



BOARD'S REPORT

To,
The Members of
Kabra Extrusiontechnik Limited,
Mumbai

Your Directors are pleased to present the Thirty-Eighth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2021.

1. Financial / Operational Performance:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2020 - 21	FY 2019 - 20	FY 2020 - 21	FY 2019 - 20
Revenue from operations	27,424.29	22,018.99	27,424.29	22,018.99
Other Income	286.77	294.36	286.76	294.36
Total income (A)	27,711.06	22,313.35	27,711.06	22,313.35
Expenses:				
Cost of material consumed	14,312.78	16,531.80	14,312.78	16,531.80
Changes in inventories of finished goods, stock-in- trade & work-in-progress	3,336.19	(3,050.19)	3,336.19	(3,050.19)
Employee benefits expense	2,743.30	3,203.27	2,743.30	3,203.27
Finance Cost	270.09	145.65	270.09	145.65
Depreciation and amortisation expense	966.91	771.79	966.91	771.79
Other Expenses	2,956.58	4,082.05	2,956.58	4,082.05
Total expenses (B)	24,585.85	21,684.38	24,585.85	21,684.38
Profit / (Loss) before share in Profit (Loss) of Joint Ventures / subsidiaries, exceptional items & tax (A - B)	3,125.21	628.98	3,125.21	628.98
Share of net profit / (loss) of Associates and Joint Ventures accounted for using the equity method	-	-	37.52	(5.69)
Tax expenses	706.56	(118.12)	706.56	(118.12)
Profit/(Loss) for the period	2,418.65	747.09	2,456.18	741.40

The Company has been periodically reviewing the impact of Covid-19 on its operations and is also keeping a close watch on any other possible impacts of second wave of the pandemic. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

2. Dividend and Transfer to Reserves:

Your Directors are pleased to recommend a dividend @ 50% i.e. ₹ 2.50 per equity share of face value of ₹ 5/- each for the financial year 2020-21 subject to the Members' approval (@ 30% i.e. ₹ 1.50 per equity share of face value of ₹ 5/- each for the previous year). The Board of Directors have decided to retain the entire amount of profits for FY 2020-21 in the Statement of Profit & Loss.

Pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), the Dividend Distribution Policy duly approved by the Board is available on the website of the Company and can be accessed at: <https://kolsite.com/Upload/Financial Result/Dividend%20Distribution%20Policy.pdf>

3. Directors:

Mr. Satyanarayan G. Kabra is liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013 ('the Act') and Articles of Association of the Company at the ensuing Annual General Meeting and being eligible, as offered himself for re-appointment. The Board recommends his re-appointment by way of a Special resolution in terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, as Mr. Satyanarayan Kabra, on May 21, 2021 expressed his desire to be relieved from the responsibility of Vice-Chairman of the Company. The Board, with great reluctance accepted his request. Mr. Anand S. Kabra, Managing Director was thereafter elevated to the position of Vice-Chairman & Managing Director effective from the said date.

During the financial year under review, the Board of Directors, upon recommendation of Nomination and Remuneration Committee, had appointed Mrs. Chitra Andrade (DIN: 08090478) as an Additional Director in the category of Non-Executive Independent Director for a term of 5 (five) years with effect from March 05, 2021, subject to approval of the Members at the ensuing Annual General Meeting (AGM). The Board is of the opinion that she meets the requirement of integrity, expertise

and experience (including the proficiency) required for her appointment and based on her credentials, her appointment as an Independent Director will be beneficial to the Company. The Company has received a notice in writing from a member proposing her candidature for the office of Director of the Company. The Board recommends her appointment for Members' approval.

A brief profile and other information of the Directors seeking appointment / re-appointment, as required under Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and Secretarial Standard-2 forms part of the Annual Report.

Board Performance evaluation:

Pursuant to the applicable provisions of the Act and the Listing Regulations, a formal annual performance evaluation in respect of FY 2019-20, by the Board of its own performance & that of its Committees and individual Directors, including the Executive Chairman and the Independent Directors, was conducted on July 09, 2020 based on the evaluation criteria and framework adopted by the Board and the Directors express their satisfaction with the evaluation process. Performance of Non-Independent Directors, performance of the Board as a whole and of Chairman was evaluated in-house, taking into account the views of Executive Directors and Non-Executive Directors and on the basis of evaluation criteria.

4. Independent Directors and Key Managerial Personnel:

The Company has received declarations / confirmations from all the Independent Directors of the Company as required under Section 149(6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) and 25(8) of the Listing Regulations. There has been no change in the circumstances, which has affected their status as Independent Directors. They are independent of the Management and are not related to any of the Directors or Key Managerial Personnel of the Company. The Board is of the opinion that the Independent Directors of the Company possess requisite skills, qualifications, experience, knowledge and fulfil the conditions of independence as specified in the said Act, Rules and Regulations. The Non-Executive Directors of the Company had no pecuniary relationship other than payment of sitting fee for attending meetings of Board of Directors and its Committees.

A separate meeting of Independent Directors was held on January 21, 2021 in compliance of Regulation 25 of the Listing Regulations and Schedule IV to the Act, without the presence of Executive Directors.

The Familiarization Program for Independent Directors and details thereof are available on the website of the Company at: <https://www.kolsite.com/Upload/FinancialResult/KET-FAMILIARISATION-IND-DIR%20-%202021.pdf>

During the year under review, Mr. S. Shenoy has been relieved from the responsibilities of Chief Executive Officer (CEO) at the end of business hours on July 08, 2020. The Board places on record its appreciation for the contributions made by Mr. Shenoy since June 2013 in the interest of the Company, more particularly in bringing the technology for raw material handling systems and bellling machines from Penta Srl and Mecanor Oy, respectively. Mr. Akash Khandelwal has been appointed as CEO in his place w.e.f. July 09, 2020 by the Board of Directors at its meeting held on the said date, and recognized him as Key Managerial Personnel of the Company pursuant to Section 2(51) and 203 of the Companies Act, 2013.

5. Directors' Responsibility Statement and Internal Financial Control:

Pursuant to Section 134(3) and 134(5) of the Companies Act, 2013, the Directors, to the best of knowledge, confirm that:

- i. in the preparation of annual accounts for the year ended March 31, 2021, the applicable Accounting Standards have been followed and no material departures had been made from the same;
- ii. they have selected such 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 a state of affairs of the Company as at March 31, 2021, and of the profit 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, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a 'going concern basis';
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

The Board is of opinion that the Company's Internal Financial Controls are commensurate with the nature of its business and the size and complexity of its operations and were effective during the Financial Year 2020-21. These are routinely tested by Statutory as well as Internal Auditors and cover all the key business areas. The Audit Committee reviews the adequacy and effectiveness of internal control systems and monitors the implementation of audit recommendations, including those relating to strengthening the same. The Audit Committee and Statutory Auditors are appraised of the internal audit findings and corrective actions taken. The Statutory Auditors of the Company have reported on adequacy of internal control in their Report.



The Board of Directors also confirm that the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

6. Subsidiary / Associate Companies and Consolidated Financial Statements:

Kabra Mecanor Belling Technik Pvt. Ltd. is a subsidiary of the Company, engaged in the business of manufacturing belling machines and has reported sales revenue of ₹ 28.32 Lakhs for FY2020-21 as against ₹ 32.59 Lakhs in the previous year. It has suffered loss of ₹ 8.99 Lakhs during the financial year ended March 31, 2021 as compared to ₹ 8.12 Lakhs in the previous year.

Penta Auto Feeding India Ltd. is an associate company within the meaning of Section 2(6) of the Companies Act, 2013, engaged in the business of manufacturing auto feeding systems and has reported sales revenue of ₹ 1166.79 Lakhs in FY2020-21 as compared to ₹ 420.94 Lakhs in the previous year. It has earned a profit of ₹ 187.19 Lakhs for the current year as compared to loss of ₹ 66.05 Lakhs in the previous year.

A statement containing the salient features of the Financial Statements of Associate Company and Subsidiary in the prescribed format is annexed as Annexure-1 to this Report.

The Consolidated Financial Statements of the Company and its subsidiary and associate company, prepared in compliance with the Companies Act, 2013 and applicable Accounting Standards forms a part of this Annual Report. Separate audited financial statements of both the above companies are available on the website of the Company at: <http://www.kolsite.com> and hence are not annexed with this Annual Report. The same will be made available on email to any shareholder of the Company, on request.

The Company has adopted a policy for determining material subsidiaries in terms of Regulation 16(1) (c) of the Listing Regulations, which is uploaded at:

<http://www.kolsite.com/Upload/FinancialResult/KET-POLICY-MATERIAL-SUBSIDIARY%20-%202019.pdf>

The Company does not have any material subsidiary company.

7. Particulars of Loans, Guarantees or Investments:

The Company has not given any loans or guarantees or provided any security during the year under review. The details of Investments made during the year have been provided in this Annual Report.

8. Public Deposits:

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest was outstanding as on the date of the Balance Sheet.

9. Related Party Transactions:

All Related Party Transactions that were entered into during the Financial Year under review were on an arm's length basis, in the ordinary course of business. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying nature, value, terms and conditions of the transactions. The details of the transactions with Related Parties are provided in the accompanying Financial Statements. The Company has not entered into any material related party transaction during the year under review. The Company has adopted a Policy on materiality of Related Party Transactions and dealing with the same, as approved by the Board of Directors. It is uploaded on the Company's website at: <https://www.kolsite.com/Upload/FinancialResult/KET-RPT-POLICY%20-%202019.pdf>

10. Risk Management:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continuing basis. The Company has constituted a Risk Management Committee and adopted a Risk Management Procedure in accordance with the provisions of the Act and Regulation 21 of the Listing Regulations. The Audit Committee has additional oversight in the area of financial risks and controls.

11. Significant and material orders:

No Significant Material Orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

12. Corporate Governance:

A separate section on Corporate Governance is included in this report together with Compliance Certificate received from M/s. A. G. Ogale & Co., Chartered Accountants, Pune, Statutory Auditors of the Company, which does not contain any qualification, reservation or adverse remark.

During the year under review, the Company had applied for voluntary delisting of its equity shares from BSE Limited pursuant to Regulation 6 of the SEBI (Delisting of Equity Shares) Regulations, 2009, which was subsequently withdrawn and accordingly, the Company continues to be listed on both, BSE and NSE.

13. Meetings of the Board:

During the year under review, 4 (four) meetings of the Board were held, as detailed in the Corporate Governance Report.

14. Committee Composition:

The composition of various Committees of the Board of Directors is provided in Corporate Governance Report. During the year, all recommendations made by the committees were approved by the Board.

15. Management Discussion and Analysis:

Pursuant to Regulation 34 of the SEBI Listing Regulations, 2015 the Management Discussion and Analysis Report forms an integral part of this Report and is presented in a separate section forming part of the Annual Report.

16. Measures for prevention of sexual harassment at work place:

The Company has in place a Policy on prevention of Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Internal Committee (IC) has been set up to redress complaints received regarding sexual harassment. During the year, no complaint was received by the Company.

17. Statutory Auditors and their Report:

M/s. A. G. Ogale & Co, a firm of Chartered Accountants were appointed as the Statutory Auditors of the Company for one term of 5 (five) consecutive years to hold office from the conclusion of the 36th Annual General Meeting until the conclusion of the 41st Annual General Meeting. The Company has received their eligibility certificate subject to Section 139 and 141 of the Act and Rules made thereunder.

There is no audit qualification, reservation or adverse remark in their Report for the year under review. During the year, the Statutory Auditors have not reported any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act, the details of which would need to be mentioned under Section 134(3)(ca) of the Companies Act, 2013.

18. Cost Auditors:

The Company has maintained Cost Accounting records in compliance of Section 148 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, as amended from time to time. In respect of the products specified for the purpose of cost audit, M/s. Urvashi Kamal Mehta & Co., Cost Accountants, had been appointed as the Cost Auditors of the Company in respect of financial year ended March 31, 2021 and have conducted audit of said Cost Accounting Records and report thereon shall be finalized and filed as statutorily provided. The Cost Audit Report for the financial year ended March 31, 2020 was filed with the Ministry of Corporate Affairs on August 31, 2020 within the stipulated time mandated in the Companies (Cost Records & Audit) Rules, 2014.

As per Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the Board of Directors of the Company has appointed M/s. Urvashi Kamal Mehta & Co., a firm of Cost Accountants as the Cost Auditor for the Financial Year 2021-22 upon recommendation of the Audit Committee on proposed remuneration of ₹ 1,32,000/- (Rupees One Lakh Thirty Two Thousand Only) plus applicable taxes, and reimbursement of out of pocket expenses at actuals, if any. The said remuneration is subject to the ratification by the Members at the ensuing Annual General Meeting. The Members are requested to consider the ratification of the said proposed remuneration as per the resolution set out in the accompanying Notice of AGM.

19. Secretarial Auditors and their Report:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Bhandari & Associates, a firm of Company Secretaries in practice to undertake the audit of secretarial and related records for the Financial Year 2020-21. Their Report is annexed as Annexure-2 to this Report. There is no qualification, reservation or adverse remark made by the Auditors in their report. Regarding their observation with respect to registration of name of one of the Independent Director in the Independent Directors' Databank, effective steps are being taken.

20. Corporate Social Responsibility (CSR):

The Board has constituted a Corporate Social Responsibility Committee, headed by Mr. S. V. Kabra as Chairman, as detailed in the Corporate Governance Report forming part of the Annual Report. The CSR Policy adopted in compliance with the provisions of Section 135 of the Companies Act, 2013 is uploaded on the Company's website at: <https://www.kolsite.com/Upload/FinancialResult/KET-CSR-DOCUMENT%20-%202021%20final.pdf>. Report on the CSR activities has been provided in Annexure-3.

**21. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as Annexure-4.

22. Policy on Director's appointment and remuneration:

Extract of Company's Policy on Director's appointment and remuneration and other matters provided in Section 178 (3) of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations has been disclosed in Annexure-5 to this Report and the Policy is available on the Company's website at www.kolsite.com.

It is affirmed that the remuneration paid to the directors is as per the terms set out in the Nomination & Remuneration Policy of the Company.

23. Vigil Mechanism & Whistle Blower Policy:

The Company has framed a policy on Vigil Mechanism-Whistle Blower, enabling all the employees and other stakeholders of the Company to report any matter/activity on account of which the interest of the Company may be adversely affected, as a Protected Disclosure. This Policy has been placed on the Company's website at below weblink:
<https://www.kolsite.com/Upload/FinancialResult/KET-VIGIL-POLICY%20-%20202019.pdf>.

No complaint has been received during the year under review.

24. Particulars of employees and remuneration:

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder who wishes to obtain the same may write to the Company Secretary at the Registered Office of the Company or at ket_sd@kolsitegroup.com. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company upto the date of the 38th Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure – 6 and forms part of this Report.

25. Annual Return:

As required under Section 92(3) and 134(3)(a) of the Act and the Rules made thereunder and amended from time to time, the Annual Return of the Company in prescribed Form MGT-7 is available under 'Investors' section on the website of the Company at <http://www.kolsite.com> and hence the extract thereof has been not been annexed herewith.

26. Business Responsibility Report:

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report initiatives taken from the environmental, social and governance perspective in the prescribed format is presented in a separate section of the Annual Report.

27. 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.

Place : Mumbai
Date : May 21, 2021

For and on behalf of the Board

S. V. Kabra
Chairman & Managing Director
(DIN: 00015415)