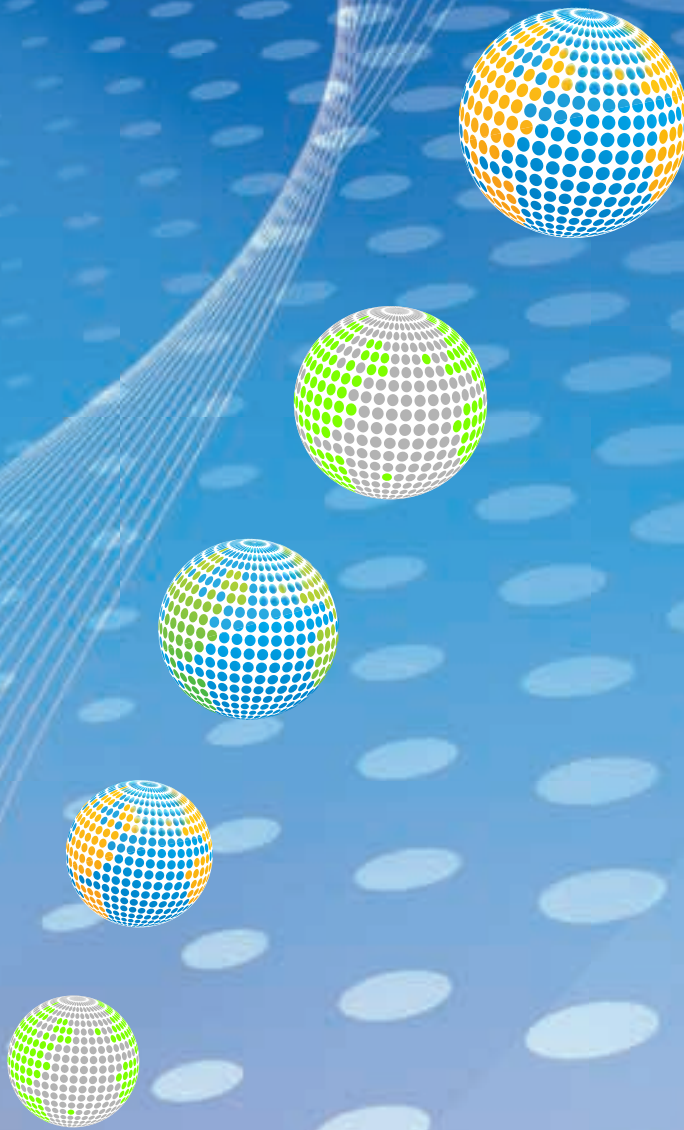




Annual Report 2012-13
Kabra Extrusiontechnik Ltd.



Dedicated to Technology, Devoted to Service

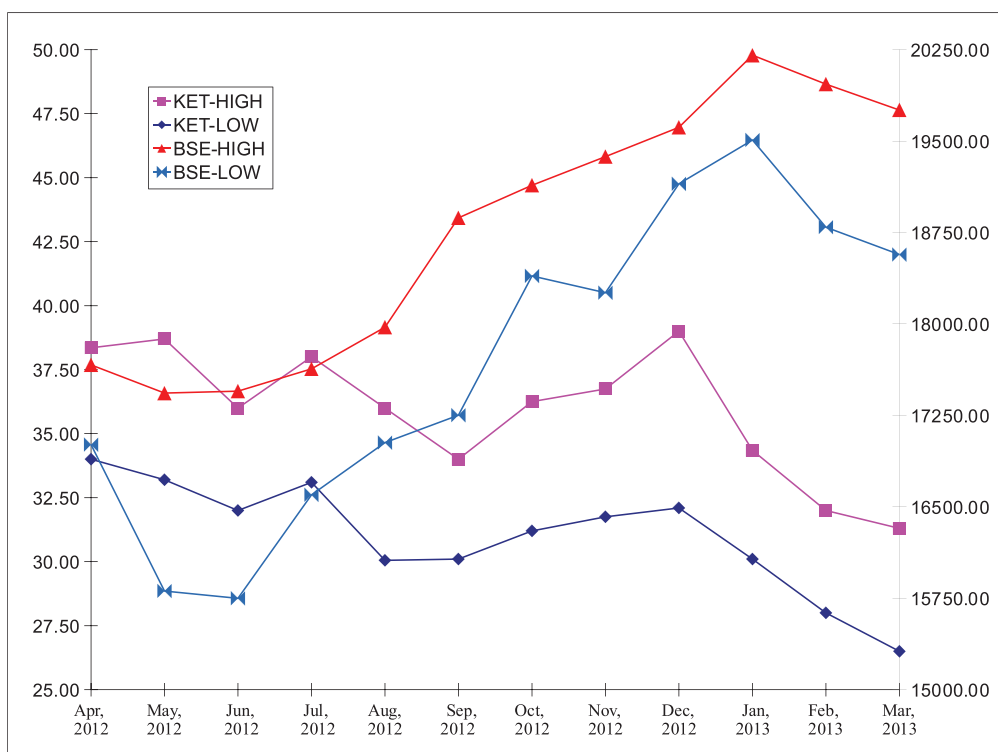
RESULTS AT A GLANCE

(₹ in Lacs)

OPERATING RESULTS	2012-13	2011-12	2010-11	2009-10	2008-09
Sales and Other Income	18499.31	19499.70	22610.20	19730.48	15763.61
Profit before Depreciation, Interest & Tax	2145.64	1824.72	3993.99	3493.15	2052.75
Less : Depreciation	583.94	465.31	388.23	338.95	365.80
Interest (Finance Cost)	277.81	100.49	88.12	71.41	79.35
Profit Before Tax (PBT)	1283.89	1258.92	3517.64	3082.79	1607.60
Profit After Tax (PAT)	1086.18	1000.71	2581.57	2146.37	1169.88
Retained earnings	712.94	629.94	1932.71	1493.20	610.02
Earning per share (EPS) (₹)	3.40	3.14	8.09	26.91	14.67
Number of Issued Shares (after sub-division & bonus shares in 2010-11)	31902320	31902320	31902320	7975580	7975580
Face Value per share (₹)	5.00	5.00	5.00	10.00	10.00
Dividend (%)	20	20	35	70	60
Share Capital	1595.12	1595.12	1595.12	797.56	797.56
Reserves	10425.36	9712.43	9082.48	7947.33	6454.12
Total Shareholders Funds	12020.48	11307.55	10677.60	8744.89	7251.68
Book Value Per Share (₹)	37.68	35.44	33.47	109.65	90.92

STOCK PERFORMANCE

(Share Price / BSE Sensex)



BOARD OF DIRECTORS

Shri Shreevallabh G. Kabra
(Chairman & Managing Director)

Shri Satyanarayan G. Kabra
(Vice-Chairman & Mg. Director)

Shri Anand S. Kabra
(Technical Director)

Shri Haridas S. Sanwal
(Independent Director)



Shri Mahaveer Prasad Taparia
(Independent Director)

Shri Nihalchand C. Chauhan
(Independent Director)

Shri Yagnesh B. Desai
(Independent Director)

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BANKERS

State Bank of India

AUDITORS

Kirtane & Pandit
Chartered Accountants

CHIEF FINANCE OFFICER

Jayant Sarpotdar

COMPANY SECRETARY

Y. D. Sanghavi

30th Annual General Meeting

Date : 27th August, 2013

Time : 2:00 p.m.

Venue : Hotel Karl Residency 36, Lallubhai Park
Road, Next to Lallubhai Park,
Andheri (West), Mumbai - 400 058

NOTICE

NOTICE is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Members of KABRA EXTRUSIONTECHNIK LIMITED will be held on Tuesday, the 27th day of August, 2013 at 2:00 p.m. at Hotel Karl Residency 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai - 400 058 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss 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, 2013;
3. To appoint a Director in place of Shri Yagnesh B. Desai, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Nihalchand C. Chauhan, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint M/s. Kirtane & Pandit, Chartered Accountants, Pune, as Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special 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 of 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, consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Satyanarayan G. Kabra as a Vice-Chairman & Managing Director of the Company, for a period of 5 (five) years w.e.f. 1st July, 2013 to 30th June, 2018 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 terms shall be deemed to include any 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 of Directors 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 hereinafter from time to time be made thereto by the Central Government.

RESOLVED FURTHER THAT where in any financial year during the currency of the tenure of said appointee, the company has no profit or its profits are inadequate, the company shall pay salary & perquisites as provided under Schedule XIII as minimum remuneration.

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

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

7. 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 of 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, consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Anand S. Kabra as a Technical Director of the Company, for a period of 5 (five) years w.e.f. 1st August, 2013 to 31st July, 2018 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 terms shall be deemed to include any 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 of Directors and Shri Anand S. 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 hereinafter from time to time be made thereto by the Central Government.

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

By order of the Board
For **Kabra Extrusiontechnik Ltd.**

Place: Mumbai
Date: 29th May, 2013

Y. D. Sanghavi
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING MAY APPOINT PROXY TO ATTEND AND ON A POLL VOTE, INSTEAD OF HIMSELF / HERSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members are requested to send to the Company, at its Registered Office a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
3. Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 20th August, 2013 to Tuesday, the 27th August, 2013 (both days inclusive).
4. Dividend recommended by the Board, if approved by the Members at the Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Monday, 19th August, 2013 as per the list to be furnished by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form and to the Members holding shares in physical mode as per Register of Members of the Company as on Tuesday, the 27th August, 2013 after giving effect to all valid transfers in respect of which request were lodged with the R & T Agent of the Company on or before 19th August, 2013.
5. (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 by submitting an application in the prescribed form.

- (ii) Those members who have not encashed their dividend warrants for the financial year 2005-2006 to 2011-2012 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of Bankers' Cheque / Demand Draft in lieu thereof.
 - (iii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2005-2006 and thereafter which shall remain unclaimed / unpaid for a period of 7 (Seven) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education & Protection Fund (IEPF). Accordingly, during September, 2013, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31st March, 2006. Members are therefore requested to make claim thereof, before August, 2013 otherwise no claim shall lie in respect of such amount.
 - (iv) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1994-95 to 2004-05 have been transferred to the Investor Education and Protection Fund.
6. Brief profile of the Directors retiring by rotation and being eligible for re-appointment and the Director proposed to be reappointed at the ensuing Annual General Meeting has been furnished in this Annual Report separately
 7. Dividend in respect of shares held in dematerialized form shall be credited to the beneficial owner's bank account directly through NECS / ECS wherever NECS/ ECS facility is available subject to availability of bank account details / core banking account number and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may be intimated to the concerned Depository Participant immediately.

Shareholders holding shares in physical form and desirous of availing NECS / ECS facility, should provide the bank details / core banking account number and 9 digits MICR code number in NECS / ECS Mandate Proforma already sent by Post to those shareholders who have not yet provided their bank details. Shareholders who have already given their Bank details to avail NECS / ECS facility should furnish the same only if there is any change.
 8. Members desirous of obtaining any information with regard to accounts are requested to write to the Company Secretary at the Registered Office of the Company, at least 10 days in advance, so as to compile the same.

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No. 6 & 7

Members of the Company at their Annual General Meeting held on 15th July, 2008, approved appointment of Shri Satyanarayan G. Kabra and Shri Anand S. Kabra as detailed hereunder :

- Shri Satyanarayan G. Kabra was appointed as Vice-Chairman & Managing Director w.e.f. 1st July, 2008 for a period of 5 years upon basic salary of ₹ 75,000/- per month plus 50% HRA of above salary, one month's salary towards Medical reimbursement plus other perks as per the rules of the Company such as Leave Travel Allowance, Provident Fund, Superannuation, Gratuity, Leave Encashment etc.
- Shri Anand S. Kabra was appointed as a Technical Director w.e.f. 1st August, 2008 for a period of 5 years upon the same basic salary and perks as referred above.

Their remuneration was subsequently revised to ₹ 2,00,000/- per month plus perks as above, at the AGM held on 30.08.2011 payable for the remaining tenure of their respective service.

Shri Satyanarayan G. Kabra is holding similar position in M/s. Plastiblends India Ltd., a company in the same group and Shri Anand S. Kabra is holding the position of Executive Director in M/s. Plastiblends India Ltd. and both are drawing remuneration therefrom as approved by the Members of that company.

At the meeting of the Board of Directors held on 29th May, 2013, Shri Satyanarayan G. Kabra aged about 70 years and Shri Anand S. Kabra aged about 39 years have been re-appointed subject to approval of the members for a further period of 5 (five) years on same terms and remuneration as detailed herein:

1. Period of Appointment :

Five (5) years with effect from

1st July, 2013 to 30th June, 2018 for Shri Satyanarayan G. Kabra and

1st August, 2013 to 31st July, 2018 for Shri Anand S. Kabra

2. Remuneration :

Salary : ₹ 2,00,000/- (Rupees Two Lacs Only) per month, with an annual increment to be decided by the Board at such percentage up to 10% of the salary, subject to the same not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.

In addition to the above, they shall be entitled to the following perquisites restricted to an amount equal to their annual salary.

- i. **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of above Salary.
- ii. **Medical Reimbursement** : For self, spouse and family subject to a ceiling of one (1) month salary in a year or three (3) months salary in a block of three (3) years.
- iii. **Leave Travel Reimbursement** : For self, spouse and family once in a year incurred in accordance with the rules specified by the Company.
- iv. **Club Fees** : Subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. **Personal Accident Insurance & Medi-Claim Policy** : For self, spouse and family as per the rules of the Company.
Explanation: 'Family' means spouse, dependent children and dependent parents of the said appointee.
- vi. **Provident and Superannuation Fund:** Company's contribution to Provident and Superannuation 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. Benefit of Superannuation will not be applicable in case of Shri Satyanarayan G. Kabra.
- vii. **Gratuity** : As per rules of the Company.
- viii. **Encashment of leave** : As per rules of the Company.

For the purpose of gratuity & encashment of leave, the period of service of said appointee shall be considered as service with the company without any break in service & on a continuous basis.

- ix. 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 purpose shall be billed by the Company to them.

General:

- i. The office of said appointees may be terminated by the company or the concerned Director by giving the other three (3) months' prior notice in writing.
- ii. The terms & conditions set out for re-appointment as above & payment of remuneration herein may be altered & varied by the Board as it may, from time to time, deem fit.

The above appointees satisfy all the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for re-appointment.

Total managerial remuneration payable to all the Executive Directors shall be within the overall ceiling prescribed under Section 198, 309 and Schedule XIII of the Companies Act.

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

Shri Satyanarayan G. Kabra and Shri Anand S. Kabra are concerned or interested in the resolutions set out at item no. 6 & 7 of the notice since it relates to their re-appointment and remuneration.

Shri Shreevallabh G. Kabra is concerned or interested being relative of the said appointees.

Save and except the above, none of the other Directors of the Company are, in any way, concerned or interested in the aforesaid Resolutions.

The Board, therefore recommends above items of accompanying notice for approval of the members.

By order of the Board
For **Kabra Extrusiontechnik Ltd.**

Place: Mumbai
Date: 29th May, 2013

Y. D. Sanghavi
Company Secretary

DIRECTORS' REPORT

To,
The Members of,
Kabra Extrusiontechnik Limited,
Mumbai.

Your Directors are pleased to present the THIRTIETH ANNUAL REPORT and the AUDITED STATEMENT OF ACCOUNTS of the company for the year ended 31st March, 2013.

1. FINANCIAL RESULTS:

(₹ in Lacs)

PARTICULARS	2012-2013	2011-2012
Revenue from Operations and Other Income	18499.31	19499.70
Gross Profit before Interest & Depreciation	2145.64	1824.72
Less : Finance Costs	277.81	100.49
Depreciation	583.94	465.31
Profit Before Tax	1283.89	1258.92
Less : Provision for Taxation	(240.70)	(291.10)
Add : MAT Credit Entitlement	57.38	--
Less : Provision for Deferred Tax Liabilities	(14.38)	(43.58)
Add : Excess provision of earlier years	--	76.47
Net Profit After Tax & Deferred Tax	1086.18	1000.71
Balance b/f from previous year	4606.49	4076.65
Amount available for appropriation	5692.67	5077.36
APPROPRIATIONS:		
Transferred to General Reserves	109.00	100.10
Proposed Dividend	319.02	319.02
Tax on Proposed Dividend	54.22	51.75
Surplus balance carried to Balance Sheet	5210.43	4606.49
	5692.67	5077.36

2. DIVIDEND :

Your Directors are pleased to recommend a dividend of ₹ 1/- per share of ₹ 5/- each for the year ended 31st March, 2013 subject to the Members' approval [₹ 1/- per share of ₹ 5/- each for the previous year].

3. OPERATION AND OUTLOOK :

The Company has achieved Operational and Other Income for the year under review at ₹ 18,499.31 lacs as against the previous years' Operational and Other income of ₹ 19,499.70 lacs. The profit before tax amounts to ₹ 1,283.89 lacs against the previous years' profit of ₹ 1,258.92 lacs. Net Profit of the Company after tax, deferred tax and MAT Credit Entitlement amounts to ₹ 1,086.18 lacs as against ₹ 1,000.71 lacs of the previous year.

4. EXPORTS:

Exports during the year is ₹ 6,431.71 lacs as against previous years' export of ₹ 6,184.54 lacs and is about 35.74% of total sales turnover.

5. DIRECTORS:

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Shri Yagnesh B. Desai and Shri Nihalchand C. Chauhan, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible; offer themselves for re-appointment.

Shri Satyanarayan G. Kabra, Vice-Chairman & Managing Director and Shri Anand S. Kabra, Technical Director of the Company have been re-appointed by the Board of Directors subject to the approval of the members.

6. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that :

- i. in the preparation of annual accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. they have selected such appropriate accounting policies and applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2013, and of the profits of the Company for the said financial year;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the said accounts on a "going concern basis".

7. CONVERSION OF DEBT INVESTMENT IN PREFERRED SECURITIES OF GEC

During FY 2010-11, the Company acquired 15% equity stake in Gloucester Engineering Company Inc. USA (GEC); and thereafter in debts by advancing term loan and revolving limits.

The Board of Directors in its meeting held on 5th October, 2012 approved proposal for conversion of debt into preferred securities i.e. Compulsorily Convertible Preferred Securities (CCPS) offered by GEC.

The Company has received interest on outstanding working capital limit till 30th March, 2013 and interest on outstanding term loan accrued on it till aforesaid date;

GEC on 30th March, 2013 allotted CCPS at fair market value of USD 11.61 per security against the aggregate amount of working capital and term loan with accrued interest thereon outstanding as on above date.

Upon conversion of debt into CCPS, the Company became holder of 216644.53 number of CCPS at year end as long term investment in addition to 150000 number of its equity shares.

The said preferred stock will carry right to receive dividend @8% p.a. and at the end of 10 year from the date of allotment i.e. 30th March, 2013, it will be converted into 2 (two) equity (Common Stock) at offer price of USD 5.81 against 1 (one) CCPS held.

8. RECOGNITION OF IN-HOUSE R&D UNIT :

Your Company has been accorded recognition for its In-house R&D Unit at Plot No. 14 & 15, at Kachigam, Daman by Government of India, Ministry of Science and Technology, Department of Scientific and Industrial Research, New Delhi.

This will entitle the In-house R&D Unit of the Company to avail Customs & Excise exemption on purchase of equipments, instruments, spares thereof, consumables etc. used for Research & Development subject to applicable laws and Government Policies in this behalf.

9. STATUTORY AUDITORS :

Messrs. Kirtane & Pandit, Chartered Accountants, Auditors of the Company will retire from the office of the Auditors at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate of their eligibility for re-appointment u/s. 224 (1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3)(e) of the said Act.

10. COST AUDITOR :

Shri Rahul Anant Chincholkar a qualified Cost Accountant holding valid certificate of practice has been appointed as a Cost Auditor of the Company pursuant to section 233(B)(1)&(2) of the Companies Act, 1956 subject to the approval of the Central Government.

His appointment is made to conduct audit of cost accounting records of financial year from 1st April, 2013 to 31st March, 2014 maintained by the Company.

He has furnished a certificate of eligibility for such appointment and is free from any disqualification and independent and is at arm's length relationship with the Company. The cost Audit Report for the financial year ended 31st March, 2013 will be filed with Ministry of Corporate Affairs as prescribed statutorily.

11. LISTING FEES :

The Company confirms that the Annual Listing Fees due to BSE Ltd., and National Stock Exchange of India Ltd., for the financial year 2013-14 have been paid.

12. CORPORATE GOVERNANCE :

A separate section on Corporate Governance is included in this Annual Report as required under Listing Agreement.

13. EMPLOYEES RELATIONS :

Employees relations continued to be cordial throughout the year. The Directors appreciate the efforts put in by the employees at all the levels. As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, none of the employee draws salary in excess of ₹ 5,00,000/- per month, hence no disclosure is required to be made.

14. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

A Statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forms part of this report as **ANNEXURE A.**

ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the support received from the Shareholders, Bankers, Government Authorities, Stock Exchanges, Customers, Suppliers and Business Associates at all levels during the year under review. Your Directors also wish to place on record their appreciation for the committed services of the executives, staff and workers of the Company.

For and on behalf of the Board

Place : Mumbai

Date : 29th May, 2013

S. V. Kabra

Chairman & Managing Director

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE 'A'

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:

- 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 generated, but total impact of this cannot be measured.
- Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: None.
- 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 measures indicated in (a) above, it is expected that there would be a corresponding favourable impact on the energy cost.