANNUAL REPORT, together with the AUDITED STATEMENT OF ACCOUNTS of the Company for the year ended 31st March, 1999.

FINANCIAL RESULTS :

	Year ended 31-3-99 (Rs.in lacs)	Year ended 31-3-98 (Rs.in lacs)
Sales turnover & Other income	**3014.59**	3089.21
Profit before interest and depreciation	**306.74**	283.31
Less : Interest	**18.14**	35.94
Depreciation	**64.55**	63.52
Gross Profit before Tax	**224.05**	183.85
Provision for Taxation	**35.00**	20.00
Net Profit after tax	**189.05**	163.85
Less : Earlier years adjustments	**–**	(16.44)
Add : Balance b/f from previous year	**384.37**	332.41
Balance available for appropriation	**573.42**	479.82
APPROPRIATIONS :		
Transferred to General Reserves	**20.00**	20.00
Proposed Dividend	**68.59**	68.59
Corporate Dividend Tax	**7.54**	6.86
Surplus balance c/f to balance sheet	**477.29**	384.37
	573.42	479.82

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 2/- per Equity Share of Rs. 10/- each for the year ended 31st March, 1999 (Rs. 2/- per share for the previous year) subject to the Members' approval. Corporate dividend tax has been provided as per provisions of Income Tax.

OPERATIONS :

The Company could successfully achieve the Operational and Other Income for the year under review at Rs. 3014.59 lacs as against the previous year's operational & other income of Rs. 3089.21 lacs, despite the overall slow down of economy and negative growth in the capital goods industry and tough competition. The profit after tax are Rs. 189.05 lacs as against the previous year's profits after tax of Rs.163.85 lacs. This rise in profit of 15.38% over last years profits has been achieved by your Company on account of various measures taken by the management.

EXPORTS :

Exports during the year has been to Rs.673.24 lacs as against Rs. 669.13 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, 1999 are annexed.

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

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Shri.H.S.Sanwal and Shri.M.P.Taparia, Directors of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Shri. S. V. Kabra, Managing Director of the Company has been re-appointed for a further period of 5 years w.e.f. 1st April, 1999 subject to the approval of Members.

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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.

Y2K READINESS :

Your Company has taken necessary steps to ensure that all its systems are Y2K ready and the same is expected to be completed by October, 1999, before ushering in of the new millennium.

We are upgrading our Hardware and Softwares wherever necessary, to meet any contingencies and are expecting smooth functioning of all its operations without any difficulties. The cost of upgradation is estimated to be not over Rs. 20 lakhs.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

The particulars required under Section 217 (1)(e) of the Companies Act, 1956 read with 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, 21st July, 1999

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ANNEXURE - I 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.

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) & (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods: With the implementation of the 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 :
A new range of twin-screw compounding plants have been developed and marketed.
2. Benefits derived as a result of the above R & D :
Products range of the Company has been widened.
3. Future plan of action : -
4. Expenditure on R & D : -
During the year, the company spent recurring amount of expenditure on R&D which have been included in the respective expenses heads. No seperate account head for expenditure on R&D has been maintained.
5. Technology Imported during the last 5 years : —
During the year 1993, technology for manufacture of New BEX Models of Twin Screw Extrusion plants was imported from M/s Battenfeld Extrusionstechnik Gmbh, Germany.

C. Foreign Exchange Earnings and outgo :

		(Rs. in lacs)
	1998-99	1997-98
Foreign Exchange earned	673.24	669.13
Foreign Exchange used	105.49	51.48

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ANNEXURE - II TO THE DIRECTORS' REPORT

STATEMENT PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Name/Age (Years)	Designation	Qualification	Experience (Years)	Gross Remuneration (Rs.)	Date of Commence-ment of employment	Particulars of last employment
R.K.Mundra (45)	President	B.E.	25	7,21,305	01-04-89	Partner Kolsite Engineering Corporation

NOTES :

1. Gross Remuneration include Salary, Allowances, Medical re-imbursement, Company's contribution to Providend Fund, Family Pension Fund,Superannuation Fund.
2. The nature of employment is Contractual.

For and on behalf of the Board

S.V. KABRA
Chairman

Mumbai, 21st July, 1999

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AUDITORS' REPORT

To,

The Members,
Kabra Extrusiontechnik Ltd.,
Mumbai.

We have audited the attached Balance Sheet of Kabra Extrusiontechnik Ltd., Mumbai - 400 053 as at 31st March, 1999 and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and other companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a Statement on the matters specified in para 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in para 1 above.
   a) We have obtained all the informations 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 law have been kept by the Company so far as it appears from our examination of the books of the Company.
   c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts.
   d) In our opinion, the Profit & Loss account & balance sheet comply with the Accounting standards referred to in sub-section (3c) of section 211 of the Companies Act,;
   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with notes thereon give the informations required under the Companies Act, 1956, in the manner so required and give a true and fair view:
      i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 1999 and
      ii) In the case of Profit & Loss Account of the Profit for the year ended on that date.

For **A.G. OGALE & CO.**
Chartered Accountants

Place : Pune
Date : 22nd July, 1999

A. G. Ogale
Proprietor

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