

MINUTES OF THE TWENTY SEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF KABRA EXTRUSIONTECHNIK LIMITED HELD ON FRIDAY, THE 6TH DAY OF AUGUST, 2010 AT 2.00 P.M. AT HOTEL KARL RESIDENCY, 36, LALLUBHAI PARK ROAD, NEXT TO LALLUBHAI PARK, ANDHERI (WEST), MUMBAI- 400 058

DIRECTORS PRESENT :

1. Shri S. V. Kabra Chairman & Managing Director
2. Shri S. N. Kabra Vice- Chairman Managing Director
3. Shri Anand S. Kabra Director
4. Shri H. S. Sanwal Director
5. Shri M. P. Taparia Director
6. Shri N. C. Chauhan Director
7. Shri Y. B. Desai Director

IN ATTENDANCE :

1. Shri Y. D. Sanghavi Company Secretary
2. Shri Y. M. Dave D.G.M. (Accounts & Finance)

Shri S. V. Kabra, Chairman & Managing Director of the Company took the Chair and welcomed the Members to the Meeting. As the requisite quorum for the meeting being present, he called the Meeting to order.

The Chairman informed that the Company has received Eight (8) valid proxies holding 2751988 Equity Shares as per Proxy Register and three (3) representatives from Bodies Corporate under Section 187 (2) of the Companies Act, 1956, holding 3436289 Equity Shares of the Company. He further informed the Members that sixty (60) Members are present in person.

The Chairman further informed that the Register of Directors' Shareholding and other Statutory Registers are available for inspection to the Members and those willing, can inspect the same. Thereafter he introduced the dignitaries on dais and requested Shri Y. D. Sanghavi, Company Secretary to read the Auditors' Report.

The Chairman then informed that the Annual Report for the financial year 2009-10 has been sent long back and the Members must have received the same. With your permission, the same is taken as read.

He then briefed the Members regarding economic scenario prevailed during the fiscal 2009-10 as compared to the previous fiscal and explained regarding the following :

- (1) Potential growth of Plastic Extrusion Industry, in view of increasing demand for PVC, HDPE Pipes having application in construction, telecom ducting, infrastructure, natural gas distribution, water management, agricultural sector. Also Indian flexible packaging industry is growing at scorching pace due to growing retail sector which

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COMPANY SECRETARY

offers benefits to the Company being engaged in manufacture of mono and multilayer film plants which provides complete solution for the packaging industry;

(2) Highlights of financial year 2009-10 and for the first quarter ended on 30th June, 2010; He then requested the Members to proceed with the business of the meeting as set out in the notice.

1. ADOPTION OF THE ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

Shri S. V. Kabra, Chairman & Managing Director and a Member of the Company proposed the following resolution as an Ordinary Resolution related to adoption of the accounts for the financial year ended 31st March, 2010.

“RESOLVED THAT the audited Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the year ended on that date together with Reports of Board of Directors and Auditors thereon be and is hereby considered and adopted”

Mr. Zahur Ismail Maniar, Member of the Company seconded the above resolution.

Thereafter the Chairman invited the queries from the Members.

Mr. Z. I. Maniar, Mr. Aspi , Mr. Shyam K. Khatri, Ms. Homa Pourdehi, Mr. Bheruz Pourdehi, Mr. H. L. Savani and Mr. Ravindra Patange members have appreciated and congratulated the management in respect of the following matters and extended their full supports to all the resolutions proposed at the meeting and conveyed their best wishes to the Management for all its endeavors and congratulated secretarial team for excellent Annual Report designing and disclosures.

- (i) Best presented Annual Report, its timely receipt, cover page, photographs of Plants, illustrative contents, due disclosures and overall presentation and it is easy and pleasing while reading;
- (ii) Recommending Bonus Shares in the ratio of 1:1 and higher dividend @ 70% of Paid-up Capital;
- (iii) Higher Sales Turnover, profit and overall performance;

They also sought clarification, details, reasons in respect of certain matters and variation in expenses -

- 1. Strength of skilled and unskilled staffs;
- 2. Countries to which exports is made and margin on exports;
- 3. Other players in India and abroad;
- 4. Future growth potential;
- 5. Fees for technical know-how imported;
- 6. Reasons for higher miscellaneous expenses, Directors and Auditors Remuneration;



7. Higher inventory at year end;
8. Dividend pay-out policy;
9. Why Other Income is lower;
10. Why higher tax provision for the fiscal 2009-10;
11. Details of proposed Capex of Rs. 85 Crores;
12. Particulars of ICD taken and given;
13. Return of investments held;
14. Increase in Electricity Charges and steps taken to save energy;
15. What represents bank charges;
16. Rate of Excise Duty;
17. Why lower sales commission;
18. What represent loss on fixed assets;
19. Reasons for appointment of Auditors from Pune;
20. Foreign Currency loan -when taken

and they suggested as under -

1. to undertake safety, environment and social responsibility program and include particulars thereof in the Annual Report;
2. to invest surplus funds in core business otherwise than mutual funds;
3. to arrange for plant visit;

Shri S. V. Kabra, Chairman expressed his thanks to the Shareholders for their appreciation, suggestions and active participation in the meeting. Shri S. V. Kabra and Shri S. N. Kabra then furnished following explanations to the clarifications sought by them:

- (1) Total Employees is around 400 and the attrition rate is less than 10%. The Company is able to retain its employees for longer period;
- (2) Company is exporting to more than 66 Countries across the world and countries of export includes developing countries, SAARC, Middle-east etc. Margin on exports is more than local sales. Export target is 50% of total turnover;
- (3) There is competition from organized and unorganized sectors. In India, Rajoo Engineers Ltd. and Windsor Machines Ltd are engaged in manufacturing Film Plants and in Pipe Profile Plants respectively. Battenfeld Extrusionstechnik is leading manufacturer worldwide;
- (4) Order position in fiscal 2010-11 is quite encouraging and expected to grow further;
- (5) There is no annual outgo on technology imported by the Company, as lumpsum payment was made in April 2006;
- (6) (i) Miscellaneous Expenses increased due to discount & remission offered on certain screw & parts;



- (ii) Remuneration paid to Shri S. V. Kabra has been revised as per resolution passed in the AGM held last year. Increase in Auditors Remuneration is due to more visit during the current year and also for Certification charges, VAT audit etc.;
- (7) Increase in inventory at year end was due to more purchase of raw materials in view of orders to be executed as per booking;
- (8) Dividend payout ratio maintained is 25 % to 35% of current profit after tax;
- (9) Other income was more during previous year due to profit on sale of investment and higher dividend and interest receipts;
- (10) Tax provision for the fiscal 2009-2010 was higher as the exempted capital gain was lower as compared to previous fiscal and depreciation claim allowable under Income Tax also was lower comparatively resulting into higher tax provision;
- (11) Capex proposed is about Rs. 85 Crores to be spent over 24 to 30 months which is towards Plant, Machinery and utilities and the same will be met from internal accruals. Factory premises will be taken on lease from group concern which owns the plot of land near existing plant and it has developed building convenient specifically for the manufacturing of various extrusion lines;
- (12) ICD was taken from group company at 10-11% interest and given to the group company at same rate of interest. It was in view of urgent business need of the concerned parties;
- (13) Overall return on investment sold was about 6 to 10%. Return on fund kept in Short Term Fund- Daily Dividend was 3-3.5%;
- (14) Measures are taken to save energy. Experts are engaged to advise thereon. Consumption has increased, however it is proportionate to the production. In fact electricity efficiency has improved;
- (15) Increase in Bank charges is mainly due to bill discounting charge on sales;
- (16) Excise Rate during the fiscal was lowered to 8% against 12% effected during the previous fiscal;
- (17) Commission on sales is payment made to the agents for procuring domestic and export orders. Mainly due to more direct sales during the current fiscal, commission cost has reduced to that extent comparatively;
- (18) Loss on fixed assets is on account of old machines scrapped;



- (19) M/s. Kirtane & Pandit are well reputed Chartered Accountants firm having 16 Partners and are specialized in corporate accounts, audit, taxation and international transactions etc. Many reputed corporates, banks are their client. Even they are from Pune, their appointment will be in the interest of the Company in all respects. Their expertised know-how, reputation, experience is expected to bring more benefits to the Company in all its future endeavours due to their overall competency;
- (20) Foreign currency loan was taken in 2007 from State Bank of India, for import of machinery. It is being repaid as per terms of sanction letter.

The Board noted the request for plant visit and instructed to arrange for the same. The Members were then informed to provide particulars of their contact numbers and convenience to attend plant visit.

Members satisfied with such detailed explanations proceeded for passing of resolution to adopt accounts. The Chairman then put the resolution to vote of meeting, on a show of hands and it was carried out unanimously.

2. DECLARATION OF DIVIDEND

The Chairman then requested the Members to transact Item No. 2 related to declaration of dividend.

Ms. Homa Pourdehi, a Member of the Company proposed the following resolution as an Ordinary Resolution

“RESOLVED THAT pursuant to the recommendation of the Board of Directors of the Company, a dividend of Rs. 3.50 per share be and is hereby declared for the year ended 31st March, 2010 on 15951160 fully paid Equity Shares of Rs. 5/- each and aggregate amount of Rs. 5,58,29,060/- (Rupees Five Crores Fifty Eight Lacs Twenty Nine Thousand Sixty Only) be appropriated towards the payment of dividend for the said financial year and the amount of Rs. 94,88,149/- (Rupees Ninety Four Lacs Eighty Eight Thousand One Hundred Forty Nine Only) also be appropriated towards corporate tax payable on the said dividend as statutorily applicable .”

Above resolution was then seconded by Mrs. Jyotsna Kansara , a Member of the Company.

The Chairman then put the resolution to the vote of the Meeting on a show of hands and it was carried out unanimously.



3. RE-APPOINTMENT OF SHRI MAHAVEER PRASAD TAPARIA AS A DIRECTOR OF THE COMPANY RETIRING BY ROTATION

The Chairman the requested the Members to transact item no.3 of the notice related to re-appointment of Shri Mahaveer Prasad Taparia, as a Director

Mr. Narendra Trivedi, a Member of the Company proposed the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Mahaveer Prasad Taparia be and is hereby appointed as a Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.”

Above resolution was then seconded by Mr. Nimesh Shah, a Member of the Company.

Thereafter, the Chairman put the resolution to vote of the Meeting on a show of hands and it was carried out unanimously.

Shri Mahaveer Prasad Taparia expressed his thanks to the Members present for approving his re-appointment.

4. RE-APPOINTMENT OF SHRI YAGNESH B. DESAI AS A DIRECTOR OF THE COMPANY RETIRING BY ROTATION

The Chairman then requested the Members to transact Item No. 4 related to re-appointment of Shri Yagnesh B. Desai, as a Director.

Mr. Ronal Fernandes, a Member of the Company proposed the following resolution as an Ordinary Resolution

“RESOLVED THAT Shri Yagnesh B. Desai be and is hereby appointed as a Director of the Company who retires by rotation and being eligible, offers himself for re-appointment.”

Above resolution was then seconded by Mr. Rohinton Farmroze Batiwala, a Member of the Company.

Thereafter, the Chairman put the resolution to vote of the Meeting on a show of hands and it was carried out unanimously.

Shri Yagnesh B. Desai expressed his thanks to the Members present for approving his re-appointment.



5. APPOINTMENT OF M/S. KIRTANE & PANDIT, CHARTERED ACCOUNTANTS, PUNE AS STATUTORY AUDITORS OF THE COMPANY OTHER THAN RETIRING AUDITORS

The Chairman then requested the Members to transact Item No. 5 related to appointment of Statutory Auditors of the Company, who are other than retiring auditors.

Mr. Bharat Negandhi, a Member of the Company proposed the following resolution as an Ordinary Resolution

"RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956 M/s. Kirtane & Pandit, Chartered Accountants, Pune having Registration No. : 105215W issued by the Institute of Chartered Accountants of India, be and are hereby appointed as Statutory Auditors of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in respect of whom the Company has received a Special Notice from a Member signifying the intention to propose their appointment as the auditors in place of the retiring auditors M/s. A. G. Ogale & Co., Chartered Accountants, who do not seek re-appointment.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors."

Above resolution was then seconded by Mr. Ravindra Patange, a Member of the Company.

Thereafter, the Chairman put the resolution to vote of the Meeting on a show of hands and it was carried out unanimously.

6. VOTE OF THANKS

Ms. Homa Pourdehi, a Member of the Company then expressed thanks to the Chair on behalf of the Members present.

There being no other business to transact, the Chairman appreciated the members for their presence, participation and maintaining decorum of the Meeting and wished them all the best.

Date : 03-09-2010

Place : Mumbai

sd/-
Chairman



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