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Kabsons Industries Limited



**"Now the pleasure
of cooking on gas
for everyone."**

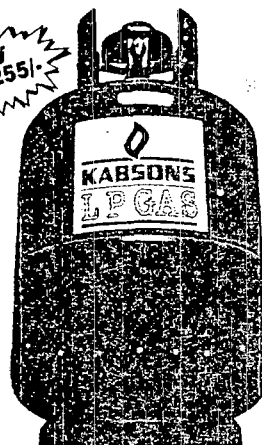
CELEBRATE

KABSONS LP GAS HAS ARRIVED!

No booking, waiting in long queues or complicated rules. The reliable 5.5 Kg Kabsons LP Gas is here. Use it and you'll realise it's a cheaper, cleaner and more efficient alternative to other fuels.

- **Suits Your Budget** - Just pay a small amount of Rs. 1,255/- which includes the refundable deposit of Rs. 650/-, a regulator and the cost of a filled cylinder.
- **Just The Right Size** - The 5.5 kg size is popularly acknowledged the world over. In fact, Kabsons LP Gas has been designed in such a size to make it more convenient for you in different ways:
 - ▲ **Low Refill Costs** - The 5.5 kg size makes Kabsons LP Gas affordable.
 - ▲ **Portable** - The handy, carry away size is a boon. It eliminates the delivery problems usually associated with large size cylinders.
 - ▲ **Lasts 20-25 days** - The 5.5 kg size is tailor-made for a family of 4-5.
- **Readily Available** - Assurance of refills at all times through a wide dealer network, ably supported by 19 bottling plants all over the country.
- **Trusted Kabsons Name** - Kabsons LP Gas is promoted by Kabsons Industries Limited, a leading member of the Rs. 500 million, 20 year old Kabsons Group which is India's No. 1 LPG company in the private sector and SHV Energy, a world leader in the LPG business.
- **Anand Anubhav Offer** - Experience the pleasure of cooking on Kabsons LP Gas. We are sure you will be satisfied. Just in case you are not, return the cylinder & regulator within 45 days and collect your money. So act right now. Take Kabsons LP Gas home today.
- **ISI Approved Cylinder and Regulator.**

**Only
Rs. 1255/-**



KABSONS LP GAS

THE SENSIBLE CHOICE

Corporate office : KABSONS INDUSTRIES LIMITED, B-2-351/R/8, St. No. 1, Ave. No. 8, Banjara Hills, Hyderabad - 500 034 Ph : 3358201/2. Fax : 3358200.



KABSONS INDUSTRIES LIMITED

BOARD OF DIRECTORS	G.K. KABRA	<i>Chairman</i>
	ROBERT WEST	<i>Director</i>
	J.M. KEARNEY	<i>Director</i>
	B. SHANKAR	<i>Director</i>
	K.S. ANIRUDHSINHJI	<i>Director</i>
	RAJIV KABRA	<i>Executive Director</i>
COMPANY SECRETARY	S.J. RAO	
AUDITORS	M/s BRAHMAYYA & CO. Chartered Accountants 4-1-920, Tilak Road Abids, Hyderabad - 500 001.	
BANKERS	ANDHRA BANK Balanagar Hyderabad - 500 037.	
	STATE BANK OF INDIA Yellareddyguda Hyderabad - 500 073.	
REGISTERED OFFICE	Plot No. 48, 8-3-1087, Srinagar Colony, Hyderabad - 500 073.	
CORPORATE OFFICE	8-2-351/R/8, Road No. 3 (New No. 19, Street No. 1, Avenue No.8) Banjara Hills Hyderabad - 500 034.	
SHARE TRANSFER AGENTS	M/s. SHWETA COMPUTERS LIMITED "Devaki Chambers" 1-7-74/79, S.D. Road Secunderabad - 500 003.	
FACTORY	Plot No. B-3, Phase 1, MIDC, Waluj, Aurangabad - 431 133.	
FILLING PLANTS	Aurangabad, Dharwad, Jaipur, Jalpaiguri, Nagpur, Rajkot, Rohtak, Baroda, Bhubaneswar, Kanpur, Pudukottai, Patna, Ranchi, Nellimarla (Vizianagaram)	



NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of the Company will be held on Tuesday, the 9th September, 1997, at Bhaskara Auditorium, B.M. Birla Science Centre, Adarsh Nagar, Hyderabad - 500 063, at 4.30 P.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1997 together with the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. B. Shankar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and authorise the Board of Directors of the Company to fix their remuneration. M/s. Brahmayya & Co., Chartered Accountants, Hyderabad, retire and are eligible for reappointment.

SPECIAL BUSINESS :

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

"RESOLVED THAT a New Article viz., Article No.48 G be added to the Existing Articles of Association of the Company, reading as follows :

Notwithstanding anything contained in Articles of Association of the Company, the Board or a Committee thereof shall not accept application(s) for sub-division or consolidation of share certificates into denominations of less than the market unit of trading except when sub-division or consolidation is required to be made to comply with a statutory order or an order of a competent Court of Law or a request from a member to convert his holding of odd lots of shares into transferable/marketable lots, subject however, to verification by the Company."

By order of the Board

Place: Hyderabad

Date : 1.8.1997

S.J. RAO

Company Secretary

NOTES :

- a) 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. Proxies in order to be effective, the proxy form must be duly completed, stamped and signed and shall be deposited at the Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
- b) The Members are requested to notify immediately any change in their address to the Corporate Office quoting their Registered Folio.
- c) The Members are requested to bring Annual Report along with them at the time of Annual General Meeting and are also requested to send their queries, if any, on the adoption of accounts well in advance, so as to enable to place relevant records and information at the time of Annual General Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 4

To be in consonance with the terms of Listing Agreement and as confirmed by the Company Law Board's decision in M/s. Kinetic Honda Motor Ltd. Vs. Pawan Gupta, the resolution amending the Articles of Association of the Company is proposed.

KABSONS INDUSTRIES LIMITED**DIRECTORS' REPORT**

To

The Members of Kabsons Industries Limited,

Your Directors have pleasure in presenting the 5th Annual Report and Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS :

	(Rs. in Lakhs)	
	Year ended 31.3.97	Year ended 31.3.96
1. Sales & Other Income	275.62	300.65
2. Profit before Interest, Financial Charges and Depreciation	92.51	75.69
3. Interest and Financial Charges	38.70	39.57
4. Depreciation	41.82	28.47
5. Profit after Interest, Financial Charges and Depreciation	11.99	7.65

PROJECT IMPLEMENTATION :

While twelve out of fourteen plants are ready in all respects, five plants were put into operation dovetailing with the marketing plan.

Your Company found it expedient to expand the Baroda Plant considerably and introduce a high degree of automation. Pudukottai and Vizianagaram Plants are kept on hold for the present.

PROJECT FINANCE :

Sound Financial Management has enabled your company to commence repayment of IFCI Term Loan with adequate provision for commissioning of the remaining plants.

PRODUCT LAUNCHING :

Starting with a test launch in Aurangabad, your Company's 5.5 Kg. Cylinders have entered the cooking gas market in the States of Maharashtra, Karnataka, Andhra Pradesh, Gujarat and Orissa progressively.

MARKETING OPERATIONS :

Your Company is conscious of the safeguards to be reckoned with in parallel marketing. However, your Directors are confident of your Company commanding a reasonable share of the cooking gas sector by end 1998.

FUTURE OUTLOOK :

Indigenous availability of LPG has further reinforced your Company's operating capacity which has been strengthened by the Joint Venture Agreement with SHV. Your Directors are of the opinion that the co-operation being extended by SHV would be immensely beneficial to your Company.

DIRECTORS :

Mr. B. Shankar retires at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. K.S. Anirudhsinhji expressed his inability to continue due to preoccupations.

Your Directors express their gratitude for the valuable co-operation, guidance and support extended by Mr. K.S. Anirudhsinhji during his tenure on the Board.

AUDITORS :

M/s. Brahmayya & Co. Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that the appointment, if made, would be within the limits under Section 224(1-B) of the Companies Act, 1956.



KABSONS INDUSTRIES LIMITED

Additional Information :

Information pursuant to Section 217(1) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed herewith.

CONSERVATION OF ENERGY / TECHNOLOGY ABSORPTION / FOREIGN EXCHANGE EARNINGS AND OUTGO :

- i) As required under Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure to the extent applicable and forms part of this report (Annexure -I).
- ii) Disclosure under Clause 43 of the Listing Agreement with Stock Exchanges.

PROJECTIONS Vs. ACTUALS :

	(Rs. in Lakhs)	
	Projections for	Actuals for
	1996-97	1996-97
1. Sales and Other Income	4846.00	275.62
2. Profit before Interest, Financial Charges and Depreciation	665.00	92.51
3. Interest and Financial Charges	237.00	38.70
4. Depreciation	56.00	41.82
5. Net Profit after Financial Charges, Depreciation and Taxes	272.00	10.38
6. Equity	870.00	1746.30
7. EPS	3.13	0.07

- i. The above results were taken on record at the Meeting of the Board of Directors held on 27th June, 1997.
- ii. The above results are in respect of the Cylinder Manufacturing Unit, Four Gas Bottling Plants and trading activity. The Commercial Operations could not stabilize till last quarter of the Financial Year.
- iii. Awaiting Statutory Approvals in respect of eight Bottling Plants and Civil Works are yet to start in other two Bottling Plants.

PARTICULARS OF EMPLOYEES:

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 is annexed to and forms part of this Report (Annexure-II)

PERSONNEL :

Relationship between the Management and Employees was cordial during the year under review. The Directors wish to place on record their sincere appreciation of the contribution made by the employees at all levels.

ACKNOWLEDGEMENT :

Your Directors wish to express their thanks for the guidance and assistance received from Securities and Exchange Board of India, Industrial Finance Corporation of India Limited, Pollution Control Board, Andhra Bank, State Bank of India, various Departments of respective State(s) & Central Govt., and Stock Exchanges at Hyderabad, Mumbai, Ahmedabad, Delhi, Calcutta and Chennai.

Your Directors would like to thank once again all the Shareholders for the confidence reposed in this Company.

for and on behalf of the Board

Place: Hyderabad

G.K. KABRA

Date : 1.8.1997

Chairman



KABSONS INDUSTRIES LIMITED

ANNEXURE - I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

Information 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 and forming part of the Directors' Report

FORM - B

PARTICULARS WITH RESPECT TO ABSORPTION

RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which R & D carried out by the Company	Nil	Nil
2. Benefit derived as a result of the above R & D	Nil	Nil
3. Future plan of action	Nil	Nil
4. Expenditure on R & D	Current Year Rs.	Previous Year Rs.
a) Capital	Nil	Nil
b) Recurring	Nil	Nil
Total	Nil	Nil
c) Total R & D expenditure as % of turnover	Nil	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts in brief made towards technology absorption, adaptation	Nil	Nil
2. Benefits derived as a result of the above efforts i.e., product improvement, cost reduction, product development, import substitution etc.	Nil	Nil
3. Import of technology	Nil	Nil

FORM - C

FOREIGN EXCHANGE EARNINGS & OUT GO

FOREIGN EXCHANGE EARNINGS :	Current Year Rs.	Previous Year Rs.
FOB Value of Exports	Nil	Nil
FOREIGN EXCHANGE OUTGO :		
Travelling Expenses	Nil	59,436

ANNEXURE - II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956, FOR THE YEAR ENDED 31ST MARCH, 1997

Name/Age (Years)	Qualification/ Experience (Years)	Date of Employment	Designation/ Nature of Duties	Gross Remuneration Received	Last employ- ment held
Rajiv Kabra* 30 yers	MBA (Finance) (7 years)	01.08.1996	Executive Director	Rs. 2,64,110	Whole - time Director M/s. P&L Limited
M.B. Ramgadia 65 years	B.E., (Mechanical) (40 years)	04.12.1995	President (LPG)	3,54,200	Director M/s. Shri Shakti LPG Ltd.
M.S.G. Rao * 59 years	B.E., (Mechanical) (35 years)	01.05.1996	President (Marketing)	3,24,702	Dy. General Manager M/s. Indian Oil Corporation Limited

* Employed for part of the year.

Notes :

1. Appointment is contractual. Other terms and conditions are as per the Company's Rules
2. Gross Remuneration includes Salary, House Rent Allowance, Medical Expenses, Leave Travel Assistance and the Company's contribution to Provident Fund.
3. Except Mr. Rajiv Kabra others are not related to any of the Directors of the Company.