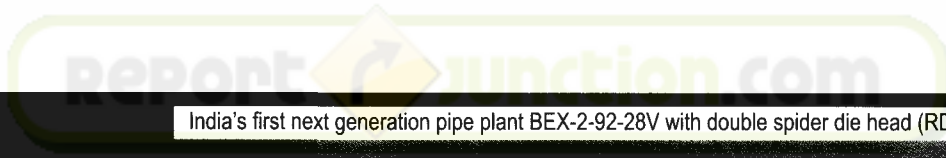


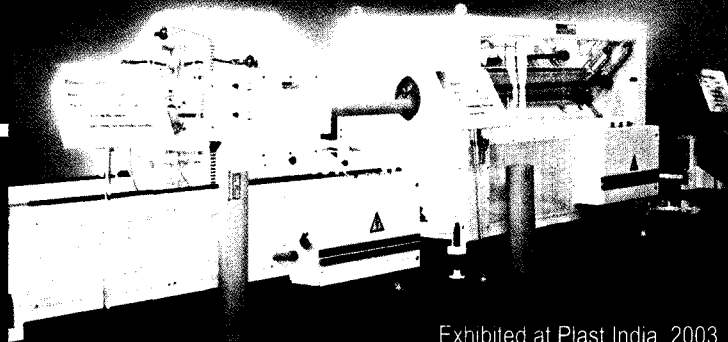


KABRA
EXTRUSIONTECHNIK



India's first next generation pipe plant BEX-2-92-28V with double spider die head (RD2)

2002-2003



Exhibited at Plast India. 2003, International Exhibition, Delhi.

KABRA EXTRUSIONTECHNIK LIMITED

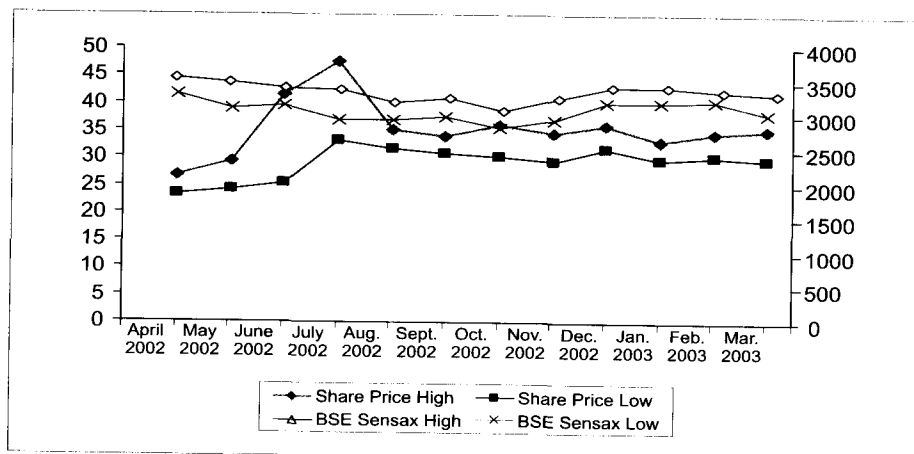
KABRA
EXTRUSIONTECHNIK

FINANCIAL HIGHLIGHTS

Operating Results					
Sales & Other Income	4281.60	5186.63	4932.79	3854.42	3014.58
Profit before Interest and Depreciation	551.53	716.08	623.84	449.13	306.74
Less : (i) Interest	13.98	23.79	16.79	14.50	18.14
(ii) Depreciation	97.11	94.31	86.89	71.54	64.55
Profit before Tax (PBT)	440.44	597.97	520.16	363.09	224.05
Less : Provision for Taxation	130.00	140.00	140.00	60.00	35.00
Less : Provision for Deferred Tax	—	104.49	—	—	—
Add : (Deferred Tax Assets Current Year)	37.49	—	—	—	—
Less : Taxation of earlier years	13.57	—	—	—	—
Profit after Tax & Deferred Tax	334.36	353.49	380.16	303.09	189.05
Retained Earnings	214.33	233.46	277.27	220.78	120.46
Earning Per Share (EPS) (Rs.)	9.75	10.31	11.08	8.84	5.50
Dividend %	35	35	30	24	20
Assets Employed					
Fixed Assets (Net)	1708.90	1459.03	1288.62	1262.05	1110.24
Current Assets (Net)	1579.03	1216.46	1297.64	1315.32	1359.53
Capital Employed	3978.33	3589.36	3330.05	3033.23	2675.61
Financed by					
Share Capital	342.95	342.95	342.95	342.95	342.95
Reserve	3059.62	2860.66	2732.58	2465.81	2254.07
Total Shareholders Funds	3402.57	3203.61	3075.53	2808.78	2597.02
Borrowings	403.38	175.88	254.51	224.47	78.58
Debt : Equity	0.12:1	0.05:1	0.08:1	0.08:1	0.03:1
Others					
Book Value Per Share (Rs.)	99.21	93.41	89.68	81.90	75.73
Gross Fixed Assets	2371.21	2033.81	1774.71	1667.17	1447.36
Employee Cost	394.92	377.76	304.46	242.51	186.08

Performance of Share Price of the Company in comparison to BSE Sensex

Stock Performance Share Price / BSE Sensex



● **BOARD OF DIRECTORS**

- **Shreevallabh G. Kabra**
Chairman & Mg. Director
- **Satyanarayan G. Kabra**
Director
- **Punamchand C. Parmar**
Director
- **Haridas S. Sanwal**
Director
- **Mahavir Prasad Taparia**
Director
- **Yagnesh B. Desai**
Director
- **Anand S. Kabra**
Director

COMPANY SECRETARY

Y. D. Sanghavi

AUDITORS

A. G. Ogale & Co.

Chartered Accountants, Pune.

BANKERS

State Bank of India

Industrial Finance Branch, Mumbai- 5

SHARE TRANSFER AGENT

M/s Sharepro Services

*Satam Estate, 3rd Flr., Cardinal Gracious Road,
Chakala, Andheri (E), Mumbai-99.*

022-28215168,28329828, Fax No : 022-28375646

REGISTERED OFFICE

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

Tel.: +91-22-26734822-24 Fax : +91-22-26735041

WORKS

*Kabra Industrial Estate,
Kachigam, Daman - 396 210*

C O N T E N T S

Notice of Annual General Meeting	2
Directors' Report	8
Management Discussion and Analysis	11
Report on Corporate Governance	13
Auditors' Report	20
Balance Sheet	22
Profit & Loss Account	23
Schedules	24
Balance Sheet Abstract	31
Cash Flow Statement	32
Statement Pursuant Sec. 212 of the Companies Act.	33
Reports of Subsidiary Company	34
Consolidated Financial Statements	43

20TH ANNUAL GENERAL MEETING

Date : 1st August, 2003
Day : Friday
Time : 2.30 p.m.
Venue : Hotel Park View, 38, Lallubhai Park Road
 Next to Lallubhai Park,
 Andheri (W), Mumbai - 58.

KABRA EXTRUSIONTECHNIK

NOTICE

NOTICE is hereby given that the Twentieth ANNUAL GENERAL MEETING of the Members of **KABRA EXTRUSIONTECHNIK LIMITED** will be held at Hotel Park View, 38, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai - 400 058 on Friday, the 1st day of August, 2003 at 2:30 p.m. to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date and Reports of the Directors and the Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Shri. Haridas Sagatmal Sanwal, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri. Mahavir Prasad 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 Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri. Yagnesh B. Desai, who was appointed as an Additional Director of the Company on 19th October, 2002 by the Board of Directors, subject to Section 260 of the Companies Act, 1956 and who holds office only up to the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
7. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Shri. Anand Shreevallabh Kabra, who was appointed as an Additional Director of the Company on 19th June, 2003, by the Board of Directors, subject to Section 260 of the Companies Act, 1956 and who holds office only up to the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."
8. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act or any re-enactment or modifications thereof and all other applicable Statutory Provisions, if any, and subject to such approvals as may be necessary, the Consent of the Company be and it is hereby accorded to the appointment of Shri. Anand Shreevallabh Kabra as an Executive Director of the Company for a period of three years effective from 1st August, 2003 upon the same terms of remuneration already approved by the Central Government in respect of his appointment as President (Operation) of the Company, which are detailed in the Explanatory Statement annexed hereto.
"RESOLVED FURTHER THAT the Board or any committee thereof be and is hereby authorised, in its absolute discretion and from time to time, to fix, the salary, value of all perquisites, performance incentive, etc. within the salary range already approved by the Central Government and consented by the Members of the Company."
9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to provisions of Sections 198, 269 and 309 and such other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the said Act or any re-enactment or modifications thereof and all other applicable Statutory Provisions, if any, and subject to such approvals as may be necessary, the Consent of the Company be and it is hereby accorded to the appointment and payment of remuneration to Shri. Satyanarayan G. Kabra as Vice Chairman and Managing Director of the Company, for a period of five years with effect from 1st July, 2003 to 30th June, 2008 on the terms, conditions and stipulations including remuneration detailed in the Explanatory Statement annexed hereto (which shall form part hereof), with a liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board and Shri. Satyanarayan G. Kabra, subject to the same not exceeding at any point of time, the ceiling specified in Schedule-XIII to the said Act, (including any Statutory Modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter from time to time be made thereto by the Central Government.

ANNUAL REPORT 2002-2003

“RESOLVED FURTHER THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of his office as Vice Chairman and Managing Director of the Company, the remuneration, perquisites and other allowances shall be governed by the limits prescribed in Section II of Part-II of Schedule XIII to the Companies Act, 1956, as amended from time to time.

“RESOLVED FURTHER THAT the aforesaid approval of the Company is accorded without prejudice to his right of holding any managerial position of whatsoever nature in any other company and draw remuneration therefrom, subject to the regulatory guidelines and ceilings stipulated therefore.

“RESOLVED FURTHER THAT for the purpose of giving effect to these resolutions, the Board be and is hereby authorised to do all such acts, deeds, matters or things as may be necessary, expedient or desirable in the best interest of the Company.”

10. To consider and if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 163 (1) of the Companies Act, 1956 (Act), the Company hereby approves that the Register of Members, the Index of Members and copies of all Annual Returns prepared under Section 159 of the Act together with the copies of Certificates and Documents required to be annexed thereto under Section 161 of the Act or any one or more of them, be kept at the office of Company's Share Transfer Agent. M/s. Sharepro Service at Satam Estate, 3rd Floor, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099 or at such other office of theirs within the city of Mumbai as may be decided by them in future, instead of being kept at the Registered Office of the Company.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Company Secretary/ Compliance Officer be and is hereby authorised to do all such acts, deeds, matters or things as may be necessary, expedient or desirable in the best interest of the Company.”

Place : Mumbai

Date : 19th June, 2003.

Registered Office :

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

By Order of the Board
for **Kabra Extrusion Technik Limited**

Y. D. Sanghavi
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENTS OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business item Nos. 6 to 10 set out above, is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 26th July, 2003 to Friday, the 1st August, 2003 (both days inclusive).
4. (i) The unclaimed dividend upto financial year 1993-94 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1993-94 may claim their dividend from the Registrar of Companies, Maharashtra, Mumbai at CGO Complex, 2nd Floor, A-Wing, CBD-Belapur, Navi Mumbai-400 614 by submitting an application in the prescribed form.
- (ii) Those members who have not encashed their dividend warrants for the financial years 1995-96 to 2001-2002 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of duplicate thereof.
- (iii) Dividend on Equity Shares, upon its declaration at this meeting will be paid to those shareholders whose names appear on the Register of Members as on Friday, the 1st August, 2003. In case of shares held in dematerialised form, the dividend thereon, upon its declaration shall be paid to the beneficiary owners as per details furnished by the Depositories for this purpose as of Friday, the 25th July 2003.
- (iv) Pursuant to the provisions of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year 1995-96 and thereafter which shall remain unpaid/unclaimed for a period of 7 years from the date of transfer to the unpaid dividend account will be transferred to the Investor Education and Protection Fund constituted by the Central Government under Section 205C of the Companies Act, 1956.

KABRA EXTRUSIONTECHNIK

Particulars of dividend payments in respect of Financial Year 1995-96 to 2001-02 are as under:

Date of declaration of Dividend at AGM	Dividend for the Financial Year	Rate of Dividend	Month & Year of transfer to the Fund
27 th September, 1996	1995-1996	40%	November, 2003
18 th September, 1997	1996-1997	30%	October, 2004
16 th September, 1998	1997-1998	20%	October, 2005
17 th September, 1999	1998-1999	20%	October, 2006
15 th May, 2000	1999-2000(Interim) #	24%	June, 2007
2 nd August, 2001	2000-2001	30%	September, 2008
7 th August, 2002	2001-2002	35%	September, 2009

Dividend was paid as Interim and was approved as Final at the Annual General Meeting held on 15th September, 2000.

It may be noted that once the unclaimed dividend is transferred to the Government, as above, no claim shall lie in respect of such amount.

(v) Pursuant to the said provision unclaimed / unpaid dividend of Rs. 60,721 for the financial year ended 31st March, 1995 has been transferred during the year under review to the Investor Education and Protection Fund.

5. All Shareholders, Investors & other concerned are requested to note that **M/s. Sharepro Services**, a SEBI registered Transfer Agent, has been appointed as Transfer and Connectivity Agent of the company with effect from 1st April, 2003 in compliance of SEBI circular for the appointment of common agency for share registry work. Their address is given below for all future correspondence to them.

M/s. Sharepro Services, (Unit : Kabra Extrusiontechnik Limited) Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai-400 099, Tel. No. : 91-022-28215168, 28329828, 28215991, 28347719, 28348218. Fax No. : 022-28375646 ; Email: sharepro@vsnl.com

Members holding shares in physical mode are further requested to lodge their Share Transfer Deeds / Applications for registration of transfer, transmission, transposition etc. with the said Registrar and also intimate to them regarding the changes, if any, of their Registered Addresses, Bank Details, Mandate, Status and for registration of Power of Attorney, etc. indicating their Folio Number.

Members holding shares in physical form can avail of the Nomination facility by filing Form 2B (in duplicate) with the said Registrar.

6. In case the shares are held in demat form, Members are requested to intimate changes if any in respect of all above matters to their respective Depository Participant (DP) and also lodge their nomination with them.
7. Members desirous of obtaining any information with regard to the accounts are requested to write to the Company Secretary at the Registered Office of the Company, at least 10 days in advance before the meeting, so that the same could be compiled in advance.
8. Brief profile of Directors retiring by rotation and eligible for re-appointment and other Directors who are proposed to be appointed at the ensuing Annual General Meeting are given in the Corporate Governance Section which forms part of this Annual Report.

Place : Mumbai
Date : 19th June, 2003.

By Order of the Board
for **Kabra Extrusiontechnik Limited**

Registered Office :

Kolsite House,
Off. Veera Desai Road,
Andheri (West),
Mumbai - 400053

Y. D. Sanghavi
Company Secretary

ANNUAL REPORT
2002-2003

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956.

Item - 6 :

Shri. Yagnesh B. Desai, aged 61 years, qualified as B.A. (Hons), CAIIB was appointed as an Additional Director on 19th October, 2002 by the Board of Directors of the Company. He has experience of over 38 years in banking sector and held various managerial position including as Managing Director of Export Import Bank of India.

In terms of Section 260 of the Companies Act, 1956, he holds office as a Director only upto the date of the ensuing Annual General Meeting of the Company and is eligible to be appointed as a Director.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with the deposit of Rs. 500/- from a member proposing his candidature for the office of Director.

The Board considers his association beneficial and in the interest of the Company.

The Directors recommend this ordinary resolution for your approval.

Except Shri. Yagnesh B. Desai, none of the other Directors is in any way, concerned or interested in the resolution.

Item - 7 & 8 :

Shri. Anand S. Kabra was appointed as President (Operation) of the Company with effect from 2nd August, 2001, in accordance with prior consent of the Members and approval of the Central Government.

The Board of Directors of the Company at its meeting held on 19th June, 2003 appointed him as an Additional Director subject to Section 260 of the Companies Act, 1956, and he holds office as a Director only up to the date of ensuing Annual General Meeting of the Company and is eligible to be appointed as a Director.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956, alongwith the deposit of Rs. 500/- from a member proposing his candidature for the office of Director.

At the said meeting his appointment as an Executive Director of the Company was also approved for a period of three years effective from 1st August, 2003 .

The terms, conditions and remuneration of the said appointee as an Executive Director shall be the same as earlier approved by the Members and Central Government in respect of his appointment as President (Operation) of the Company. The said terms are set out hereinbelow :

Basic Salary :

(including Dearness Allowance) : Rs. 50,000/- per month in the pay scale of Rs. 50,000 - Rs. 7,500 - Rs. 87,500

Perquisites :

Following allowances and reimbursement shall be granted/paid to him in addition to salary mentioned above as per rules of the Company applicable presently and from time to time.

- House Rent Allowance upto a maximum of 10% of the basic salary.
- Education Allowance : Rs. 1200 per annum.
- Maintenance & Furnishing Allowance : 10% of basic salary.
- Leave Travel Allowance Rs. 14000/- per annum or Rs. 28,000/- in a block of two calendar years for self and family.
- Contribution to Provident Fund : 12% of basic salary or at such percentage as may be prescribed.
- Contribution to Superannuation Fund Scheme : 15% of basic salary.
- Bonus as may be declared annually by the Company.
- Leave encashment.
- Coverage under Medi-claim Policy and Group Personal Accident Insurance.
- Gratuity as per Group Gratuity Scheme of the Company.
- Performance Incentive : at such percentage of basic salary as may be declared annually by the Company, but not exceeding 15%.
- Providing Car and Telephone for official use.
- Medical Expenses : Rs. 15,000/- per annum.

The present basic monthly salary of the said appointee is Rs. 57,500/- with other perquisites proportionate to the basic salary.

Shri. Anand S. Kabra, a young business entrepreneur has graduated as a Bachelor of Mechanical Engineering from Sardar Patel College of Engineering and a Silver Medallist in the same field from Bombay University.



He has received a Masters degree in Business Administration from India's premier institute S.P. Jain Institute of Management and Research.

He has over 6 years working experience in various capacities including last two years as President (Operation) of the Company and your Company benefited immensely by his contribution.

Shri. Anand S. Kabra shall devote whole of his time and attention to the business and affairs of the Company and shall perform and discharge all responsibilities as may be entrusted to him from time to time, subject to the superintendence, control and direction of the Board.

The draft of Agreements to be entered into between the Company and the said appointee, incorporating the above particulars of remunerations, are available for inspection at the Registered Office of the Company on all working days excluding Saturdays, upto the date of ensuing Annual General Meeting between 11:00 a.m. to 1:00 p.m.

The said Agreement may be terminated by either party (the company or the said appointee) by giving three months' prior notice in writing.

This explanatory statement with the accompanying Notice is to be regarded as an abstract of the terms of agreement and memorandum of concern or interest, under Section 302 of the Companies Act, 1956.

Your Directors commend the resolution set out at item-7 & 8 of the Notice for your approval.

Shri. Anand Shreevallabh Kabra is concerned or interested in the resolution at item- 7& 8 as also in the draft agreement, since it relates to his own appointment and remuneration.

Further Shri. S. V. Kabra also be deemed to be interested in this resolution as related to the said appointee.

Save and except the above, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

Item - 9 :

Shri. Satyanarayan G. Kabra, aged 59 years, qualified as B.E.(Mechanical), possesses vast, rich and varied experience of over three decades in the field of promoting and managing industrial projects, more particularly in management of Plastic Processing Machinery manufacturing Industry in which your Company is engaged.

At the Meeting of the Board of Directors of the Company held on 19th June, 2003 his appointment and payment of remuneration to him as Vice-Chairman and Managing Director of the Company with effect from 1st July, 2003 for a period of 5 (five) years was approved with a view to benefit the Company by his expertised knowledge and experience.

His appointment and payment of remuneration to him as Vice-Chairman & Managing Director of M/s. Plastiblends India Limited a Company of the same group has been also approved by the Board of Directors of that company subject to the approval of the members of that company.

The material terms of his appointment and remuneration payable to him as embodied in the agreement to be entered into between the Company and said appointee are set out below :

The principal terms and conditions as contained in the draft agreement are as under :

1) Period of Appointment :

5 (five) years with effect from 1st July, 2003 to 30th June , 2008.

2) Remuneration :

(a) **Salary :** Rs. 40,000/- (Rupees Forty Thousand Only) per month.

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.
- ii) **Housing II :** In case the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.
- iii) **Housing III :** In case no accommodation is provided by the Company, he shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.
- iv) **Medical Expenses :** For self and his family subject to a ceiling of 1 month salary in a year or three months' salary in a block of three years.
- v) **Leave Travel Concession :** For self, spouse and family once in a year incurred in accordance with the rules specified by the Company.

ANNUAL REPORT 2002-2003

vi) **Club Fees** :Subject to a maximum of two clubs. This will not include admission and life membership fees.

vii) **Personal Accident Insurance & Medi- Claim Policy** : For self, spouse and family, as per rules of the Company.

Explanation for the purpose of Category 'A' : Family means spouse, dependent children and dependent parents of the Managing Director.

CATEGORY - B :

i) **Provident Fund, Superannuation Fund and Annuity Fund** : Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Schemes of the Company 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** :Gratuity payable as per rules of the Company.

iii) Encashment of Leave as per rules of the Company.

CATEGORY - C :

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

The draft of Agreements to be entered into between the Company and the said appointee, incorporating the above particulars of remunerations, are available for inspection at the Registered Office of the Company on all working days excluding Saturdays, upto the date of ensuing Annual General Meeting between 11:00 a.m. to 1:00 p.m.

The said Agreement may be terminated by either party (the Company or the said appointee) by giving three months' prior notice in writing.

This explanatory statement with the accompanying Notice is to be regarded as an abstract of the terms of agreement and memorandum of concern or interest, under Section 302 of the Companies Act, 1956.

Your Directors commend the resolution set out at item-9 of the Notice for your approval.

Shri. Satyanarayan G. Kabra is concerned or interested in the resolution at item-9 as also in the draft agreement, since it relates to his own appointment and remuneration.

Further Shri. S. V. Kabra also be deemed to be interested in this resolution as related to the said appointee.

Save and except the above none of the other Directors of the Company, is in any way, concerned or interested in the resolution.

Item - 10 :

Under Section 163 (1) of the Companies Act, 1956, certain documents which are normally required to be kept at the Registered Office of company may be kept at any other place if such other place has been approved by a special resolution passed by the company in general meeting.

M/s. Sharepro Services, has been appointed as Share Transfer and Connectivity Agent of the Company with effect from 1st April, 2003 pursuant to SEBI circular for appointment of Common Agency for Share Registry Work for the shares held both in demat and physical mode.

Approval of the Members is sought, in terms of said provision, for keeping the Company's Register of Members, Annual Returns, Certificates, Other documents pertaining thereto at the office of M/s. Sharepro Services, Andheri (East), Mumbai-400 099 instead of keeping the same at the Registered Office.

The Resolution at item-10 is accordingly, commended for approval of the members by means of special resolution.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

Place : Mumbai

Date : 19th June, 2003

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

Registered Office :

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

Y. D. Sanghavi
Company Secretary

KABRA
EXTRUSIONTECHNIK
DIRECTORS' REPORT

To,
 The Members,
 Kabra Extrusiontechnik Limited,
 Mumbai.

Your Directors are pleased to present the Twentieth Annual Report, together with the Audited Statements of Accounts of the Company for the year ended 31st March, 2003.

FINANCIAL RESULTS :

	2002-2003 (Rs. in lacs)	2001-2002 (Rs. in lacs)
Sales turnover and Other Income	4281.60	5186.63
Profit before interest and depreciation	551.53	716.08
Less : Interest	13.98	23.79
Depreciation	97.11	94.32
Gross Profit before tax	440.44	597.97
Less : Provision for Taxation	130.00	140.00
Add : Deferred Tax Assets - Current year/(liability)	37.49	(104.49)
Net Profit after tax	347.93	353.48
Less : Earlier Year Taxation	13.57	—
Add : Balance b/f from previous year	1049.25	875.80
Amount available for appropriation	1383.61	1229.28
APPROPRIATIONS :		
Transferred to General Reserves	46.83	60.00
Provision for proposed Dividend	120.03	120.03
Provision for Tax on Proposed Dividend	15.38	—
Surplus balance c/f to balance sheet	1201.37	1049.25
	1383.61	1229.28

DIVIDEND :

Your Directors are pleased to recommend a dividend of Rs. 3.50 per share of Rs. 10/- each for the year ended 31st March, 2003 (Rs. 3.50 per share for the previous year) subject to the Members' approval.

OPERATION :

The Company could achieve the Operational and Other Income of the year under review at **Rs. 4281.60 lakhs** as against the previous years' operations income of **Rs. 5186.63 lakhs**. The Profit before tax is **Rs. 440.44 lakhs** against the previous years' profit of **Rs. 597.97 lakhs**.

The year under review witnessed stagnant domestic demand and difficult market. Domestic Market was affected by poor monsoon and the drought in several parts of India particularly Northern and parts of Western India. The capital goods sector continues to be in the grip of stagnant domestic demand.

Despite sluggish market, stiff competition, sudden impact on the last Quarter's shipment on account of Iraq-war as well as unclear VAT laws, the Board considers the overall performance of the Company reasonably satisfactory.

The Company is optimistic about sailing through the crisis and sustaining operational levels on the inheritant strength of its technological innovation, world-class manufacturing, marketing capabilities coupled with on-going cost reduction drive.

The Company is in the process of setting up New Manufacturing Unit which is expected to contribute towards increase in production capacity and market share.

EXPORTS :

Exports during the year have increased to **Rs. 1845.52 lakhs**, as against **Rs. 1439.02 lakhs** of exports in the previous financial year and thereby achieved growth of **28.25%** over previous year.

DIRECTORS :

Shri. Haridas S. Sanwal and Shri. Mahavir Prasad Taparia, Directors of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Shri Satyanarayan G. Kabra has been appointed as Vice-Chairman & Managing Director of the Company w.e.f. 1st July 2003.