

Merging Ideas

**PLASTIBLENDS INDIA LTD.
20th Annual Report 2010-11**

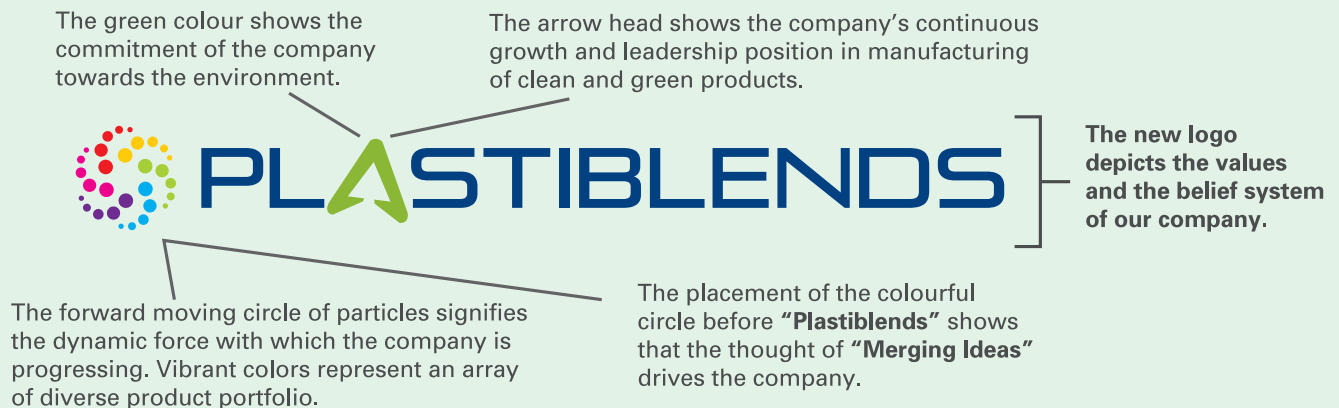
New Brand Identity

Dear Stakeholders,

After more than a decade of service to plastics industry, Plastiblends has positioned itself as a trusted industry partner. Today we are one of the fastest growing companies within our industry and number one manufacturer and exporter of Masterbatches in India. Thoroughly tested products in customer end applications are exported to over 30 countries across the globe.

It is our strategy to continue to develop technically advanced masterbatches and compounds meeting our customer expectations. Advanced and demanding products are developed and offered to the industry with successfully **"Merging Ideas"** of forward thinking plastics processors with our in-house technical team.

Polymer and allied manufacturing companies in India are at crossroads with opportunities to be global leaders. To assert our leadership position and to be a truly **"World Class Manufacturer"**, we are applying industry expertise to standardize all business aspects. As a part of this drive we proudly announce the launch of our new logo.



"Merging Ideas"

We take this opportunity to thank you for your valued patronage to [Plastiblends](#) which has helped us to grow. A lot remains.

Thanking You.
Yours sincerely,

Anand Kabra
Executive Director,
Plastiblends India Limited

Board Of Directors



Shri Shreevallabh G. Kabra
(Chairman & Managing Director)



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



Shri Pushp Raj Singhvi
(Independent Director)



Shri Anand S. Kabra
(Executive Director)



Dr. Yatish B. Vasudeo
(Independent Director)



Shri Haridas S. Sanwal
(Independent Director)



Shri Sudarshan K. Parab
(Independent Director)

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BANKERS
DBS Bank Ltd.
HDFC Bank Ltd.
State Bank of India
AUDITORS
A. G. Ogale & Co., Chartered Accountants
COMPANY SECRETARY
Phalguni H. Shah (upto 30-03-2011)
Himanshu S. Mhatre (w.e.f. 02-05-2011)
20 th ANNUAL GENERAL MEETING
Date : 30 th August, 2011
Time : 4:15 p.m.
Venue: Hotel Karl Residency, Andheri (West), Mumbai-58
REGISTERED OFFICE
30, Shah Indl. Estate, Kolsite House, 2 nd Floor,
Off. Veera Desai Road, Andheri (West), Mumbai - 400 053
Tel. No. : +91-22-26736468/67205200
Fax : +91-22-26736808
Website : www.plastiblendsindia.com

A Window To Plastiblends

The Guiding Principles Of Our Performance

Our Vision

Attain and Maintain leadership status in our chosen field of business

- Focusing all our actions towards Total Customer Satisfaction.
- Continuously striving to innovate our processes, products and services to generate value for money in all our efforts - both internal and external.
- Making total employee involvement, sincerity of purpose and commitment to objectives as the foundations of this vision.



Our Mission

Adding value

Our mission is a statement of what we stand for. It touches our interactions, activities and relationships with all our stakeholders. The way we do our business, our work culture, our quality perspectives, our obsession with innovative technologies and our commitment to our human resources are all singularly focused on enhancing and adding value.

Innovation, Quality, Technology, Perfection, Customization, Affordability

A perfect blend to maximize customer satisfaction by providing masterbatches which merge seamlessly with our customer's products.

Plastiblends India Limited, a part of the Kolsite Group of companies, is India's largest manufacturer and exporter of masterbatches, additives and compounds for the plastic processing industry. Headquartered in Mumbai, India, the company's state of the art manufacturing, product development and application facilities are located in Daman and Roorkee, Uttarakhand with a total annual manufacturing capacity of over 50,000 MT.

The company is a market leader in the domestic arena and has strong global footprints which traverse African, South American and Asian Markets.

Key Differentiators

- Largest Masterbatch manufacturer in India
- Commenced operations with installed capacity of 5,000 Mt p.a. in the year 1994 and is enhanced to 52,000 Mt p.a.
- State of the Art Manufacturing facilities with extremely well planned factory layout to ensure minimum material handling and minimum fatigue to manpower
- High level of automation with continuous up-gradation and dust free environment and implementation of ISO Standards, TQM, TPM methods.
- Highest Exports awards for last 6 years in a row.
- Export base of almost 30 countries
- Topline CAGR of 22% from 1994–2011
- Performance better than industry average of 15%
- Healthy growth contributed by Domestic and Exports sales
- USP – innovative and cost effective products, prompt customer service and timely supplies followed by total technical support



Our Human Resources & Talent

Note from the CMD's Desk



Dear Fellow Stakeholders

It pleases me to report another year of good performance by our company, and what is most gratifying is to see the results of a focused execution of our strategies. The macroeconomic headwinds too appear favourable as India is one of the faster growing economies amidst global uncertainties.

Plastiblends is the largest producer and exporter of masterbatches that adds colour and performance properties to plastics which touch our daily lives. While products supplied by Plastiblends are a small component of the production process, they are one of the key enabling ingredients that determine the key qualities of the final product.

Furthermore our products find applications in the manufacture of all kinds of plastic products such as films, pipes, moulded goods, household items, containers, furniture, automotive components catering to a vast array of industrial and consumer durable goods. During the year under review, our leadership position and superior products enabled us to benefit from the buoyancy in industrial demand.

Performance reflects Potential

The per capita consumption of plastic is presently about 7.5-8 kg, which is likely to double over the next five years. By 2020, India will over take China in automotive and white good segment and this is expected to drive plastic consumption to a great extent.

Against this positive backdrop, during the year 2010-11, our company registered a growth of 32% in topline at Rs. 27734.6 lacs and the Profit before Depreciation, Interest & Tax stood at Rs. 3029.81 lacs. Cost control measures, new products and advanced technologies led to higher efficiency as PBDIT grew by 50%. Superior performance at the operating level percolated to the bottomline which stood at Rs. 1854.38 lacs, reflecting a spurt of 78% as compared to the last financial year. Net profit margins improved by 170 basis points largely driven by reduction in material consumption ratio, higher production and sales and improvements in the product mix.

The EPS improved to Rs. 28.54 from Rs. 16.05 last year.

Growing through Differentiation

Each of the company's lines of business enjoy a successful presence in the global market place, and provide customised solutions to its customers. The result is a product portfolio that is strongly positioned in the industry allowing the company to bring innovative and cost effective products to the market faster, and more consistently.

The company's performance is aided by the state of the art production facilities situated in Daman (UT) and Roorkee in Uttarakhand which offer unique logistic advantages. The plants are adequately equipped with power back ups in case of power outages to carry on uninterrupted production. Our production capacities of 52,000 MTPA provide us with the leverage to offer products ex-stocks. In 2011-12, the company will add capacity of 10,000 MT at Daman thereby taking the total capacity to 62,000 MTPA. This helps our customers to reduce procurement lead times and lead to reduced inventory levels.

A strong network of 110 dealers globally enables the company to tap a large number of customers. However, beyond our strong distribution network and reach, it is the quality of our products which strengthens our customer relationships.

This is ensured through the highest level of quality control standards implemented at our facilities at Daman and Roorkee units which are comparable to the best in the world. **We are the first masterbatch manufacturing company in India which has been awarded the prestigious ISO 9001 : 2008 Certifications by TUV SUD AMERICA INC. for adhering to stringent quality standards.** Total Quality Management is followed at every level as per ISO norms as a part of continuous efforts to maintain the highest quality standards. All production batches are subject to processability tests for a wide range of critical performance properties. These tests are done on dedicated processing equipments in the laboratory simulating actual processing. **This infrastructure facility is supported by our Research & Development (R&D) facility which is recognized by Department of Scientific & Industrial Research (DSIR) as an "In house R&D Unit". This recognition enables the company to import high end and sophisticated equipments and ancillaries to produce niche products.** This enables us to act as per market needs and be prepared well in advance to meet the changing requirement of our customers. Resultantly we are able to remain ahead of competition. As part of our commitment to the Government for this recognition, at any given point in time atleast 5-6 new products are under various stages of development.

Our expanding presence in emerging markets positions us to benefit from robust economic growth that is driving increased demand for high-performance products. The company has a long history of product innovation and development driven by our deep domain expertise and understanding of the customer's requirements.

Based on our industry experience, we estimate the Masterbatch market size to be 1,50,000 MT at Rs.1,700 crores in India. Further the Filler masterbatch segment, to which we cater to, presents an opportunity of 2,00,000 MT estimated at Rs 650 crores. The masterbatch segment is likely to grow at 15 to 20% p.a. and with 12.5 Million Tons of plastic expected to be processed by 2013, the industry will need 2,28,000 MT masterbatches and 3,05,000 MT of filler masterbatches. Plastiblends, being the market leader, is poised to tap this growth potential and capture higher market share.

To make the most of the momentum in the plastics industry, our strategy is to focus our efforts on key profit drivers. **We intend focusing on new product development to increase the scope of solutions we offer to our clients and also to tap new clients.** An improvement in existing business lines to enhance and enrich our customers' experience as well as to elevate our operational efficiencies is an ongoing process. Finally, gradual volume improvements through capacity additions will enable us to achieve organic growth and geographical coverage. We intend improving our product mix to enhance the contribution of Color Masterbatches which give better value and along with this, additive masterbatches will also be a high focus area.

In terms of end user industry, we intend focusing on White goods and Automotive components as we see huge potential in these segments and increased use of plastics in appliances in white goods space and automobiles.

Raising a Salute

The results we have achieved thus far and the ambitions we harbour in terms of our strategic pursuits, is only on account of the outstanding efforts of all our stakeholders and I take this opportunity to thank our customers, vendors, bankers, business associates and our shareholders.

We look forward to your continuing support.

S.V. Kabra

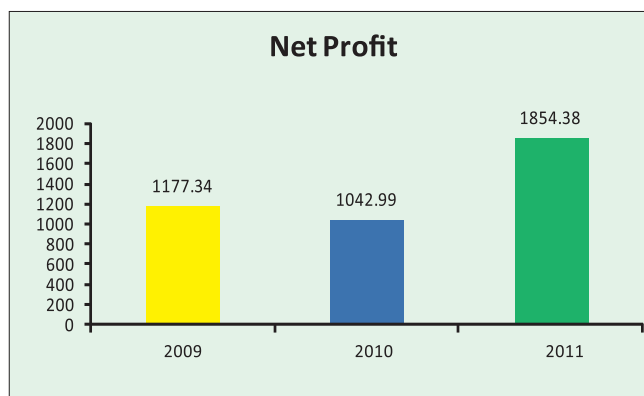
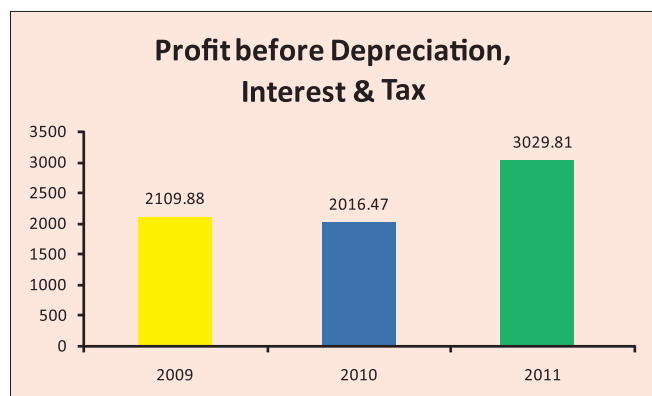
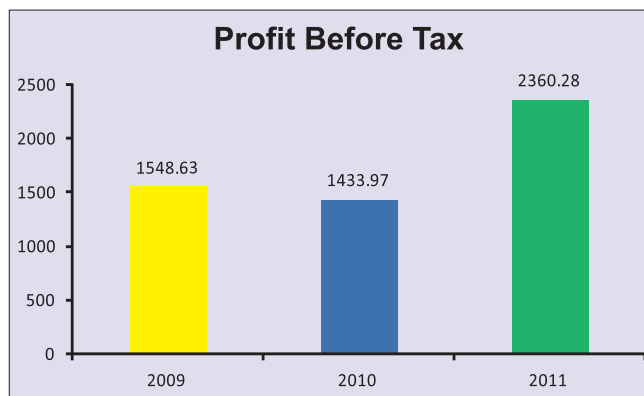
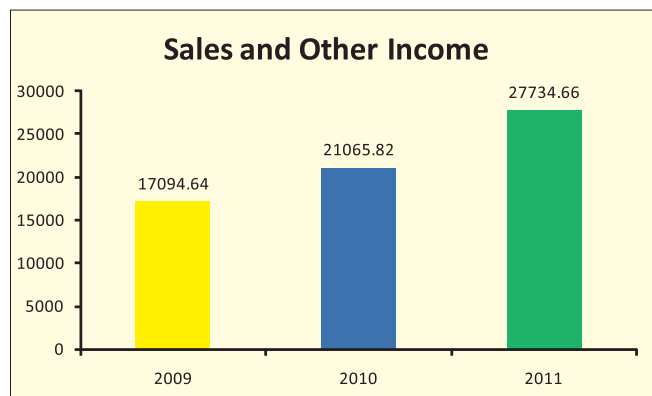
Chairman & Managing Director

Performance in Numbers

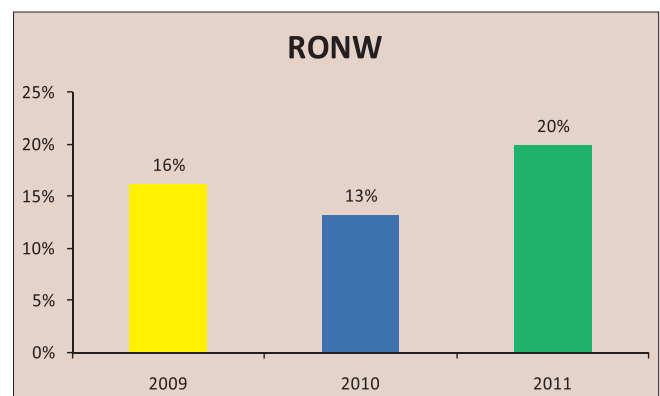
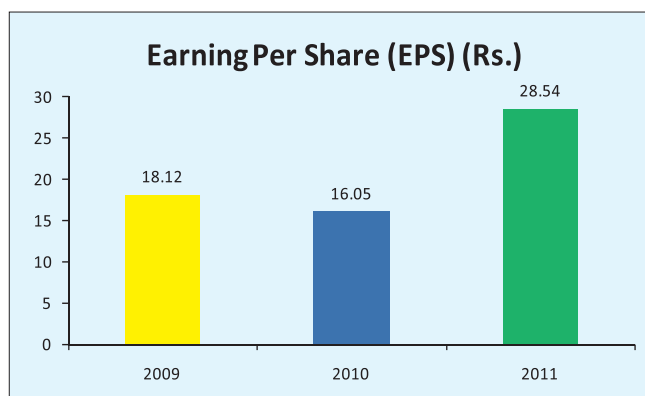
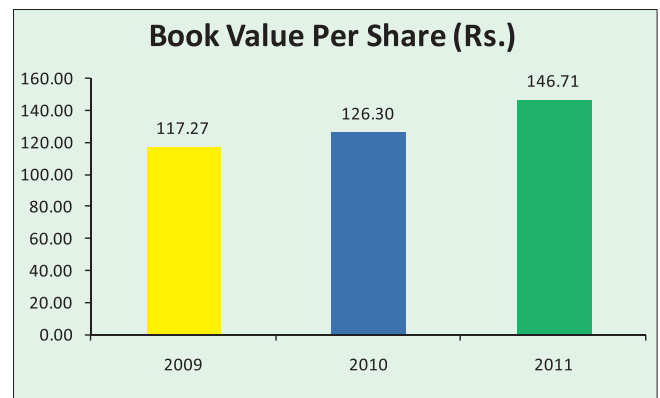
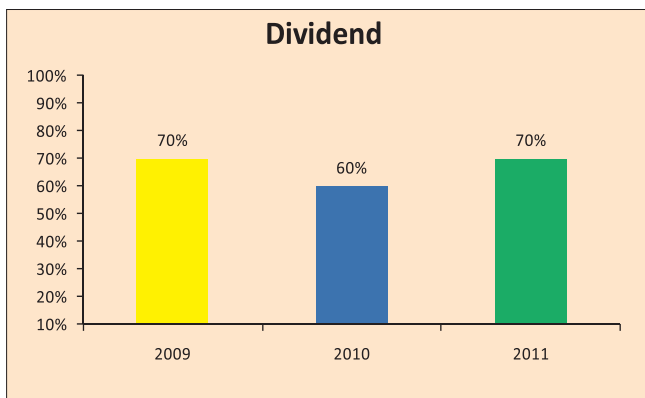
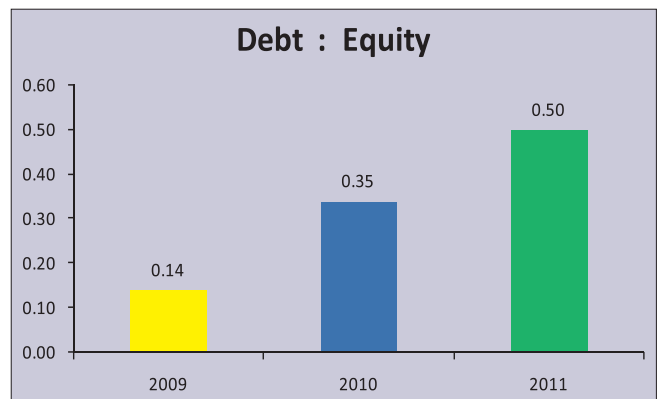
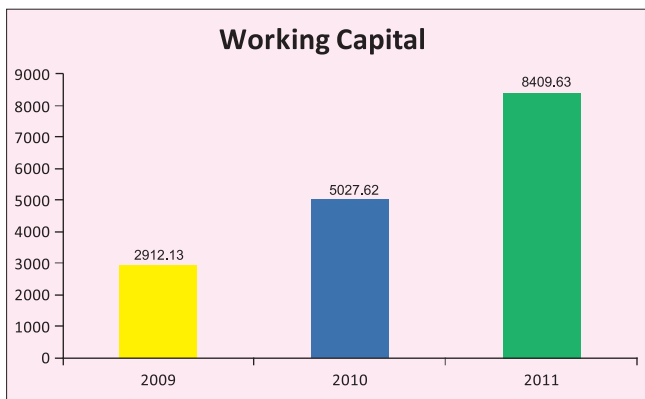
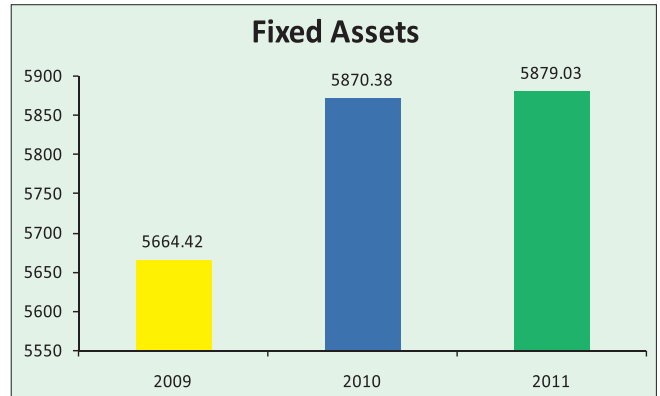
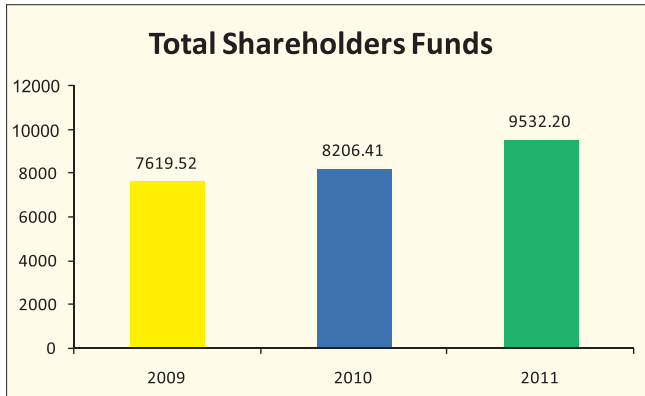
Rs. in Lacs

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
OPERATING RESULTS										
Sales and Other Income	27734.66	21065.82	17094.64	16130.21	12670.67	9814.74	9211.27	7646.91	6385.39	5741.89
Profit before Depreciation, Interest & Tax	3029.81	2016.47	2109.88	2284.76	1583.31	1695.41	1498.55	1551.32	1235.41	1105.71
Less : Depreciation	365.29	344.91	310.25	235.40	163.68	143.50	132.91	118.92	107.54	107.54
Interest	304.24	237.59	251.01	200.42	54.82	37.36	51.98	90.55	87.44	119.31
Profit before tax	2360.28	1433.97	1548.63	1848.93	1364.81	1514.55	1313.67	1341.85	1040.43	878.86
Net Profit after tax	1854.38	1042.99	1177.34	1592.13	1207.93	1364.98	1040.85	1061.81	818.97	537.29
ASSETS EMPLOYED										
Fixed Assets	5879.03	5870.38	5664.42	5002.49	1082.17	1870.94	1804.10	1676.79	1574.41	1486.20
Investments	398.74	585.55	456.55	762.01	1595.01	2495.02	1684.94	1515.01	1493.94	907.94
Net Working Capital	8409.63	5027.62	2912.13	3417.44	2203.11	1390.81	1752.38	1345.89	821.95	870.69
	14687.39	11483.55	9033.10	9181.94	4880.29	5756.78	5241.41	4537.69	3890.30	3264.83
FINANCED BY										
Share Capital	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73
Reserves	8882.47	7556.68	6969.79	6324.55	5264.53	4550.70	3667.27	2959.81	2227.83	1671.90
Borrowings	4742.83	2903.42	1077.99	1923.86	1436.72	311.17	628.00	678.41	790.45	742.37
Deferred Tax Adjustment	412.37	373.71	335.59	283.80	227.17	245.17	296.41	249.73	222.28	200.82
	14687.39	11483.55	9033.10	9181.94	7578.15	5756.78	5241.41	4537.69	3890.30	3264.83
OTHERS										
Debt : Equity	0.50	0.35	0.14	0.28	0.24	0.06	0.15	0.19	0.27	0.32
Book Value Per Share (Rs.)	146.71	126.30	117.27	107.34	91.03	80.04	66.44	55.55	44.29	35.73
Earning Per Share (EPS) (Rs.)	28.54	16.05	18.12	24.50	18.59	21.01	16.02	16.34	12.60	8.27
Dividend Per share (Rs.)	7.00	6.00	7.00	7.00	6.50	6.50	4.50	4.50	3.60	3.00
Return on Equity %	19.45	12.71	15.45	22.83	20.42	26.25	24.11	29.42	28.46	23.14

Rs. in Lacs



Rs. in Lacs



Business Model

– A Performance review

Plastiblends supplies Masterbatches for commodity items such as films, shopping bags, furniture, FMCG, food packaging and for industrial applications encompassing performance enhancers for automotive parts, machines, construction segment, and electronic equipments industry. The company's masterbatches merge seamlessly with plastics to enhance their quality in various ways.

Plastiblends supplies a vast range of offerings to its customers across industry verticals including White, Black, Colour and Functional Masterbatches, Additives and Compounds.

Plastiblends masterbatches colouring various Plastic Products



Plastiblends Masterbatches

Product Range

Plastiblends Masterbatches merge seamlessly with plastics enhancing their performance and appearance. We produce a large range of White, Black, Colour and Functional Masterbatches, Additives and Compounds suitable for all major plastic processing types.



POLYWHITE : Anti-fibrillation filler masterbatches for Raffia and film

POLYCOLOR : Pigment colour masterbatches - Black, White and Colours

POLYEFFECT : Pearlescent and metal effect colour masterbatches



POLYULTRA : UV additive masterbatches

POLYBRIGHT : Optical brightener additive masterbatches

POLYCLEAR : Nucleating agent additive masterbatches



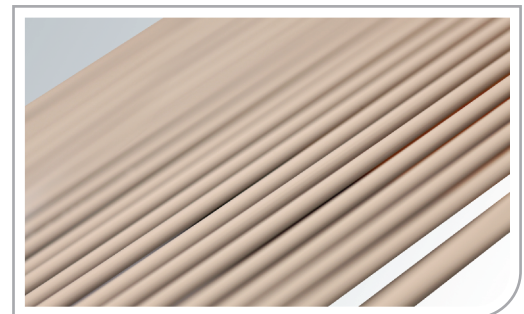
POLYDRY : Desiccant additive masterbatches

POLYNOX : Antioxidant additive masterbatches

POLYBIO : Bio-degradable additive masterbatches

POLYPET : Masterbatches for POY and recycled staple fibre

POLYTRANS : Transparent filler masterbatches for coloured woven fabric



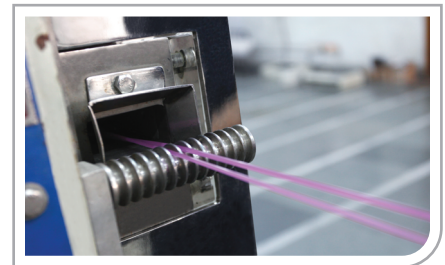
- BOPP Range

White Masterbatches, Stiffener Compounds, Pearlescent Masterbatches, Antiblock, Matt Compound, High Gloss Compound



- Conductive Compounds

- PE Conductive Compounds for Extrusion and Moulding
- PP Conductive Compounds for Extrusion and Moulding
- PS Conductive Compounds for Extrusion



- Reinforced Compounds

- Filled PP Compounds for furniture, automobile parts, etc.
- Filled PS Compounds for various other applications



Views of Production Setup

Advantage Plastiblends

- Excellent dispersion and higher pigment loading results in cost saving due to lower addition levels
- Consistent, high quality colours
- Stability with no flying of pigments
- Excellent miscibility
- Conducive to cleaner and safer environment
- Easy to handle
- Very cost effective with good price benefit ratios
- Available in smaller lots also
- Splendid Technical Support
- Prompt delivery

A Virtual Tour of Daman Plant

Delivering performance

Plastiblends has put up state of the art manufacturing facilities in the Union Territory of Daman and Roorkee, Uttarakhand, by deploying advanced manufacturing technology to produce premium quality products. The company's thrust on investing on optimizing technology, providing the highest quality and ensuring cost effectiveness.

- High speed and high capacity Continuous Mixer lines, Twin Screw Extruders Lines, specifically designed high speed mixers and high end computerized gravimetric feeding systems to ensure lower lead times for delivery to customers
- Fully automated process control systems resulting in consistent product quality, and improved productivity
- Electronically controlled automatic weighing and bagging systems provide accuracy, waste elimination and high speed packaging of masterbatches
- Computerized Inventory Management systems and processes resulting in process optimization, speed and cost savings
- Top of the line dust collection systems using sophisticated German pollution control technology to control particulate contamination ensuring dust free internal and external environment.
- Separate facility for Black Masterbatches ensure clean environment, eliminates cross contamination

Panoramic view of Daman Plant



Inner view of Daman Plant



Focus on Research & Development

To sustain and enhance our performance

Our state of the art R&D facility is continuously working on enhancing the quality of our existing product lines and endeavours to broaden the scope of our solutions by offering tailor-made masterbatches. Ensuring a favourable cost-benefit ratio is an integral aspect of our R&D initiatives. This is to ensure profitable business with optimal customer satisfaction.

Operating under the guidance of specialized polymer technologists, our R&D center also focuses on technological support to our customers.

It forms the cornerstone of our market leadership and competitive edge.


A Feather in the Cap

During the year under consideration, Plastiblends underwent a series of stringent procedural tests for quality and capabilities and only after passing this, it was awarded the DSIR Certificate for Recognized In House R&D Facility.

R & D Facilities and Recognition



ESPM : SONDRECH
TEL : 26562819, 26567373
: 26562894, 26562133
: 26566667, 26562144
वेब/फैक्स : 26562134, 26562129 (EPBAX)
: 26566629, 26562945
: 26516078
Website : <http://www.dsir.gov.in>

 भारत सरकार
विज्ञान और औद्योगिक मंत्रालय
वैज्ञानिक और औद्योगिक अनुसंधान विभाग
दिल्ली
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दिल्ली
भारत

MINISTRY OF SCIENCE AND TECHNOLOGY
Department of Scientific and Industrial Research
Technology Bhawan
New Mehrauli Road, New Delhi-110 016

BY REGISTERED POST

No.F.TU-IV/RDI/3017/2010 Dated: 9 June, 2010


To
Plastiblends India Ltd.,
31, Shah Industrial Estate, Kolsite House, 2nd Floor,
Off Veera Desai Road, Andheri (W),
Mumbai - 400 053

Subject: RECOGNITION OF YOUR IN-HOUSE R&D UNIT(s)

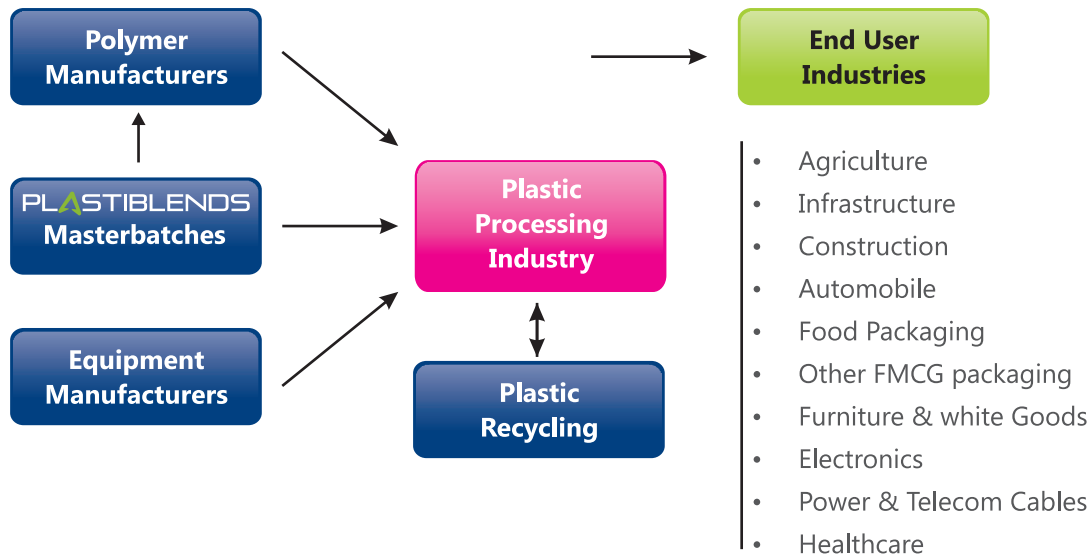
Dear Sirs,
This has reference to your application for recognition of your In-House R&D unit by the Department of Scientific and Industrial Research.

2. This is to inform you that it has been decided to accord recognition to the In-House R&D unit of your firm at Plot No. 74/1, 74/2 & 75/3, Daman Industrial Estate, Kadaiya Village, Nani Daman, Daman upto 31.03.2013. Terms and conditions pertaining to this recognition are given overleaf.

3. Kindly acknowledge the receipt of this letter.

Yours faithfully,

(R.R. Abhyankar)
Scientist - C

The Plastic Industry Eco-System Where Plastiblends contributes...



INDUSTRY OVERVIEW

Plastic Consumption & Production

According to industry representatives, the consumption of plastics in India doubled to 7.5-8 kg in 2010 from 4 kg in 2006. This is expected to increase to 10 kg by 2012 and to be on par with the global consumption of 27 kg, by 2020 due to increasing consumption across sectors like packaging, infrastructure, agriculture, automotives, healthcare and FMCG.

Key demand drivers of plastics in India

Plastic products are finding several users for various applications across industries and are replacing traditional materials such as steel and cast iron owing to their superior performance in sectors such as utility water systems, cable protection, large diameter sewage pipe, auto parts and packaging.

With the Indian economy expected to be one of the fastest growing ones in the world, it is expected to be one of the major growth drivers of the plastic industry and consumption. Some of the key industries that will benefit directly from a growing economy and drive demand for plastics and in turn masterbatches are as follows.

Irrigation

As per the Planning Commission estimates during the current five year plan (2007-12) India is likely to achieve average farm growth of about 3.5%, which would be little lower than targeted 4%. Budgetary allocation for 2011-12 has increased on agriculture (2.7 %), irrigation and flood control (36.8 %) and the basic Custom Duty is reduced on micro-irrigation equipment from 7.5 % to 5 %. To achieve the high growth rate in agriculture, at present the ultimate irrigation potential is estimated to be 113 million hectares as per the planning commission. In agriculture alone, around 17 million hectares are to be brought under drip irrigation by the Union Ministry of Agriculture over the next three-four years which is touted to be the best option to bring more land under irrigation coverage. This translates into tremendous potential for use of plastics in irrigation and plastic pipe.

FMCG, Food Packaging & Organized Retail formats

Plastics being more attractive, user-friendly, convenient, safe and hygienic have emerged as the most preferred choice of packaging material for various products – from food, beverages, chemicals, electronic items and so on. They offer unique advantages over conventional materials. Fast Moving Consumer Goods (FMCG) will be witnessing more than 50% of growth in rural and semi-urban segments by 2012 which in totality is projected to grow at a CAGR of 10% to take its market size to over Rs 1,06,300 crore from the present level of Rs. 87,900 crore, according to an analysis carried out by ASSOCHAM. Further with advent of organized retail formats, attractive packaging will be required not only to protect and package the product, but also for brand distinction. Plastic packaging facilitates all the requirements of the Food and FMCG product packaging and hence is set to ride the organized retail format boom.

Automobiles

Indian automobile manufacturers are working on replacing steel with other materials such as plastics. The traditional materials in Automotive industry are being replaced by plastics for a variety of reasons. Primarily it reduces the weight of the vehicle resulting in more fuel efficient vehicles. Typically a 10% reduction in weight will give 6% improvement in Kilometers traveled by a vehicle, per litre. The various advantages that plastic enjoy over metal are light weight, design flexibility and lesser processing cost. Further, plastics meet the secondary performance standards such as functional characteristics, aesthetics, environmental safety and statutory compliance. All these invariably have led to the growth in use of plastics in automotive sector today. The automotive sector is the largest consumer of plastics today as more and more manufacturers are introducing newer models of vehicles in each year. As per the Society of Indian Automobile Industry (SIAM), the Indian Automobile Industry is expected to grow at the rate of 15 to 16 per cent in 2011. The trend is also towards producing small cars with more content of plastic being utilized both interior-exterior and under-hood. Despite the fiscal slowdown worldwide, India had maintained its growth rate at a steady 8-8.5 per cent and the automobile industry has also grown in excess of 13 per cent over the last few years. (source: ibef.org). On an average the use of Polyamide per car in Europe is 20 kgs, in Korea it is 15 kgs but India stands at 5kgs per car, which is far below global standards. As plastic consumption demand grows globally, it is expected to be driven by thriving economies like India and China and positively impact the masterbatch demand.

Construction

With major advances in technology, most construction projects of today have started deploying plastics in construction projects. After a consolidation phase, the construction segment is expected to pick up and hence the demand for plastics is also expected to rise. Plastic Products offers several benefits as against traditional products in terms of maintenance minimization, insulation, cost effectiveness, durability, corrosion resistance and acceptability by environmental standards.

White Goods

Owing to its strength, flexibility and easy to mould quality, now a days, household appliances have plastic as a significant part of modern equipments. White Goods segment is expected to remain buoyant on account of the surging Indian Economy resulting in rapid urbanization, increased literacy levels, and rising per capita income. Evolving product designs and energy saving ability has made plastic an integral component of white good products.

Communication Equipments & Power Cables

Telecom and Power sector in India are witnessing tremendous growth backed by growing economy and government thrust, respectively. This in turn translated into huge demand for plastics as they have replaced traditional materials owing to insulation properties, ease to deploy and maintain and cost effectiveness.

Water Drainage and Sanitation Systems

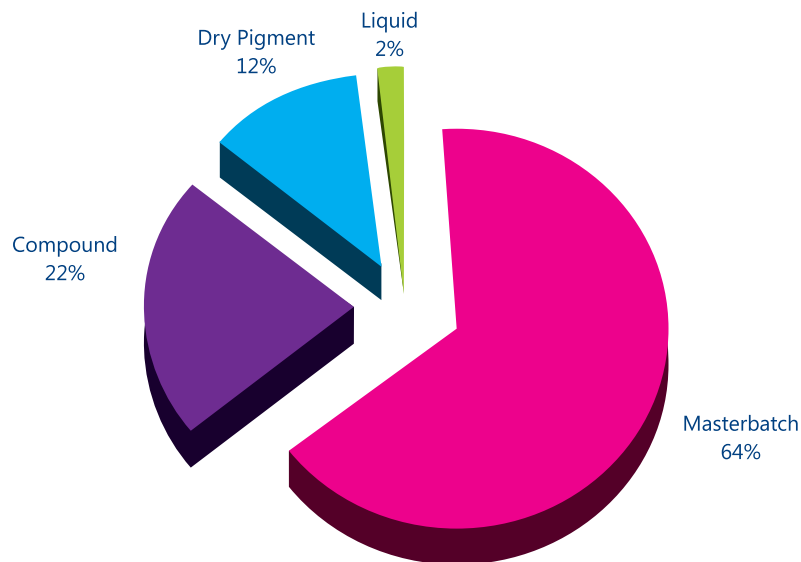
Recent years have seen rapid development in the use of plastic pipe systems for above ground drainage (rainwater, soil and waste systems) and for hot and cold water applications. Plastics products offer the added advantage of both easy installation and enhanced long term performance.

An Overview of Masterbatches

Masterbatches are a concentrated mixture of pigments or additives which allow the plastic processor to add certain qualities in their end products. They are omnipresent in all processes of plastics industry, including injection moulding, extrusion, rotational moulding, sheet, film, and blow moulding.

Masterbatches play a KEY role in plastic processing.

PLASTIC COLOURING PROCESS FOR MASTERBATCHES



Notably, India accounts for only 3.7% of the global Masterbatch demand in terms of volumes and 3% in terms of value.

Technology developments that help impart desired color and property to the polymer and simultaneously reduce its cost will aid in turbo charging the market's growth in the medium to long-term period, especially so, given the evolving demand among end-user industries for high performance and functional products.

Masterbatches also allow the processor to improve the appearance and performance of the raw polymer/resin in a cost-effective manner during the plastics manufacturing process. It provides protection from sunlight, fire, rodents and microbes etc. Masterbatches are also used for protection against weathering for a wide range of thermoplastic polymers.

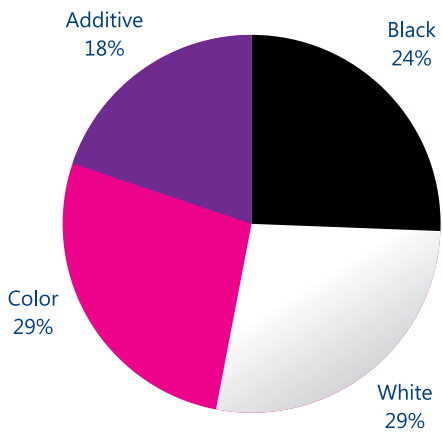
The fortunes of the Masterbatch industry are tied to the health of key end-use industries such as the automotive industry, construction, fibers, packaging, household, and electrical & electronic industries as mentioned above. The sheer diversity of masterbatch applications will unleash a huge potential as the plastic industry grows over a period of time as the key end user industry of the plastic products grows.

20th Annual Report 2010-11

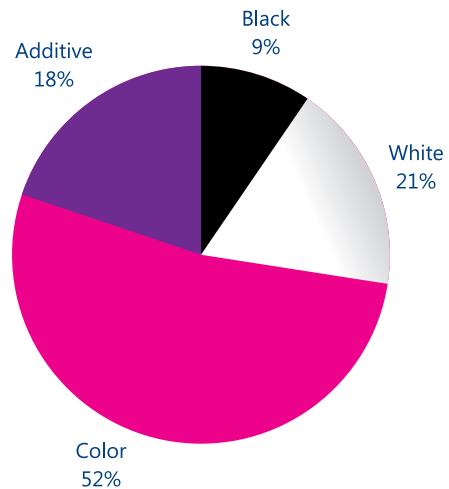
Growing GDP, rapid pace of industrialization, booming production and industrial base, increased output of plastic components, consumer goods and packaging products and continuing penetration of masterbatch vis-à-vis competing coloring methods remain key growth driving forces in the post recession period.

Polymer use in automotive and engineering machinery manufacturing segments is expected to grow substantially and as a result of extreme volatility in metal prices and versatility in the use of polymer processing, the demand for plastics is set to increase. Further, natural resources are also becoming scarce, fuelling the need for recyclable replacement products.

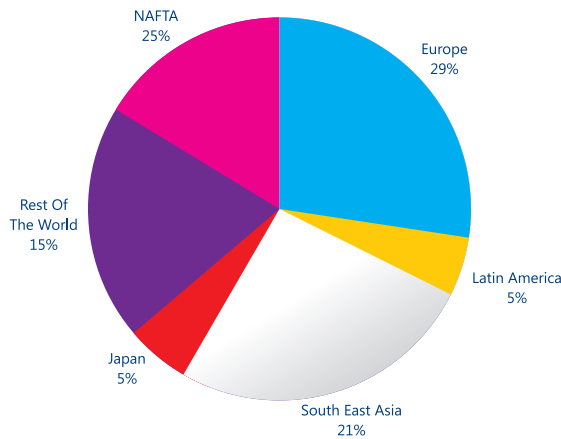
MASTERBATCH DEMAND IN VOLUMES – 3.2 Million Tons



MASTERBATCH DEMAND IN VALUE USD 9.1 billion

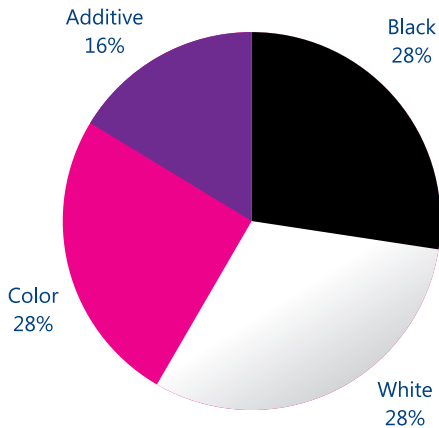


WORLD DEMAND BY REGIONS (Based on 3.2 Million Tons estimated demand)

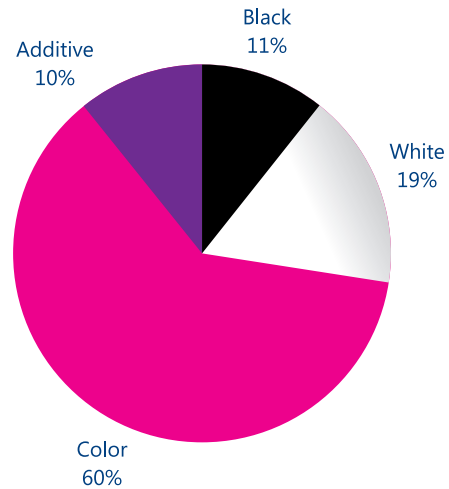


Notably, the Asian markets have been one of the fastest growing markets in terms of plastic masterbatch demand.

Asian Masterbatch industry Demand 685,000 Tons per Year



Asian Masterbatch industry Value USD 1.8 billion



Within Asia, China and India are touted to be the fastest growing economies. With the plastic processing increasing at an aggressive rate in India on account of the burgeoning economy, the Masterbatch industry too is expected to be the direct beneficiary.

Hence given the rise in plastic processing demand to 12.5 Million Tons by 2013, plastics processing will need 2,28,000 MT Masterbatches. Masterbatch segment is likely to grow at 20%.

The Indian market is pegged at Rs. 1700 crores for masterbatches and Rs. 650 crores for filler masterbatches as per our internal estimates. In terms of volumes, this works out to 1,50,000 MT and 2,00,000 MT of demand, respectively.

Plastiblends is at the forefront of finding various applications by offering a wide varieties of additives that can help cut energy use, lower product weight, reduce material usage, shorten cycle times, enhance performance or even add new features to plastics.

The company's products adhere to the safety and regulatory compliances required and also help customers comply with increasingly stringent local, regional and global regulations while offering a complete solution to the client in terms of technical know how on usage and after sales support.

Perspectives from Plastiblends India

From our Performance Drivers

Mr. S.N. Kabra – Vice-Chairman and Managing Director

"Being part of the Kolsite group, Plastiblends, a formidable industry player, carries with it the tradition of offering high quality products which suit a wide range of customers needs. The company benefits from the client network of its flagship group company Kabra Extrusiontechnik Limited as there are synergies in marketing extrusion machinery and masterbatches with access to loyal customer base, brand equity and first mover advantage with respect to new products."

"Plastiblends' products are compatible with a wide range of polymers like polyolefin, polystyrenes, polyamides, PBT, PET and a diverse range of engineering plastics. PIL is backed by years of experience and is able to offer optimum solutions to its customers by constantly monitoring market demand and customers' changing needs."

Mr. A. S. Kabra - Executive Director

"Plastiblends was awarded the prestigious DSIR Certificate for In House R&D Facility during the financial year which involves stringent procedures and quality checks. It is the only company in India being recognized by the Department of Scientific & Industrial Research, Ministry of Science and Technology, Government of India and is a reflection of the company's commitment towards remaining at the forefront of technological advances and set benchmarks, globally."

The product strategy will revolve around both volumes and value added segment in the company's endeavour to spread its wings in order to capture more end-user industries and applications. This will also enable us to deliver on the financial performance indicators, thereby enhancing the overall proposition for our stakeholders.

Mr. R. S. Dumbre, V P - Marketing

"Plastiblends tracks the pulse of the markets through its network in the industry and application coordinators who are in close touch with the end users. Most of the products, the company supplies, are tailor made to suit the client needs. We intend strengthening our presence in South and Central India by setting up regional stock points."

"The company caters to top industry players across industries and the focus will be on industries which are going in for high automation and technology as in the case of industrial applications for white goods, automobiles, drip irrigation, food packaging and retail. Since the cost to the customers is high here, they demand high quality masterbatches. Plastiblends is well positioned to service such clients. Our branding exercise has also helped us to differentiate ourselves and create a loyal customer base."

Mr. V Sundaresan, V P – International Marketing

"Going ahead the company will follow a two pronged strategy. Firstly is to upgrade the existing product lines to offer a higher value proposition to the end users. Secondly, the company will continue to develop new products to capture newer industries and geographies. Going forward we see equal contribution from the exports and domestic markets."

"The company is in the process of implementing ERP across its business processes to streamline the same and offer better visibility thereby enhancing efficiencies. This will enhance our exports business efficiency along with domestic operations"

Recognition of our Performance

- ISO 9001 : 2008 Certification since 1997 – The First Indian Masterbatches Manufacturer to be accredited.
- First Masterbatches Company to be accorded the status of an Export House by Government of India
- Awarded the Highest recognition for export, the prestigious Certification as Largest Exporter of Masterbatches from India for consecutive years starting 2003 – 04 till date, by The Plastic Export Promotion Council, India.
- Research & Development facility - recognized by Department of Scientific & Industrial Research (DSIR) as "Inhouse R&D Unit"



CERTIFICATE

PLASTIBLENDS INDIA LTD.
Plant 1: 74/1 – 2, 75/3, 70/2A & 72/28
Daman Industrial Estate,
Kadaiya Village, Daman, U.T – 396 210, India
Development, Manufacturing and Marketing of Masterbatches
and Compounds for the Plastic Industry.

PLASTIBLENDS INDIA LTD.
Plant 2: 110/1, 3-8
Daman Industrial Estate,
Kadaiya Village, Daman, U.T – 396 210, India
Manufacturing of Masterbatches and Compounds for the
Plastic Industry and Strapping for Packaging Industry.

PLASTIBLENDS INDIA LTD.
Plant 3: Roorkee: Khasara No. 216, Village: Raipur,
Pargana: Bhagwanpur, Tehsil: Roorkee,
Dist.: Haridwar, Uttarakhand – 247 667, India
Manufacturing of Compounds for the Plastic Industry and
Strapping for Packaging Industry.

Certificate Expiry Date: October 13, 2012
Certificate Registration No: 951 03 2053
Effective Date: October 13, 2009




TÜV SÜD AMERICA INC • 10 Centennial Drive • Peabody, MA 01960 USA • www.TUVamerica.com TÜV®

Page 2 of 2



सत्यमेव जयते
भारत सरकार
GOVERNMENT OF INDIA
वाणिज्य एवं उद्योग मंत्रालय
MINISTRY OF COMMERCE & INDUSTRY
संयुक्त महानिदेशक, विदेश व्यापार का कार्यालय
OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE

मान्यता प्रमाण पत्र
Certificate of Recognition
निर्यात सदन
EXPORT HOUSE

पैसम्:

(आयातक-निर्यातक कोट-संख्या अक्षर स्वयंसेवक द्वारा तं को
निर्यात-आयात नीति के उपबन्धों के अनुसार एम्एड द्वारा निर्यात सदन के रूप में मान्यता दी जाती है।
यह प्रमाण-पत्र, 1 अप्रैल, से 31 मार्च तक वर्षों की अवधि के लिए वैध है।

M/s. PLASTIBLENDS INDIA LIMITED, B-45MAHASHREE, CHOKHIND,
NEW LINKING ROAD, ANDHERI (W), MUMBAI - 400053.
(IEC No. - 0391007475 and Income Tax PAN No. AAACP6247B)

are hereby accorded the status of an **Export House** in accordance with the provisions of the
Exim Policy. This Certificate is valid for a period of **THREE** years effective from 1st April, 2006
to 31st March, 2007.

सं. N° 013899
No
तारीख 24-05-2004
स्थान MUMBAI.
Place



(N. P. S. HONGA)
अतिरिक्त निर्यात आयुक्त/
संयुक्त महानिदेशक, विदेश व्यापार
ADDITIONAL EXPORT COMMISSIONER/
JOINT DIRECTOR GENERAL
OF FOREIGN TRADE



THE PLASTICS EXPORT PROMOTION COUNCIL
(Sponsored by Department of Commerce, Government of India)
The Chairman and the Members of the Committee
of Administration are pleased to certify that
M/s Plastiblends India Limited, Mumbai
is the **Top Exporter of**
Masterbatches
and has been awarded the **Highest Recognition for Exports for the year**
2008-2009

Nemish Sayani
Chairman

Mumbai
19th December 2009

**Export
Award
Trophy
From
The Plastics
Export
Promotion
Council**

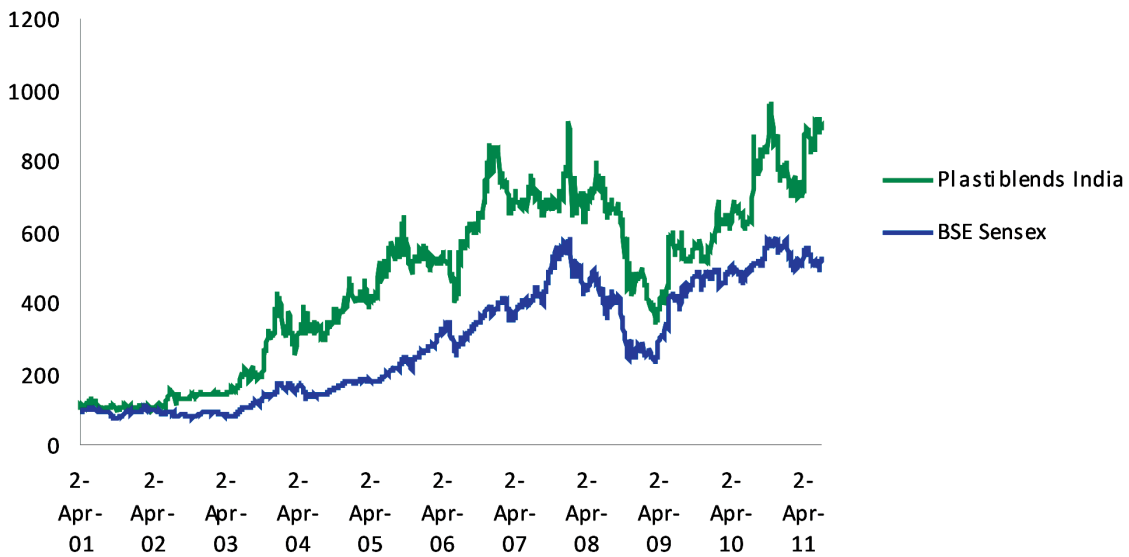


Performance at the Bourses

Total Shareholder return is a measure of the gain delivered to the shareholders of the company. Returns are calculated not only in terms of dividend per share, but also in terms of capital appreciation in the underlying investment.

The stock has been a consistent out-performer and has rewarded its shareholders with dividends also in addition to capital appreciation over the last ten years.

Stock Performance



HISTORY OF DIVIDEND YIELD

Financial Year	Dividend (%)	Div. Yield (%)	Dividend Amount (Rs. in crores)
2001	25	10.84	1.62
2002	30	12.61	1.95
2003	36	11.3	2.34
2004	45	6.43	2.92
2005	45	4.83	2.92
2006	65	5.44	4.22
2007	65	4.06	4.22
2008	70	4.31	4.55
2009	70	8.24	4.55
2010	60	4.32	3.90
2011	70	4.22	4.55

DIRECTORS' REPORT

To
The Members of
Plastiblends India Limited

Your Directors have pleasure in presenting the **TWENTIETH ANNUAL REPORT** and the **Audited Financial Statements** for the financial year ended 31st March, 2011.

FINANCIAL RESULTS

PARTICULARS

	Year ended 31 st March 11 (Rs. in Lacs)	Year ended 31 st March 10 (Rs. in Lacs)
Sales and Other Income	27734.66	21065.82
Gross Profit before Interest & Depreciation	3029.81	2016.47
Less: Interest	304.24	237.59
Depreciation	365.29	344.91
Profit Before Tax (PBT)	2360.28	1433.97
Less : Provision for Taxation (including earlier year)	510.00	353.55
Add : Provision no longer required	42.75	0.69
Profit After Tax (PAT)	1893.03	1081.11
Less : Provision for Deferred Tax Liability	38.65	38.12
Net Profit after provision of Deferred Tax	1854.38	1042.99
Add: Balance b/f from previous year	6350.84	5868.94
Profit available for appropriation	8205.22	6911.93
APPROPRIATIONS:		
Transferred to General Reserves	1000.00	105.00
Provision for Proposed Dividend	454.81	389.84
Provision for Tax on Proposed Dividend	73.78	66.25
Surplus balance c/f to Balance Sheet	6676.63	6350.84
	8205.22	6911.93

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 7/- per share of the face value of Rs.10/- each for the year ended 31st March, 2011 (Rs. 6/- per share for the previous year) subject to the Members' approval. The dividend payment amounts to Rs. 454.81 lacs. In addition Rs. 73.78 lacs is payable towards tax on dividend.

OPERATIONS

During the year under review, your Company has achieved Operational and Other Income of Rs. 27,734.66 lacs as against Operational and Other Income of Rs. 21,065.82 lacs during the previous year, registering an increase of about 31.66 % over the previous year. Profit after providing for taxes is Rs. 1,854.38 lacs as against Rs. 1,042.99 lacs during the previous year, registering an increase of about 77.79% over the previous year.

The Company has achieved production of 42144 tons for the year as compared to 33900 tons during the previous year. Your Company has sold 41858 tons for the year under review as compared to 32691 tons during the previous year.

EXPORTS

Exports during the year under review were Rs. 66.52 crores as against Rs. 49.01 crores in the previous financial year and contributed 24% to the net sales. Company exports to various countries around the globe with strong presence in Middle East, Africa & Europe.

DIRECTORS

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Dr. Yatish B. Vasudeo and Shri Anand S. Kabra, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible seeks re-appointment.

20th Annual Report 2010-11

The Board of Directors of the Company at its meeting held on 30th May, 2011 has approved the appointment of Shri S. V. Kabra as Chairman & Managing Director w.e.f. 1st January, 2012 and Shri Anand S. Kabra as Executive Director w.e.f. 1st August, 2011 for a period of 5 years subject to your approval. The Board at the said Meeting also has approved variation in terms of remuneration of Shri S. N. Kabra, Vice-Chairman & Managing Director for the remaining tenure of his appointment effective from 1st July, 2011 to 30th June 2013.

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, 2011, 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 the true and fair view of the state of affairs of the Company as at 31st March, 2011, 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;
- (iv) they have prepared the said accounts on a "going concern basis".

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with a Certificate of Compliance from the Auditors, forming part of this report.

The Board of Directors of the Company adopted the Code of Conduct and the same is posted on the Company's website. The Directors and Senior Management personnel have affirmed their compliance with the said code.

AUDITORS

Messrs. A. G. Ogale & Co., Chartered Accountants, Pune 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.

LISTING FEES

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for the financial year 2011-12 have been paid.

CUSTODIAN CHARGES

The Company confirms that the Custodian Charges due to National Securities Depository Ltd., and Central Depository Services (India) Ltd., have been paid for the financial year 2011-12 as applicable and payable as per the SEBI circular in this regard.

PARTICULARS OF EMPLOYEES

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 Rs. 5,00,000/- per month, hence no disclosure required to be made.

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 assistance and co-operation received from the Shareholders, Bankers, Government Authorities, Export Promotion Council, Other Semi Government Authorities, Stock Exchanges, Customers, Dealers, 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: 30th May, 2011

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:

- (a) **Energy Conservation Measures taken:** The Company has installed the state-of-the-art technology machines which are energy conservative.
- (b) **Additional Investments and proposals, if any, for reduction of consumption of energy:** None
- (c) **Impact of measures at (a) & (b) above:** With the sophisticated Plant & Machinery and on account of restructuring of machinery, the energy consumption for manufacturing Masterbatches has been reduced.

B. TECHNOLOGY ABSORPTION: None

Research and Development

The Company has in-house full-fledged Research & Development Department equipped with a wide range of lab machines, equipments, instruments and testing facilities that enables to deliver a broad spectrum of new & customized solution for tailor made product and formulations like bio-degradable masterbatches and masterbatches for BOPP Films, PP Yarns, Fibres etc. with excellent price benefit ratio. The Company also has technical experts with latest technical know-how & innovative abilities focusing on upgradation of the existing Masterbatches and development of new products. The manufacturing units are highly automatic and equipped with sophisticated laboratory facilities to conduct stringent tests.

We are proud to state that the In-house Research and Development facility of the Company has been registered with the Department of Scientific and Industrial Research and this is the first time any Company in masterbatch business that has this achievement.

During the year, the Company has spent Rs. 33.43 Lacs on Research & Product Development Initiatives.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2010-2011 (Rs. in Lacs)	2009-2010 (Rs. in Lacs)
Foreign Exchange Earned	5528.14	5170.50
Foreign Exchange Used	9863.17	5994.40

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

S. V. Kabra
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Masterbatches are a concentrated mixture of pigments or additives which allow the plastic processor to add certain qualities in their end products. They are omnipresent in all processes of plastics industry, including injection moulding, extrusion, rotational moulding, sheet, film, and blow moulding.

Masterbatch industry consists of organised and unorganized manufacturers. Plastiblends has been a leader in the organised sector, manufacturing various types of masterbatches and compounds which are one of the most essential ingredients for the plastic processing industry. Plastic processing industry is supported by polymer manufacturers, masterbatch manufacturers and machinery manufacturers to produce end products such as pipes and films which find wide application in industries such as Agriculture, Construction, Automobile, Packaging etc. Plastic is becoming one of the preferred materials in many industries due to their mechanical, physical and thermal properties.

Due to increasing consumption of plastics, plastic processing industry is expected to see a rise in demand of 12.5 million tons p.a. by the year 2013 which in turn will help masterbatch industry to grow. Internally, we estimate the demand from India to be 2, 28,000 MT p.a. The Indian market is pegged at Rs. 1,700 crores for masterbatches and Rs. 650 crores for filler masterbatches as per our internal estimates. In terms of volumes, this works out to 1,50,000 MT p.a. and 2,00,000 MT p.a. of demand, respectively.

II. BUSINESS OUTLOOK

The Company intends to continue its focus on new product development and improve on the product mix to maximize profit. The Company will be concentrating on masterbatches which are utilized in plastics supplied to white goods and automobile industry as Company anticipates huge potential in these sectors.

These growth areas will contribute to significant increase in demand in the plastic industry which will in turn help masterbatch industry to grow at a rate of around 20%. To cater to this growing market, Company has introduced many new and innovative products to suit customer requirements.

During the year under review Company's Research and Development facility at Daman has been granted with prestigious recognition of "In-house R & D unit" from Department of Scientific and Industrial Research (DSIR). This will enable Company to import sophisticated equipments without payment of customs duty for development of new products. It may also be noted that first time ever any Company manufacturing masterbatch in India has been awarded this recognition.

In order to increase its global reach and to showcase the Company's innovative products, the Company participated in National and International Exhibitions like Plastivision-2011, K-2010, Inter Plas - Thailand 2010 and Vietnam Plas - 2010. The response we have got is quite encouraging and it is helping the Company to tap new and unexplored domestic and international markets.

III. OPPORTUNITIES AND THREATS

Your Company has maintained its leadership position, in spite of intense competition and rising raw material prices due to its ability to adapt new technology, product innovation, a strong distribution and dealer network, identifying and meeting the customers' expectation in terms of high quality, prompt services & performance. The management expertise and their association with the plastic industry for last four decades have always been an added advantage to your Company.

The company intends focusing on new product development to increase its offerings to existing customers and also to tap demand from new customers. In view of rising demand and robust industry outlook, capacity additions will enable us to achieve organic growth and geographical coverage. We intend improving our product mix to enhance the contribution of color masterbatches which give better value and along with this, additive masterbatches will also be a high focus area.

The Company faces stiff competition from various domestic masterbatch manufacturers. Apart from that, there is a growing number of international masterbatch manufacturers who are setting up base in India. However, strong customer relationships, backing of the Kolsite group and company's focus on research and development should enable it to remain ahead in terms of competition.

IV. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company operates only in one segment which includes wide range of masterbatches, compounds, colours, plastic products etc.

V. RISK AND CONCERNS

The major risks which prevail in the industry are high fluctuations in the prices of raw materials, technology obsolescence and competition from global players. The company is constantly working on improving its productivity through implementation of technology, optimizing its manufacturing process and having efficient procurement and inventory management systems.

Foreseeable risks to the Company's assets are adequately covered by comprehensive insurance policies.

VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has a system of internal controls which is commensurate with the size and nature of operations. These controls ensure that all the assets are safeguarded and protected against loss from unauthorised use or disposition and that the transactions are authorised, recorded and reported diligently. There are well established policies and procedures in place across your Company.

VII. FINANCIAL HIGHLIGHTS WITH RESPECT TO OPERATIONAL PERFORMANCE

Particulars	(Rs. in Lacs)		
	F.Y. 2010-11	F.Y. 2009-10	% Change
Sales and Other Income	27734.66	21065.82	31.66
Net Profit after Interest, Depreciation and Tax	1854.38	1042.99	77.79

VIII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT INCLUDING NUMBER OF PEOPLE EMPLOYED

The overall industrial relations during the year under review were peaceful. Contribution and co-operation from all levels of employees was excellent and is reflected in the excellent financial performance of the Company.

Manpower as on 31st March, 2011 including Workers, Staff and Executives : 375

IX. CAUTIONARY STATEMENT

Estimation and expectation made in the Report may differ from actual performance due to various Economic Conditions, Government Policies and other related factors.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

S. V. Kabra
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt best practices that would ensure efficient conduct of the affairs of the Company to achieve its goals and maximise value for all its stakeholders.

2. BOARD OF DIRECTORS

A) Composition of Board of Directors

The present strength of the Board is Seven (7) Directors. The Board comprises of three (3) Executive and Four (4) Non-Executive Directors representing the optimum combination of professionalism, knowledge and business experience. The members of the Board are acknowledged as leading industrialist and professionals in their respective fields. The Board is headed by Shri S. V. Kabra, Executive Chairman.

The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions and constitute more than half of the total number of Directors.

B) Board Meeting

Four (4) Board Meetings were held during the financial year 2010-11 on 26th May, 2010, 26th July, 2010, 22nd October, 2010 and 3rd February, 2011.

The information as required under Annexure I to Clause 49 of the Listing Agreement was made available to the Board.

Details of Composition, Status, Attendance at the Board Meetings and the last Annual General Meeting, number of other directorship and other committee position held :

Sr. No.	Name of the Director	Position / Status	Attendance at		As on 31 st March, 2011		
			Board Meeting	Last AGM held on 06/08/10	Number of External Directorship held #	Number of Membership / Chairmanship in Board Committee across all the Company	
						Member	Chairman
1.	Shri S. V. Kabra \$	Executive Non Independent	04	Yes	07	02	-
2.	Shri S. N. Kabra \$	Executive Non Independent	04	Yes	07	-	-
3.	Shri A.S. Kabra €	Executive Non Independent	04	Yes	07	-	-
4.	Shri H. S. Sanwal	Non-Executive Independent	04	Yes	07	-	04 *
5.	Shri P.R. Singhvi	Non-Executive Independent	04	Yes	02	01	-
6.	Dr. Y. B. Vasudeo	Non-Executive Independent	04	Yes	02	-	-
7.	Shri S. K. Parab	Non-Executive Independent	04	Yes	01	01	-

\$ Shri S. V. Kabra and Shri S. N. Kabra are Promoters and also relatives within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

€ Shri A.S. Kabra is a relative of Shri S.V. Kabra within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

Includes directorship held in Private Limited Companies and Companies formed under Section 25 of the Companies Act, 1956.

* A Committee Member holding Chairmanship of the Audit and Shareholders Grievance Committee.

** No other Directors are related to each other within the meaning of Section 6 of the Companies Act, 1956 and Schedule I-A appended to the said Act.

None of the Director on the Board is a Member on more than ten (10) committees and a Chairman of more than five (5) committees across all the Companies in which they are Directors and the necessary disclosures in this regards have been made by them.

3. AUDIT COMMITTEE

Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended:

- Overseeing of the Company's financial reporting process and disclosure of financial information and financial/risk management policies.
- Review of Quarterly and Annual Financial Statements ensuring compliance with regulatory guidelines before submission to the Board of Directors.
- Review of the adequacy of Internal Control Systems and discussion on significant Internal Audit findings including internal control and weakness, if any.
- Recommend appointment, removal of statutory auditors & payment of fees to them and appointment of CFO/ Whole-Time Finance Director.
- Review Management Discussion & Analysis of financial condition and results of operation.
- Review areas of operation of internal audit team & their performance.
- Review the Statement of significant related party transaction.

Committee Composition:

The Committee comprises of three (3) Directors who are eminent professionals having expertise knowledge in the field of Finance, Accounts, Corporate Law and Business Management.

Name of Members	Status	Qualification	Position in Committee	Meetings Attended
Shri H. S .Sanwal	Non-Executive Independent	M.Com, L.L.M.,F.C.S.,F.C.I.S. (London), F.C.C.S. (London)	Chairman	04
Shri P. R. Singhvi	Non-Executive Independent	B.Com , L.L.B.	Member	04
Shri S. K. Parab	Non-Executive Independent	B.Com , CAIIB.	Member	04

Meeting and Attendance:

- The Audit Committee meetings were held four (4) times during the financial year 2010-11 on 26th May, 2010, 26th July, 2010, 22nd October, 2010 and 3rd February, 2011.
- The Chairman of the Audit Committee Shri H. S. Sanwal, was present at the Annual General Meeting held on 6th August, 2010 to answer the Shareholders' Queries.
- Quorum of the Committee is two (2) Independent Directors as Members.
- The internal auditor, head of finance and statutory auditors are permanent invitees at the meeting. The Company Secretary acts as a Secretary to the Committee.
- Minutes of each Audit Committee Meeting are placed before and discussed in the Board Meeting held subsequently.

4. REMUNERATION COMMITTEE, POLICY AND DETAILS OF REMUNERATION OF ALL THE DIRECTORS

Details of Remuneration to Directors

Non-Executive Directors were paid sitting fees of Rs. 10,000/- for each meeting of the Board, Audit Committee and Shareholders'/Investors' Grievances Committee thereof attended by them during the financial year 2010-2011.

Non-Executive Directors were not paid any remuneration except sitting fees. The Company has no Stock Option Scheme for any of its Directors. In view of above, the Board has not felt the need for a separate remuneration committee.

Details of remuneration paid to Shri S. V. Kabra and Shri S. N. Kabra, the Managing Directors and Shri Anand S. Kabra, Executive Director are as under:

(Amount in Rs.)

Name of the Director	Basic Salary	Contribution to P.F. & F.P.F.	Other Perquisites	Total
S. V. Kabra	14,40,000	1,08,000	1,38,788	16,86,788
S. N. Kabra	13,50,000	1,08,000	-	14,58,000
A. S. Kabra	38,40,000	2,88,000	3,60,000	44,88,000
Total	66,30,000	5,04,000	4,98,788	76,32,788

5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

Shareholders Grievance Committee specifically looks into redressing of Shareholders' and Investors' Complaints:

Chairman: Shri H. S. Sanwal

Compliance Officer: Ms. Phalguni H. Shah (upto 30-03-2011)

Mr. Himanshu S. Mhatre (w.e.f. 02-05-2011)

Terms of Reference:

- To look into the redressing of Shareholders and Investors complaints regarding non-receipt of shares sent for transfer, non-receipt of dividend warrants and Annual Reports etc.
- To review the share transfer process and status of transfers pending registration.

Details of Investor's correspondence received and disposed during the financial year 2010-2011 are as under:

Sr. No.	Nature of Correspondence	Received	Disposed
1.	Change of address & bank details	27	27
2.	Non-receipt, Correction & Revalidation of Dividend Warrants	114	114
3.	Loss of Share Certificates & Duplicate request	24	24
4.	Non Receipt of Annual Report	01	01
5.	Non- Receipt of Trasferred Share Certificate	01	01
	Total	167	167

Your Company is making all attempts to ensure that correspondences are expeditiously attended to the full satisfaction of the Shareholders. All valid share transfers have been processed in time and as on date no complaint of any of the above matter is pending.

6. GENERAL BODY MEETINGS

Particulars of last three (3) Annual General Meeting held are as follows:

Financial Year Ended	AGM Date	Venue	Time
31-03-2008	15-07-2008	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058	4:30 p.m.
31-03-2009	06-08-2009	-- do --	4:30 p.m.
31-03-2010	06-08-2010	-- do --	4:15 p.m.

Special Resolution u/s. 293 (1)(e) of the Companies Act, 1956 was passed in 18th Annual General Meeting of the Company held on 06/08/2009

Postal Ballot:

- No resolution was passed through postal ballot under the provision of Section 192A of the Companies Act, 1956, and the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.
- At the ensuing Annual General Meeting also, no resolution is proposed to be passed through postal ballot.
- The postal ballot exercise shall be conducted from time to time in terms of the provisions referred above in respect of matters where applicable.

7. DISCLOSURES

Disclosures regarding Materially Significant Related Party Transactions :

The Company has entered into contracts with concerns in which some of the Directors of the Company are deemed to be concerned / interested. However, these contracts are in the ordinary course of the Company's business. Directors have regularly made full disclosures to the Board of Directors regarding the nature of their interest in such concerns. Full particulars of the contract entered with such concerns in which Directors are directly or indirectly concerned or interested are recorded in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Meeting of Directors, for the noting and approval by the Board. Particulars of the Related Party Transactions have been disclosed in Note No. 9 of the accounts.

Disclosure regarding certain Non-Compliances related to Capital Markets

There are no penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

There were no instances of non-compliance of any matter related to the capital market during the last three (3) years.

8. MEANS OF COMMUNICATION

- Half yearly results are not sent to each shareholder as the same are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company are sent to the Stock Exchange immediately after they have been approved by the Board. Quarterly and Annual Results are published in the prominent newspapers and also uploaded on company's website www.plastiblendsindia.com
- As per the requirements of Clause 52 of the Listing Agreement, all the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded on www.corpfiling.co.in.
- Management Discussion and Analysis Report form the part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting –

Day, Date & Time	: Tuesday, 30 th August, 2011 at 4:15 p.m.
Venue	: Hotel Karl Residency, 36 Lallubhai Park Rd., Andheri (W), Mumbai - 400058
Date of Book Closure	: Tuesday, 23 rd August, 2011 to Tuesday, 30 th August, 2011 (both days inclusive)
Dividend Payment Date	: On or after 5 th September, 2011, but within the statutory time limit
Reporting of Unaudited / Audited Financial Results	: In respect of Financial Year 2011-2012 from 1st April, 2011 to 31st March, 2012
(a) First Quarter Results	: on or before 14 th August, 2011
(b) Second Quarter Results with half yearly results	: on or before 14 th November, 2011
(c) Third Quarter Results	: on or before 14 th February, 2012
(d) Fourth Quarter Results or Audited Results for the year ended 31 st March, 2012.	: on or before 15 th May, 2012 or Audited Results by 31 st May, 2012.
(e) Annual General Meeting (For the year 2011-2012)	: By July/August, 2012 for the Financial Year ending 31 st March, 2012.

LISTING ON STOCK EXCHANGE

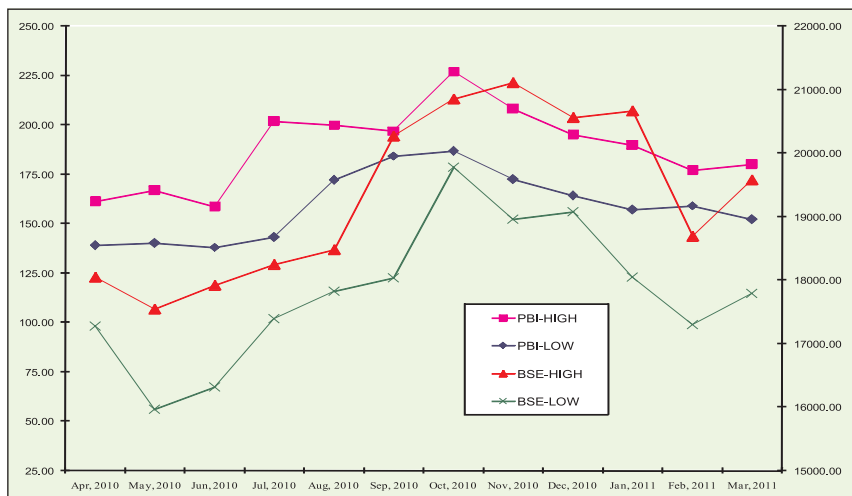
Name	Address	Stock Code
Bombay Stock Exchange Ltd.(BSE)	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001	523648
National Stock Exchange of India Ltd (NSE)	Exchange Plaza, Plot no. C/1, G- Block, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	PLASTIBLEN

Annual Listing Fees for the Financial Year 2011-2012 have been paid to the above Stock Exchanges.

Stock Market Data: Monthly High/Low price of the Equity Shares of the Company during the financial year 2010-2011 with the volume traded on BSE & NSE.

Month	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2010	161.00	139.05	42107	158.65	139.80	32775
May, 2010	166.85	140.10	25349	158.85	140.00	11165
June, 2010	158.40	138.00	22946	169.75	138.05	5361
July, 2010	201.60	143.00	466856	204.35	143.00	389236
August, 2010	200.00	172.00	327754	198.50	161.20	182542
September, 2010	197.00	184.15	268559	198.50	181.00	78141
October, 2010	227.00	186.60	180081	229.00	182.85	99451
November, 2010	207.95	172.25	41122	205.00	172.60	29349
December, 2010	194.95	164.05	30363	194.85	161.25	25960
January, 2011	189.60	157.00	14854	203.00	153.50	8588
February, 2011	177.00	159.00	39857	193.00	158.50	7323
March, 2011	179.95	152.00	46175	188.00	159.00	16417

Performance of share price of your Company in comparison to BSE Sensex for the Financial Year is presented in GRAPH



Share Transfer Agent/ Connectivity Agent :

Sharex Dynamic (India) Pvt. Ltd.

Unit 1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road,
Andheri (E), Mumbai -400072 Tel.:022-28515606, 28515644

Fax: 022-28512885 Email: sharexindia@vsnl.com

Share Transfer System :

All valid requests for share transfer have been processed and nothing is pending. Share Transfer Committee meets normally twice in a month or depending on volume of transfer. Share Certificates in physical mode are sent as statutorily provided.

Distribution of Shareholding as on 31st March, 2011

Number of Equity Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto- 500	6275	91.74	855300	13.16
501-1000	258	3.77	211209	3.25
1001-2000	128	1.87	193883	2.98
2001-3000	55	0.80	137365	2.11
3001-4000	24	0.35	83703	1.29
4001-5000	20	0.29	95819	1.47
5001-10000	32	0.47	264468	4.07
10001 & Above	48	0.70	4655553	71.65
TOTAL	6840	100.00	6497300	100.00

Category of Shareholders as on 31st March, 2011

Sr. No.	Category	Number of Shares	% of Shareholding	Number of Shareholders	% of Shareholders
1.	Promoters	3693171	56.84	16	0.23
2.	Public Financial Institutions, Banks & Insurance Companies	261690	4.03	04	0.06
3.	Private Corporate Bodies	235244	3.62	131	1.92
4.	NRIs / OCBs	133630	2.06	61	0.89
5.	Indian Public & Others	2173565	33.45	6628	96.90
	TOTAL	6497300	100.00	6840	100.00

Reconciliation of Share Capital Audit Report:

Secretarial Audit is carried out every quarter and the report thereon were placed before the Board of Directors and submitted to the Stock Exchanges. The audit inter-alia confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

Mode of Holding	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Physical	2571	37.59	555213	8.55
Electronic	4269	62.41	5942087	91.45
TOTAL	6840	100.00	6497300	100.00

Share held by Non-Executive Directors as on 31st March, 2011:

Sr. No.	Name of the Non-Executive Directors	No. of Shares held
1.	Shri H. S. Sanwal	100
2.	Shri S. K. Parab (held as Joint Holder)	500
3.	Shri P. R. Singhvi (held as Joint Holder)	886

Dr. Y. B. Vasudeo is not holding any Equity Shares of the Company.

- **Details of use of Public Funds obtained in last three years** : No funds have been raised from public in last three years.
- **Dematerialisation of Shares** : As on 31st March, 2011 **91.45%** shares have been dematerialised.
- **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, its date of conversion and likely impact on Equity** : There are no outstanding instruments and hence there will be no dilution of the equity.

Plants at:

Daman

Plot No.74/1,74/2,75/3 and 110/1,3,4,5 & 6
Daman Industrial Estate,
Kadaiya Village,
Daman – 396 210

Roorkee

Khasara No. 216, Village – Raipur,
Pargana : Bhagwanpur,
Tehsil : Roorkee, Dist. : Haridwar,
State : Uttarakhand – 247667

Information for Shareholders :

Details of Dividends paid & their respective due dates for transfer of unclaimed dividend to Investors Education & Protection Fund 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
30 th July, 2004	2003-2004	45%	September, 2011
30 th August, 2005	2004-2005	45%	October, 2012
11 th August, 2006	2005-2006	65%	September, 2013
17 th August, 2007	2006-2007	65%	September, 2014
15 th July, 2008	2007-2008	70%	August, 2015
06 th August, 2009	2008-2009	70%	September, 2016
06 th August, 2010	2009-2010	60%	September, 2017

Address for Correspondence :

- Shareholders holding shares in physical mode are requested to lodge share transfer, transmission and intimate changes, if any, in their registered address, bank account and mandate details, residential status etc. quoting their folio number/(s) to Company's Share Transfer Agent at **Sharex Dynamic (India) Pvt. Ltd.**, Unit 1, Luthra Ind. Premises, Safed Pool, Andheri – Kurla Road, Andheri (East), Mumbai – 400 072.
- Queries on Annual Report and Dividend be addressed to Secretarial Department, **Plastiblends India Limited**, 30, Shah Indl. Estate, Kolsite House, 2nd Floor, Off. Veera Desai Road, Andheri (West), Mumbai-400 053.
- **Designated email id for investors** : pbi_sd@kolsitegroup.com
- **Company Identification Number** : L25200MH1991PLC059943 and **ISIN**: INE083C01014
- **COMPLIANCE :**

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors to be appointed constitute a detailed Compliance Report on Corporate Governance.

The Company has complied with mandatory requirements of Corporate Governance. The Board would review implementation of non-mandatory requirements.

Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

S. V. Kabra
Chairman & Managing Director

Declaration on Compliance of the Company's Code of Conduct:

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnel's of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

For and on behalf of the Board

Place: Mumbai
Date: 30th May, 2011

S. V. Kabra
Chairman & Managing Director

Brief Resume of Directors proposed to be re-appointed / appointed

Name	Dr. Yatish Bhupendra Vasudeo	Shri Anand S. Kabra	Shri Shreevallabh Gopilal Kabra
Age	59 Years	36 Years	74 Years
Qualification	M. Sc., Ph. D., L.P.R.I (London)	B.E. (Mechanical) MBA-FMB	B.A. (Hons)
Experience	<ul style="list-style-type: none"> Over 25 years in Plastic Industry 	<ul style="list-style-type: none"> Over 12 years in business and industry 	<ul style="list-style-type: none"> Over 40 years in business and industry Promoter of Kolsite Group of Companies
Nature of Expertise	<ul style="list-style-type: none"> Broad experience in Thermosets and Thermoplastics Research & Development including Filled & Reinforced compounds, Speciality Masterbatches, Quality Control, Application development & Technical Services. 	<ul style="list-style-type: none"> Management and Control of Business Expertise in Strategy, Growth, Procurement & Information Technology. 	<ul style="list-style-type: none"> Management and Control of business and industrial houses
Names of Other Companies in which holds Directorship	<ul style="list-style-type: none"> By Innovations Consultancy India Pvt. Ltd. Panoramic Investment Advisors Pvt. Ltd. 	<ul style="list-style-type: none"> Kabra Extrusiontechnik Ltd. Smartech Global Solutions Ltd. Wonderworld Resorts Ltd. Kolsite Maschine Fabrik Pvt. Ltd. Kabra Gloucester Engineering Ltd. Ganges Urethane Pvt. Ltd. Gloucester Engineering Co. Inc. USA 	<ul style="list-style-type: none"> Kabra Extrusiontechnik Ltd. Smartech Global Solutions Ltd. Wonderworld Resorts Ltd. Kolsite Maschine Fabrik Pvt. Ltd. Mahashree Plastic Industries Pvt. Ltd. Kabra Gloucester Engineering Ltd. Ganges Urethane Pvt. Ltd.
Name of the other Companies in which holds committee position	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Kabra Extrusiontechnik Ltd.

AUDITORS CERTIFICATE

To,

The Members

Plastiblends India Limited

We have examined the compliance of conditions of Corporate Governance by Plastiblends India Limited, for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee. We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.G. Ogale & Co.
Chartered Accountants
Firm Registration No. : 114115W**

Place : Mumbai
Date : 30th May, 2011

**A. G. Ogale
(Partner)
Membership No. 34540**

AUDITOR'S REPORT

To,
The Members
Plastiblends India Limited
Mumbai

We have audited the attached Balance Sheet of **Plastiblends India Ltd.** as at 31st March, 2011 and also the Profit & Loss Account of the Company for year ended on that date annexed thereto and also Cash Flow Statement for the year ended on that date. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our Audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion

1. As required by Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in 1 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of Audit.
 - b) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as it appears from our examination of the Books of the Company.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the Directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with read together with notes thereon, give the information required under the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date; and
 - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended as on that date.

For A.G. Ogale & Co.
Chartered Accountants
Firm Registration No. : 114115W

Place : Mumbai
Date : 30th May, 2011

A. G. Ogale
(Partner)
Membership No. 34540

ANNEXURE TO THE AUDITORS' REPORT

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed Assets is reasonable.
(c) No substantial amount of Fixed Assets of the company has been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate, considering the size of the company and the nature of its business.
(c) The company has maintained proper records of inventories. As explained to us the discrepancies noticed on verification between physical stocks & book stocks were not material & the same have been properly dealt with in books of accounts.
- (iii) (a) The company has taken loan from nine parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was Rs. 870.20 lacs and the year-end balance was Rs.1506.85 lacs. The maximum balance outstanding was Rs. 1873.90 lacs.

The company has not granted any inter corporate deposits to any company covered in the register maintained under section 301 of Companies Act, 1956.

- (b) In our opinion, the rate of interest and other terms and conditions on which loans/inter corporate deposits have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed asset and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each party during the year are either have been made at prices which are reasonable having regard to prevailing market prices at the relevant time or the prices at which transactions for similar goods or services have been made with other parties or as compared to the prices quoted by others, or such comparisons could not be made since there are no other suppliers of similar items.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the company.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax /VAT, wealth tax, custom duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of statutory dues which have remained outstanding as at 31st March 2011 for a period of more than six months from the date they became payable.
(b) As set out in note no. 3 of schedule 19, dues of service tax & excise duty have not been deposited on account of various disputes.
- (x) There are no accumulated losses of the company. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information & explanations given to us, term loans were applied for the purpose for which loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term Investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us during the period covered by audit report, the company had not issued debentures.
- (xx) The company has not made public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

For A.G. Ogale & Co.
Chartered Accountants
Firm Registration No. : 114115W

Place : Mumbai
Date : 30th May, 2011

A. G. Ogale
(Partner)
Membership No. 34540

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	As At 31.03.2011 (Rupees)	As At 31.03.2010 (Rupees)
SOURCES OF FUNDS			
SHAREHOLDERS FUNDS			
Share Capital	1	6,49,73,000	6,49,73,000
Reserves & Surplus	2	88,82,47,078	75,56,68,424
LOAN FUNDS			
Secured Loans	3	32,35,97,765	18,64,02,175
Unsecured Loans	4	15,06,85,000	10,39,40,000
DEFERRED TAX ADJUSTMENTS			
	5	4,12,36,574	3,73,71,085
		<u>146,87,39,417</u>	<u>114,83,54,684</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	6	83,06,01,073	75,59,88,728
Less: Depreciation		24,78,14,580	21,13,74,854
Net Block		<u>58,27,86,493</u>	<u>54,46,13,874</u>
Capital Work In Progress		51,16,376	4,24,23,987
		<u>58,79,02,869</u>	<u>58,70,37,861</u>
INVESTMENTS			
	7	3,98,73,847	5,85,55,163
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	8	55,05,63,966	35,44,75,603
Sundry Debtors	9	52,63,10,275	34,07,11,310
Cash & Bank Balance	10	93,79,562	1,21,96,321
Other Current Assets	11	67,90,355	37,53,796
Loans & Advances	12	10,35,78,850	4,78,01,101
		<u>119,66,23,008</u>	<u>75,89,38,131</u>
LESS: CURRENT LIABILITIES & PROVISIONS			
	13	35,56,60,307	25,61,76,471
NET CURRENT ASSETS			
		<u>84,09,62,701</u>	<u>50,27,61,660</u>
		<u>146,87,39,417</u>	<u>114,83,54,684</u>
NOTES TO ACCOUNTS			
	19		

As per our report of even date

For and on behalf of the Board

For **A. G. OGALE & CO.**,
Chartered Accountants
Firm Registration No. : 114115W

A. G. OGALE
(Partner)
Membership No. 34540

Place : Mumbai
Date : 30th May, 2011

S. V. KABRA
(Chairman & Mg. Director) **S. N. KABRA**
(Vice Chairman & Mg. Director)

A. S. KABRA
(Executive Director) **H. S. SANWAL**
(Director)

H. S. MHATRE **P. R. SINGHVI** **Y.B. VASUDEO**
(Company Secretary) (Director) (Director)

Place : Mumbai
Date : 30th May, 2011

S. K. PARAB
(Director)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE	Year Ended 31.03.2011 (Rupees)	Year Ended 31.03.2010 (Rupees)
INCOME			
Gross Sales		299,92,33,003	225,21,48,493
Less : Excise Duty / Taxes		22,99,63,152	14,92,80,953
Net Sales		276,92,69,851	210,28,67,540
Other Income	14	41,96,367	37,14,911
Increase/(Decrease) in Stocks	15	6,12,50,849	5,84,72,883
		<u>283,47,17,067</u>	<u>216,50,55,334</u>
EXPENDITURE			
Material Cost	16	201,07,18,346	156,42,63,598
Employee Cost	17	8,28,88,020	5,79,89,622
Manufacturing & Other Expenses	18	43,81,30,050	34,11,55,340
Interest		3,04,23,756	2,37,59,326
Depreciation	6	3,65,28,847	3,44,90,810
		<u>259,86,89,019</u>	<u>202,16,58,696</u>
PROFIT BEFORE TAX		23,60,28,048	14,33,96,638
Less : Provision for Tax		5,10,00,000	3,60,00,000
Provision for Deferred Tax		38,65,489	38,11,822
PROFIT AFTER TAX		18,11,62,559	10,35,84,816
Add : Balance Brought Forward		63,50,83,868	58,68,94,210
Provision no Longer Required		42,75,366	7,13,939
AMOUNT AVAILABLE FOR APPROPRIATIONS		82,05,21,793	69,11,92,965
APPROPRIATIONS			
Transfer to General Reserves		10,00,00,000	1,05,00,000
Proposed Dividend		4,54,81,100	3,89,83,800
Provision for Tax on Dividend		73,78,171	66,25,297
Balance Carried Forward		66,76,62,522	63,50,83,868
		<u>82,05,21,793</u>	<u>69,11,92,965</u>
Earning Per Share (Basic / Diluted)		28.54	16.05
NOTES TO ACCOUNTS	19		

As per our report of even date

For and on behalf of the Board

For **A. G. OGALE & CO.,**
Chartered Accountants
Firm Registration No. : 114115W

S. V. KABRA
(Chairman & Mg. Director) **S. N. KABRA**
(Vice Chairman & Mg. Director)

A. G. OGALE
(Partner)
Membership No. 34540

A. S. KABRA
(Executive Director) **H. S. SANWAL**
(Director)

H. S. MHATRE **P. R. SINGHVI** **Y.B. VASUDEO**
(Company Secretary) (Director) (Director)

Place : Mumbai
Date : 30th May, 2011

Place : Mumbai
Date : 30th May, 2011

S. K. PARAB
(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	31.03.2011 (Rupees)	31.03.2010 (Rupees)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	23,60,28,048	14,33,96,638
Less : Provision For Income Tax	4,67,24,634	3,52,86,061
Surplus on sale of Investments	23,34,684	-
Dividend Received	17,46,701	36,78,505
Add : Adjustment for	18,52,22,029	10,44,32,072
i) Depreciation	3,65,28,847	3,44,90,810
ii) Loss on Sale of Assets	36,948	(8,000)
iii) Interest Paid	3,04,23,756	2,37,59,326
Net cash from Operation	25,22,11,580	16,26,74,208
Less : Adjustment for Working Capital Charge		
i) Inventory	19,60,88,363	10,84,66,839
ii) Sundry Debtors	18,55,98,965	11,77,26,569
iii) Other Current Assets, Loans and Advances	5,70,64,730	(73,27,910)
	43,87,52,058	21,88,65,498
Less : Trade Payable & Provisions	9,42,47,332	1,94,81,582
	34,45,04,726	19,93,83,916
	(9,22,93,146)	(3,67,09,708)
Less : Interest Paid	3,04,23,756	2,37,59,326
Income Tax Paid	39,57,100	18,17,542
	(12,66,74,002)	(6,22,86,576)
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Assets	1,74,223	8,000
Dividend Received	17,46,701	36,78,505
Sale Of Investments	2,10,16,000	21,00,000
	2,29,36,924	57,86,505
Less : i) Purchase of Fixed Assets including Capital W.I.P.	3,76,05,024	5,50,86,904
ii) Investment Made	-	1,50,00,000
	3,76,05,024	7,00,86,904
	(1,46,68,100)	(6,43,00,399)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from :		
I C D Taken	5,45,50,000	6,95,00,000
Secured Loans	13,71,95,590	13,93,68,543
Fixed Deposits Received	3,24,70,000	10,35,15,000
	22,42,15,590	31,23,83,543
Less : I C D Repaid	40,00,000	4,18,25,000
Repayment of Fixed Deposits	3,62,75,000	8,80,15,000
Dividend Paid	4,54,15,247	5,28,60,396
	8,56,90,247	18,27,00,396
	13,85,25,343	12,96,83,147
(D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS	(A+B+C)	30,96,172
(E) CASH & CASH EQUIVALENTS		
Opening Balance as on 01.04.2010	1,21,96,321	91,00,149
Closing Balance as on 31.03.2011	93,79,562	1,21,96,321
	(28,16,759)	30,96,172

As per our report of even date

For and on behalf of the Board

For **A. G. OGALE & CO.**,
Chartered Accountants
Firm Registration No. : 114115W

A. G. OGALE
(Partner)
Membership No. 34540

H. S. MHATRE
(Company Secretary)

S. V. KABRA
(Chairman & Mg. Director)

A. S. KABRA
(Executive Director)

P. R. SINGHVI
(Director)

Place : Mumbai
Date : 30th May, 2011

S. N. KABRA
(Vice Chairman & Mg. Director)

H. S. SANWAL
(Director)

Y.B. VASUDEO
(Director)

S. K. PARAB
(Director)

Place : Mumbai
Date : 30th May, 2011

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011
AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SCHEDULE 1 : SHARE CAPITAL		
Authorised Capital		
10000000 Equity Shares of Rs 10 each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed and paid-up		
6497300 Equity Shares of Rs 10 each	<u>6,49,73,000</u>	<u>6,49,73,000</u>
	<u>6,49,73,000</u>	<u>6,49,73,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
General Reserves		
Opening Balance	12,05,62,056	11,00,62,056
Add : Transferred from Profit & Loss Account	10,00,00,000	1,05,00,000
	<u>22,05,62,056</u>	<u>12,05,62,056</u>
Capital Reserves		
Profit & Loss Account	22,500	22,500
	<u>66,76,62,522</u>	<u>63,50,83,868</u>
	<u>88,82,47,078</u>	<u>75,56,68,424</u>
SCHEDULE 3 : SECURED LOANS		
WORKING CAPITAL FROM BANKS		
<i>(Secured by hypothecation of stocks & book debts both present & future of the company and collaterally secured by charges on fixed assets of the Company ranking pari-passu in favour of State Bank of India & HDFC Bank Ltd.)</i>	22,32,34,323	18,64,02,175
<i>(Secured by hypothecation of stocks & book debts both present & future of the company in favour of DBS Bank Ltd.)</i>	10,03,63,442	-
	<u>32,35,97,765</u>	<u>18,64,02,175</u>
SCHEDULE 4 : UNSECURED LOANS		
Inter Corporate Deposit	7,82,25,000	2,76,75,000
Fixed Deposits	7,24,60,000	7,62,65,000
	<u>15,06,85,000</u>	<u>10,39,40,000</u>
SCHEDULE 5 : DEFERRED TAX ADJUSTMENTS		
Deferred Tax Liability (Previous Year)	3,73,71,085	3,35,59,263
Add : Deferred Tax Liability (Current Year)	38,65,489	38,11,822
	<u>4,12,36,574</u>	<u>3,73,71,085</u>

SCHEDULE 6 : FIXED ASSETS

Description of Assets	As At 01.04.2010	Gross Block			Depreciation				Net Block	
		Additions During The Year	Deduction During The Year	As At 31.03.2011	Up To 01.04.2010	For The Year	Deduction	Up To 31.03.2011	As At 31.03.2011	As At 31.03.2010
LAND	2,59,01,191	-	-	2,59,01,191	-	-	-	-	2,59,01,191	2,59,01,191
BUILDING	15,65,20,429	4,07,53,458	-	19,72,73,887	2,62,01,618	57,97,628	-	3,19,99,246	16,52,74,641	13,03,18,812
PLANT & MACHINERY	50,35,70,103	3,54,73,201	78,71,751	53,11,71,553	15,79,36,048	2,63,45,982	51,477	18,42,30,553	34,69,41,000	35,59,05,112
R&D EQUIPMENT	1,31,66,712	-	-	1,31,66,712	28,95,654	6,25,420	-	35,21,074	96,45,638	-
FURNITURE & FIXTURE	1,45,63,592	4,89,452	-	1,50,53,044	67,54,358	6,25,449	-	73,79,807	76,73,237	71,02,164
VEHICLES	1,00,88,811	5,47,126	40,290	1,05,95,647	40,41,709	9,92,304	37,642	49,96,371	55,99,276	60,47,102
ELECTRICAL FITTINGS	1,42,80,020	36,14,205	-	1,78,94,225	43,63,973	7,87,445	-	51,51,418	1,27,42,807	99,16,047
OFFICE EQUIPMENTS	1,78,97,867	16,46,947	-	1,95,44,814	91,81,492	13,54,619	-	1,05,36,111	90,08,703	94,23,446
SUB TOTAL	75,59,88,725	8,25,24,389	79,12,041	83,06,01,073	21,13,74,852	3,65,28,847	89,119	24,78,14,580	58,27,86,493	54,46,13,873
CAPITAL WIP	4,24,23,987	4,52,16,778	8,25,24,389	51,16,376	-	-	-	-	51,16,376	4,24,23,987
TOTAL	79,84,12,712	12,77,41,167	9,04,36,430	83,57,17,449	21,13,74,852	3,65,28,847	89,119	24,78,14,580	58,79,02,869	58,70,37,861
TOTAL PREVIOUS YEAR	74,40,32,883	10,48,99,594	5,05,19,762	79,84,12,715	17,76,15,315	3,44,90,810	7,31,271	21,13,74,854	58,70,37,861	56,64,41,768

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SCHEDULE 7 : INVESTMENTS		
TRADE INVESTMENTS		
OTHER INVESTMENTS		
A. Government Securities		
B. Investments in Shares, Debentures, Units or Bonds		
i) Quoted Investments fully paid up (Valued at Cost)		
a) 827372 Equity Shares of Rs. 5/- each of M/s Kabra Extrusiontechnik Ltd. (Previous year 206843 Equity Shares of Rs. 10/- each. 413686 Equity Shares of Rs. 5/- each were allotted as Bonus after sub-division)	46,90,537	46,90,537
b) 100000 Units of Morgan Stanley Growth Fund	-	36,81,316
c) 12450 Equity Shares of Rs. 10/- each of State Bank of Travancore	23,23,332	23,23,332
	<u>70,13,869</u>	<u>1,06,95,185</u>
ii) Unquoted Investments fully paid up (Valued at Cost)		
a) Urban Infrastructure Opportunity Fund -Growth plan 300 Units of Rs 99933.26 each.	2,99,79,978	2,99,79,978
iii) Unquoted Investments partly paid up (Valued at Cost)		
a) Urban Infrastructure Opportunity Fund -Growth plan 120 Units of Rs. 1,20,000/- each. Amount Paid-up Rs. 24,000/- each.	28,80,000	28,80,000
iv) Term Deposit with State Bank of India, IFB Mumbai	-	1,50,00,000
	<u>3,28,59,978</u>	<u>4,78,59,978</u>
	<u>3,98,73,847</u>	<u>5,85,55,163</u>
AGGREGATE BOOK VALUE OF INVESTMENTS		
Quoted (Market Value Rs. 5,84,99,526/- (P.Y. Rs. 6,10,40,840/-)	70,13,869	1,06,95,185
Unquoted	3,28,59,978	4,78,59,978
	<u>3,98,73,847</u>	<u>5,85,55,163</u>
SCHEDULE 8 : INVENTORIES		
(As Valued & Certified by the Management)		
Raw Materials	30,68,46,192	17,29,89,502
Packing Materials	31,23,552	21,42,728
Stock in Process	4,57,79,648	2,50,23,120
Finished Goods	19,48,14,574	15,43,20,253
	<u>55,05,63,966</u>	<u>35,44,75,603</u>
SCHEDULE 9 : SUNDRY DEBTORS		
(Unsecured & Considered Good)		
Debts over six months (Including Rs. NIL (P.Y. Rs. NIL) due from concerns in which Directors are interested)	2,69,31,692	1,52,79,453
Other Debts (Including Rs. 1,29,315/- (P.Y. Rs. 25,143/-) due from concerns in which Directors are interested)	49,93,78,583	32,54,31,857
	<u>52,63,10,275</u>	<u>34,07,11,310</u>

	As at 31.03.2011 (Rupees)	As at 31.03.2010 (Rupees)
SCHEDULE 10 : CASH & BANK BALANCES		
Cash On Hand	1,72,029	2,10,149
With Scheduled Banks		
- In Current accounts	46,80,566	64,82,766
- In Margin accounts	45,26,967	55,03,406
	<u>92,07,533</u>	<u>1,19,86,172</u>
	<u>93,79,562</u>	<u>1,21,96,321</u>
SCHEDULE 11 : OTHER CURRENT ASSETS		
Others	<u>67,90,355</u>	<u>37,53,795</u>
	<u>67,90,355</u>	<u>37,53,796</u>
SCHEDULE 12 : LOANS AND ADVANCES (Unsecured & Considered good)		
Advance recoverable in cash or in kind	17,14,906	10,65,432
Advance Tax & TDS (Net of provision)	17,49,580	-
Deposits	22,27,444	22,02,943
Advances to Suppliers	5,05,05,319	1,90,29,867
Balance with Excise	4,33,26,584	2,31,37,157
Prepaid Expenses	40,55,017	23,65,702
	<u>10,35,78,850</u>	<u>4,78,01,101</u>
SCHEDULE 13 : CURRENT LIABILITIES		
Sundry creditors	13,04,12,189	8,60,72,123
Provisions	8,02,39,176	4,21,17,625
Other liabilities	8,82,77,316	7,64,91,601
Unclaimed Dividend	38,72,355	36,78,505
Proposed Dividend	4,54,81,100	3,89,83,800
Provision for Tax on Dividend	73,78,171	66,25,297
Tax Liability (Net of Advance Tax)	-	22,07,520
	<u>35,56,60,307</u>	<u>25,61,76,471</u>
	<u>35,56,60,307</u>	<u>25,61,76,471</u>
	Year Ended 31.03.2011 (Rupees)	Year Ended 31.03.2010 (Rupees)
SCHEDULE 14 : OTHER INCOME		
Rent Received [TDS Rs. 36,000/- (P.Y. Rs 58,788)]	360,000	3,60,000
Dividend Received	17,46,701	14,02,908
Profit on Redemption / Sale of Investments	23,34,684	-
Exchange Fluctuation	(3,06,001)	-
Others	60,983	19,52,003
	<u>41,96,367</u>	<u>37,14,911</u>
SCHEDULE 15 : INCREASE/(DECREASE) IN STOCKS		
STOCKS AT CLOSE		
Finished Goods	19,48,14,574	15,43,20,253
Stocks-in-Process	4,57,79,648	2,50,23,120
	<u>24,05,94,222</u>	<u>17,93,43,373</u>
LESS : STOCKS AT BEGINNING		
Finished Goods	15,43,20,253	7,89,72,798
Stocks-in-Process	2,50,23,120	4,18,97,692
	<u>17,93,43,373</u>	<u>12,08,70,490</u>
	<u>6,12,50,849</u>	<u>5,84,72,883</u>

	Year Ended 31.03.2011 (Rupees)	Year Ended 31.03.2010 (Rupees)
SCHEDULE 16 : MATERIAL COST		
RAW MATERIAL CONSUMED		
Opening Stocks	17,29,89,502	12,34,05,793
Add : Purchases	211,60,49,857	159,15,05,353
Less : Closing Stocks	30,68,46,192	17,29,89,502
	<u>198,21,93,167</u>	<u>154,19,21,644</u>
PACKING MATERIAL CONSUMED		
Opening Stocks	21,42,728	17,32,481
Add : Purchases	2,95,06,003	2,27,52,201
Less : Closing Stocks	31,23,552	21,42,728
	<u>2,85,25,179</u>	<u>2,23,41,954</u>
	<u>201,07,18,346</u>	<u>156,42,63,598</u>
SCHEDULE 17 : EMPLOYEE COST		
Salaries, Wages, Bonus and Allowances	5,83,92,615	4,56,83,514
Contribution to Provident Fund and Other Funds	1,63,42,469	59,55,900
Welfare Expenses	81,52,936	63,50,208
	<u>8,28,88,020</u>	<u>5,79,89,622</u>
SCHEDULE 18 : MANUFACTURING & OTHER EXPENSES		
Stores & Spares Consumed	2,95,51,419	2,66,59,750
Power & Fuel	6,81,03,776	5,89,11,152
Repairs to :		
Buildings	14,87,760	5,11,342
Plant & Machinery	52,64,427	30,68,035
Others	21,56,706	16,34,619
	<u>89,08,893</u>	<u>52,13,996</u>
Insurance	41,56,717	38,34,391
Rent	1,18,60,556	1,12,92,880
Travelling expenses		
Directors	14,62,377	9,84,613
Others	74,40,876	52,17,309
	<u>89,03,253</u>	<u>62,01,922</u>
Postage, Telephone etc.	24,37,509	22,93,593
Commission on Sales	15,77,96,165	10,26,19,292
Discount on Sales	6,36,44,619	5,26,61,231
Carraige Outward	3,75,70,236	2,49,12,418
Payments to Auditors	1,74,330	1,77,500
Advertisements	2,83,394	7,11,025
Bad Debts	8,42,441	-
Rates & Taxes	1,72,661	1,98,894
Loss on Sale of Asset	36,948	(8,000)
Legal & Professional Charges	58,43,288	75,11,247
Factory Expenses	41,52,617	37,13,516
Exchange Fluctuation	(94,97,197)	(29,03,640)
Clearing Charges on Export	1,04,81,277	1,43,20,942
Research & Development Expenses	33,42,975	-
Miscellaneous Expenses	2,93,64,173	2,28,33,231
	<u>43,81,30,050</u>	<u>34,11,55,340</u>

SCHEDULE - 19

NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

1. Significant Accounting Policies

A. Basis of Accounting

The financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles under the historical cost convention.

B. Fixed Assets, Depreciation

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Borrowing cost attributable to acquisition and installation of fixed assets are capitalised and included in cost of fixed assets.

Depreciation on fixed assets is computed on the straight-line method at rates prescribed under Schedule XIV of the Companies Act, 1956. From the current financial year 2010-11, individual assets valuing for less than Rs. 5,000/- are entirely depreciated in the year of acquisition.

C. Investments

Long term investments are carried at cost less any permanent diminution in value (if any), determined separately for each individual investment.

D. Current Assets:

a. Inventories

Raw Material, Finished Goods and Work in progress are valued on FIFO basis, at cost or market value whichever is less, and is net of CENVAT & VAT (Finished goods are valued at cost or market value, whichever is less & is inclusive of Central excise duty thereon). Cost includes cost of conversion and other costs incurred in bringing the inventories at their present location and condition. Cost of conversion for the purpose of valuation of WIP and finished goods includes fixed and variable production overheads incurred in converting the material into their present condition and location.

b. **Sundry Debtors, Loans & Advances** are stated after making adequate provisions for doubtful debts, if any.

E. Revenue Recognition

Revenue comprises sale of Masterbatches, Strapping, Labour Charges, Traded items, interest and dividend. Revenue in respect of sale of goods is recognised at the time of despatch of goods from factory. Revenue is disclosed exclusive of sales tax, service tax, VAT or other taxes, as applicable.

Income from Investment

- i) Dividend income is recognized when the Company's right to receive dividend is established.
- ii) Interest is accrued over the period of investment.

F. Foreign Currency Transactions

Transactions in foreign currencies are normally recorded at the exchange rate prevailing on the date on which transaction occurred. Outstanding balances of foreign currency monetary items are reported using the period end rates. Exchange differences arising as a result of the above are recognised as income or expense in the Profit and Loss Account except the following.

In pursuance to Notification No G.S.R 225 (E) 31.03.2009 issued by the Ministry of Corporate Affairs for amending Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates", the Company has opted the option of capitalising Foreign Exchange gain/loss on long term foreign currency monetary assets.

G. Payments & Benefits to Employees

- (a) Short term employee benefits are recognized as an expense in the Profit and Loss Account of the year in which the employee has rendered services.
- (b) Post employment and other long term benefits are recognised as an expense in the Profit and Loss Account of the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.

H. Operating Lease

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged off to the Profit and Loss Account as incurred.

I. Tax Expense

Current tax is measured after taking into consideration, the deductions and exemptions admissible under the provisions of the Income Tax Act, 1961.

Deferred tax is accounted for by computing the tax effect of timing differences which arise between book profits and tax profits and is accounted for at current rates of tax. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J. Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires outflow of resources, which can be reliably estimated. Contingent liabilities are not recognised but are disclosed in notes.

2. Capital Commitments:

Estimated Amount of contracts remaining to be executed on capital account & not provided for is Rs 45,60,675/- (Previous year Rs 1,35,27,571/-)

3. Contingent Liabilities not provided for:

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Bank guarantees	77,56,000	67,20,000
Letter of Credit	6,58,50,158	64,09,383
Fixed deposits shown under the head cash and bank balances include deposits pledged with the banks as margins to secure letters of credit and guarantees issued by banks	45,26,967	55,03,406
Net amount	6,90,79,191	76,25,977
Bills Discounting	13,36,27,920	7,26,49,476
Uncalled Amount On Investments	1,15,20,000	1,15,20,000
Disputed income tax demand	24,95,000	24,95,000
Service Tax matter under dispute	3,94,22,628	3,11,31,665

4. Managerial Remuneration

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Salary and allowances	66,30,000	66,30,000
Company's contribution to Provident & other funds	5,04,000	5,04,000
Value of Perquisites	4,98,788	3,61,857
	76,32,788	74,95,857

5. Amount Due to Small, Medium and Micro enterprises:

Company is in process of inviting information from its vendors for their status under "The Small, Medium and Micro Enterprises Development Act 2006", however in absence of any information, no disclosures have been made in this regard.

6. Additional Information Pursuant to the Provisions of Paragraphs 3 and 4 of Part II of Schedule VI to the Companies Act, 1956:

(A) Information in respect of capacity and class of goods manufactured (in Tons):

	Licensed		Installed Capacity		Actual Production	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Masterbatches	N.A.	N.A.	52,000	43,000	42,144	33,900

(B) Details of Opening Stock, Sales & Closing stock of Masterbatches

Particulars	Current Year		Previous Year	
	Qty (Tons)	Value (Rs.)	Qty (Tons)	Value (Rs.)
Opening Stock	2389	15,43,20,253	1273	7,89,72,798
Sales	41858	276,90,72,601	32691	210,14,44,912
Trading Sales	-	1,97,250	-	14,22,628
Closing Stock	2576	19,48,14,574	2389	15,43,20,253

(C) Details of Raw materials consumed

Particulars	Current Year		Previous Year	
	Qty (Tons)	Value (Rs.)	Qty (Tons)	Value (Rs.)
Polymer	14729	100,43,79,546	11593	76,11,55,497
Titanium Dioxide	3106	34,20,36,594	2684	27,08,28,075
Pigment	2966	27,97,66,257	2097	21,42,52,820
Others	21471	35,60,10,770	17387	29,56,85,252
	42272	198,21,93,167	33761	154,19,21,644

(D) Value of Imported & Indigenous raw materials consumed (including components)

Particulars	Current Year		Previous Year	
	Value (Rs.)	%	Value (Rs.)	%
Imported (Including custom duty)	97,63,99,295	49.25	59,74,11,447	38.74
Indigenous	100,57,93,872	50.75	94,45,10,197	61.26
	198,21,93,167	100.00	154,19,21,644	100.00

(E) CIF Value of Imports:

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Purchase of Raw Material	96,93,45,553	59,16,59,705

(F) Earnings in Foreign Currency:

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
FOB Value of Exports	55,28,13,940	51,70,50,354

(G) Expenditure in Foreign Currency:

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Directors travelling expenses	3,99,196	2,02,160
Other travelling expenses	14,00,362	14,06,154
Commission	1,43,14,784	55,26,080
Bank charges on export	8,57,591	6,45,692
	1,69,71,933	77,80,086

(H) Remittance in foreign currency on account of dividend to non-resident shareholders

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
No. of shareholders	1	1
No. of shares on which dividend is paid	114900	114900
Year to which dividend relates	31.03.2010	31.03.2009
Amount of Dividend	6,89,400	8,04,300

(I) Auditor's Remuneration: (Net of Service Tax):

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Audit Fees	80,000	80,000
Tax Audit Fees	20,000	20,000
Other Services	50,000	55,000
Reimbursement of out of pocket expenses	24,330	22,500
	1,74,330	1,77,500

7. Disclosure in pursuance of Accounting Standard – 15 (Revised 2005) on "Employee Benefits"**a) Compensated Leave:**

Privilege leave entitlements are recognised as liability in the calendar year of rendering of service as per rules of the Company. As accumulated leave can be availed and / or encashed at any time during the tenure of employment, the liability is recognised at the higher of the actual accumulated obligation or actuarially determined value.

b) Gratuity is administered through group gratuity scheme with Kotak Life Insurance under Kotak Gratuity Group Plan.**8. Information about Business Segments**

The company is operating in one segment only i.e. Masterbatches.

9. Related Party Disclosures**(A) List of related parties and relationships:**

	Relation	Parties
A.	Associate Concern & Promoter Companies	Kabra Extrusiontechnik Ltd.
B.	Enterprise over which key management personnel exercise significant influence.	Rambalab Ramnaran, Kabra Gloucester Engineering Ltd., Kolsite Machine Fabrik Pvt. Ltd., Mahashree Plastic Industries Pvt. Ltd., Maharashtra Plastic Industries, Maharashtra Plastic & Industries, Smartech Global Solutions Ltd., Kolsite Industries, Wonderworld Resorts Ltd., Ganges Urethane Pvt. Ltd.
C.	Key Management Personnel and Relatives Chairman & Managing Director Related to Directors	Shri S V Kabra, Shri S N Kabra, Shri A S Kabra Smt Veenadevi S Kabra, Smt Saritadevi S Kabra, Smt Ekta A Kabra, Shri Varun S Kabra

(B) Related party transactions:

(Amount in Rupees)

Aggregate of Transactions	Associate concerns	Enterprises over which KMP exercise significant influence	Key Management Personnel & Relatives of KMP	Total
Sales & Other Income	1,52,35,834 (1,22,08,874)			1,52,35,834 (1,22,08,874)
Purchases & Services	2,41,04,055 (4,06,08,140)	81,35,713		3,22,39,768 (4,06,08,140)
Purchase of Assets	1,29,71,801 (1,66,41,507)			1,29,71,801 (1,66,41,507)
Directors Sitting Charges			3,20,000 (3,10,000)	3,20,000 (3,10,000)
Interest paid during the year	45,09,815 (43,11,707)	1,47,534	71,36,649 (64,37,778)	1,17,93,998 (1,07,49,485)
Deposits Received	5,45,50,000 (9,35,00,000)		3,24,70,000 (7,95,15,000)	8,70,20,000 (17,30,15,000)
Deposit Repaid	40,00,000 (5,55,25,000)	1,10,00,000	2,52,75,000 (7,43,15,000)	4,02,75,000 (12,98,40,000)
Rent Paid	1,20,79,556 (1,14,91,880)		6,36,000 (Nil)	1,27,15,556 (1,14,91,880)
Salaries Paid			76,32,788 (74,95,857)	76,32,788 (74,95,857)

Notes : Previous year figures have been shown in brackets.

(C) Balance outstanding at end of financial year:

(Amount in Rupees)

Aggregate of Transactions	Subsidiaries, Associate Companies & Promoter Companies	Enterprises over which KMP exercise significant influence	Key Management Personnel & Relatives of KMP	Total
Debit Balances outstanding				
Debtors	2,20,453 (26,081)	3,56,414		5,76,867 (26,081)
Credit Balances outstanding				
Loans Taken	7,82,25,000 (2,76,75,000)	(1,10,00,000)	7,24,60,000 (6,52,65,000)	15,06,85,000 (10,39,40,000)
Creditors	13,82,350 (22,98,059)	38,61,831 (30,20,671)		52,44,181 (53,18,730)

Note: Previous year figures have been shown in brackets.

10. Disclosure for Operating Leases:

The Company has taken on lease factory at Daman & residential flats for employees under operating leases. The lease payments to be made in respect of non cancellable lease in future are as follows:

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
Lease payment debited to Profit & Loss Account (net of service Tax)	1,18,60,556	1,12,92,880
Lease obligation		
Up to 1 year	1,24,53,858	1,18,60,556
Greater than 1 year but less than 5 years	84,98,832	2,09,52,690

11. Statement of Computation of Deferred Tax Liabilities/Assets (Net)

Particulars	Year Ended March 31 (Rs.)	
	2011	2010
A) Deferred Tax Liability		
a) Depreciation	5,84,86,422	4,67,47,092
	(A) 5,84,86,422	4,67,47,092
B) Deferred Tax Assets		
a) Difference in valuation of closing stock	1,55,63,471	80,99,244
b) Provision for Employee Benefit	16,86,377	12,76,763
	(B) 1,72,49,848	93,76,007
Deferred tax (assets) / liability (A-B) as on end of reporting period	4,12,36,574	3,73,71,085
Net Deferred tax (assets) / liability as on the beginning of reporting period	3,73,71,085	3,35,59,264
Deferred Tax expense / (benefit) recognised in profit and loss account	38,65,489	38,11,822

12. Earnings per Share

The earnings per share have been computed in accordance with the "AS 20".

Particulars	Year Ended March 31	
	2011	2010
Profit / (Loss) after tax	18,54,37,925	10,42,98,755
Profit / (Loss) attributable to Equity Shareholders	18,54,37,925	10,42,98,755
Number of ordinary shares (Face Value of Rs. 10)	6497300	6497300
Basic & Diluted earning per share	28.54	16.05

13. Previous year's figures have been regrouped/recast wherever necessary.

As per our report of even date

For and on behalf of the Board

For **A. G. OGALE & CO.**,
Chartered Accountants
Firm Registration No. : 114115W

S. V. KABRA
(Chairman & Mg. Director)

S. N. KABRA
(Vice Chairman & Mg. Director)

A. G. OGALE
(Partner)
Membership No. 34540

A. S. KABRA
(Executive Director)

H. S. SANWAL
(Director)

H. S. MHATRE
(Company Secretary)

P. R. SINGHVI
(Director)

Y.B. VASUDEO
(Director)

Place : Mumbai
Date : 30th May, 2011

Place : Mumbai
Date : 30th May, 2011

S. K. PARAB
(Director)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No. State Code

Balance Sheet Date

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-up Capital Reserves & Surplus

Secured Loan Unsecured Loan

Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

IV. Performance of Company (Amount in Rs. Thousand)

Turnover Total Expenditure

Profit /Loss before Tax Profit/Loss after Tax

Earnings Per Share in Rs. Dividend Rate %

V. Generic Names of Three Principal Products /Services of Company (as per monetary terms)

Item Code No. (ITC Code)

Production Description PLASTIC COLOR MASTERBATCH-INORGANIC

Item Code No. (ITC Code)

Production Description PLASTIC COLOUR MASTERBATCH- ORGANIC

Item Code No. (ITC Code)

Production Description PLASTIC ADDITIVE MASTERBATCH-INORGANIC

For and on behalf of the Board

S. V. KABRA
(Chairman & Mg. Director)

S. N. KABRA
(Vice Chairman & Mg. Director)

A. S. KABRA
(Executive Director)

H. S. SANWAL
(Director)

P. R. SINGHVI
(Director)

Y.B. VASUDEO
(Director)

S. K. PARAB
(Director)

H. S. MHATRE
(Company Secretary)

Place : Mumbai
Date : 30th May, 2011

NOTICE

NOTICE is hereby given that the **TWENTIETH ANNUAL GENERAL MEETING** of the Members of **PLASTIBLENDS INDIA LIMITED** will be held on Tuesday, the 30th day of August, 2011 at 4.15 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, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2011;
3. To appoint a Director in place of Dr. Yatish B. Vasudeo, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Anand S. Kabra, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint Messers. A. G. Ogale & Co., 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 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 (said Act), 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, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Anand S. Kabra as an Executive Director of the Company, for a period of 5 (five) years w.e.f. 1st August, 2011 to 31st July, 2016 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, 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 to the extent as laid down in Section II & III of Part II of 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 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 (said Act), 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, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Shreevallabh G. Kabra as a Chairman & Managing Director of the Company, for a period of 5 (five) years w.e.f. 1st January, 2012 to 31st December, 2016 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 Shreevallabh G. Kabra, subject to the same not exceeding at any point of time, the ceiling specified

in Schedule XIII to the said Act, 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 to the extent as laid down in Section II & III of Part II of 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.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in partial modification of the Ordinary Resolution No. 6 passed by the Members at the 17th Annual General Meeting held on July 15, 2008 approving appointment and terms of remuneration of Shri Satyanarayan G. Kabra, as Vice-Chairman and Managing Director in terms of the provisions of section 198, 269, 309, schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (Act) the consent of the Company be and is hereby accorded to the revision in the remuneration of Shri Satyanarayan G. Kabra, Vice-Chairman and Managing Director for the remaining period of his tenure of office, with effect from July 1, 2011, as set out in the explanatory statement annexed hereto.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Shri Satyanarayan G. Kabra as approved earlier by the members, shall remain unchanged.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board which term shall be deemed to include any duly authorized committee thereof for the time being exercising powers conferred on the Board by this resolution, 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.”

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 the provisions of Section 16 & 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, if any, required from any authority, the consent of the company be and is hereby accorded to sub-divide the Equity Share of the face value of Rs.10/- each into two Equity Shares of the face value of Rs. 5/- each.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to issue new shares (including new certificates where required) representing the sub-divided Equity Shares with new distinctive numbers, in the aforesaid proportion subject to the rules as laid down in the Companies (Issue of Share Certificates) Rules, 1960 without physically exchanging the share certificates by treating the old share certificates as deemed to be cancelled and also to inform to the Depositories to take necessary action to give effect to the above and to do all such acts, deeds, matters and things necessary or desirable in connection with or incidental to the sub-division of the Equity Shares of the Company.”

“**RESOLVED FURTHER THAT** the Board of Directors (including any committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things as it may consider necessary, expedient, usual or proper to give effect to this resolution including fixation of Record Date as per the requirement of the Listing Agreement, execution of all necessary documents with Stock Exchanges, Depositories i.e. National Securities Depository Limited, Central Depository Services Limited and / or any other relevant statutory authority if any, and to comply with statutory compliances related thereto and to settle any question or difficulty that may arise in regard to the sub- division of Equity Shares as aforesaid.”

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

“**RESOLVED THAT** consent of the Company be and is hereby accorded in terms of Section 293(1) (a) and all other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to create a charge by way of mortgage on such terms and conditions and at such time(s) and in such form and manner and with such ranking as to priority as the Board in its absolute discretion think fit, on the whole or substantially the whole of the Company’s any one or more of the undertakings or of all the undertakings, including the present and/or future

properties / assets, whether movable or immovable comprised in any undertaking of the Company, as may be agreed to in favour of the Banks i.e. State Bank of India, HDFC Bank Ltd., DBS Bank Ltd. and / or any other bank / financial institution/(s) (hereinafter referred to as lender) to secure the present Working Capital facilities granted by them and/ or such other amount as may be advanced by such lender in future as a Cash Credit facility and/or Term Loan up to the extent of sum of Rs. 100 Crores (Rupees One Hundred Crores Only) together with interest on the principal amounts at the respective agreed rates, compound interest, liquidated damages, commitment charges, cost, any other charges, expenses if any, and all other monies payable by the Company to the concerned Banks/ Institutions under the respective documents entered into / to be entered into by the Company.

“RESOLVED FURTHER THAT the securities to be created by the Company as aforesaid may rank prior / pari passu / subservient with / to the mortgage and/or charges already created in favour of the existing Banks and / or to be created in future by the Company in favour of any lender including existing Banks and as may be agreed to between the concerned parties.

“RESOLVED FURTHER THAT for the purpose of giving effect to the Resolution, the Board or any Committee or Persons authorized by the Board, be and are hereby authorized to finalise, settle and execute such documents / deeds/ writings / papers / agreements as may be required and to do all such acts, deeds, matters and things, as may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage / charge as aforesaid or otherwise considered to be in the best interest of the Company.”

**By order of the Board
For Plastiblends India Ltd.**

Place: Mumbai
Date: 30th May, 2011

**Himanshu S. Mhatre
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 a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
3. An Explanatory Statement in respect of Item Nos. 6 to 10 is annexed hereto.
4. Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 23rd day of August, 2011 to Tuesday, the 30th day of August, 2011 (both days inclusive)
5. The dividend, as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Monday, the 22nd day of August, 2011 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 30th day of August, 2011 after giving effect to all valid transfers in respect of which request were lodged on or before 22nd day of August, 2011.
6. (i) Those shareholders who have so far not claimed their dividend for the financial years 2003-04 to 2009-10 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of duplicate thereof.
(ii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2002-2003 and thereafter which shall remain unclaimed / unpaid for a period of Seven (7) 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, 2011, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31st March, 2004. Members are therefore requested to make claim thereof, before August, 2011 otherwise no claim shall lie in respect of such amount.**
(iii) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1996-97 to 2002-03 have been transferred to the said Fund.
7. Brief profile of the Directors retiring by rotation and being eligible for re-appointment at the ensuing Annual General

Meeting is furnished in the section of Corporate Governance, forming part of this Annual Report.

8. The Annual Report of the Company for the year 2010-2011 circulated to the members of the Company, will also be made available on the Company's website www.plastiblendsindia.com. Members who wish to obtain information of the Company or view the Accounts for the financial year ended 31st March, 2011, may visit the Company's corporate website mentioned above. Queries if any, should be sent at least 15 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No. 6 to 10

Item No. 6 & 7

The Board of Directors of the Company at its meeting held on 30th May, 2011, subject to the approval of the members in General Meeting, approved re-appointment and terms of remuneration of the following two Executive Directors :-

1. Shri Anand S. Kabra aged 36 years w.e.f. 1st August, 2011 for a term of 5 years as Executive Director of the Company.
2. Shri Shreevallabh G. Kabra aged 74 years w.e.f. 1st January, 2012 for a term of 5 years as Chairman and Managing Director of the Company.

Both the Directors are holding executive positions in M/s. Kabra Extrusiontechnik Ltd., a company in the same group and paid remuneration therefrom as approved by the Members of that company.

Broad particulars of their terms of re-appointment & remuneration payable are set out hereunder:

- (i) **Basic Salary** : Rs. 2,00,000/- (Rupees Two Lacs Only) per month to each of them individually, with an annual increment to be decided by the Board at such percentage not exceeding 20% of the basic 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.

- (ii) **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of above Salary.
- (iii) **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.
- (iv) **Leave Travel Reimbursement** : For self, spouse and family once in a year incurred in accordance with the rules specified by Company.
- (v) **Club Fees** : Subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vi) **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.
- (vii) **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. Benefits of Superannuation fund will be applicable only in case of Shri Anand S. Kabra as per the rules of the Company.
- (viii) **Gratuity** : As per rules of the Company.
- (ix) **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.

- (x) 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 him.

General:

- (i) The office of said appointees may be terminated by the company or the concerned Directors 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.

Shri Shreevallabh G. Kabra & Shri Anad S. Kabra are individually concerned or interested in the above matters, since it relates to their own re-appointment and remuneration. They are also interested in each other appointment being relatives. Shri Satyanarayan G. Kabra is deemed to be concerned or interested being relative of Shri S. V. Kabra.

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

The Board recommends above ordinary and special resolutions for your approval.

Item No. 8

Shri Satyanarayan G. Kabra was appointed as Vice-Chairman & Managing Director of the Company by the Members at their Annual General Meeting held on 15th July, 2008 for a period of five years w.e.f. 1st July, 2008 till 30th June, 2013 on the following terms and conditions :-

- (i) **Basic Salary** :- Rs. 75,000/- (Rupees Seventy Five Thousand 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, he was entitled to the following perquisites restricted to an amount equal to his annual salary.

- (ii) **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of the above salary.
- (iii) **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.
- (iv) **Leave Travel Reimbursement** : For self, spouse and family once in a year incurred in accordance with the rules specified by the Company.
- (v) **Club Fees** : Subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vi) **Personal Accident Insurance & Medi-Claim Policy** : For self, spouse and family as per rules of the Company.
- (vii) **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.
- (viii) **Gratuity** : As per rules of the Company.
- (ix) **Encashment of leave** : As per rules of the Company.
- (x) 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 him.

The Board of Directors in its meeting held on 30th May, 2011, subject to the approval of members in General Meeting approved revision in the remuneration drawn by him to be effective from 1st July, 2011 for the remaining tenure as given below:-

Basic Salary : Rs. 2,00,000/- (Rupees Two Lacs Only) per month, with an annual increment to be decided by the Board at such percentage not exceeding 20% 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.

Amount of other benefits listed above such as HRA, Medical, Gratuity, etc. shall also vary in proportion to variation in the basic salary.

All other terms and conditions of his appointment as approved earlier by the members shall remain unchanged.

Shri Satyanarayan G. Kabra is concerned or interested in the resolution, since it relates to his own remuneration.

Shri S. V. Kabra is concerned or interested being relative of 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 Resolutions.

The Board recommends above ordinary resolution for your approval.

Item No. 9

The shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. With a view to improve the liquidity of the Company's shares which would widen the shareholder base of the Company the Board of Directors has proposed to subdivide the Equity Shares of the Company from the present face value of Rs. 10/- each into two equity shares of Rs. 5/- each.

Directors of the Company may be deemed to be concerned or interested in the resolution, to the extent of their respective shareholding in the Company, if any.

The Board recommends above ordinary resolution for your approval.

Item No. 10

At present the Company enjoys working capital facilities from State Bank of India, HDFC Bank Limited and DBS Bank Ltd. Total credit limits of SBI and HDFC Bank Ltd. have been secured by way of hypothecation and mortgage.

In view of growing business, the Board of Directors feel that it will be necessary to raise further monies either from existing or other Banks/lending Institution(s), which may exceed the existing borrowing limits.

Present limit of Rs. 50 crore as approved by the members at 15th Annual General Meeting held on 11th August, 2006 needs revision to create additional charge in favour of lenders by way of mortgage / hypothecation as per the terms of lending.

Section 293(1) (a) of the Companies Act, 1956 requires that the Board of Directors of the Company shall not, except with the consent of the Company in general meeting sell, Lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company. The mortgage/ charge on all or any of the assets/properties of the Company whether movable or immovable, does not amount to sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the Company. However your approval in terms of the provision of Section 293(1) (a) of the Companies Act, 1956 is sought as a matter of abundant caution.

The Directors recommend this ordinary resolution for your approval.

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

**By order of the Board
For Plastiblends India Ltd.**

**Himanshu S. Mhatre
Company Secretary**

Place: Mumbai
Date: 30th May, 2011

FORM OF PROXY

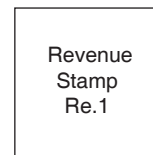
PLASTIBLENDS INDIA LIMITED

30, Shah Indl. Estate, Kolsite House, 2nd Floor, Off. Veera Desai Road, Andheri (West), Mumbai - 400 053

Regd. Folio No. :	DP ID :	Client ID :
No. of Shares held :	Proxy No. :	

I/We.....of.....
being a member/members of PLASTIBLENDS INDIA LIMITED, hereby appoint
.....of.....or failing him/her
ofas my/our proxy to attend and vote for me/us on my/our behalf at the Twentieth Annual General Meeting
of the Company to be held at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West),
Mumbai – 400 058 on Tuesday, the 30th day of August, 2011 at 4:15 p.m.and/or at any adjournment thereof.

Signed this day of 2011.



(Signature)

- Notes :**
1. The form should be signed across the stamp as per specimen signature recorded with the Company.
 2. The Proxy form duly completed must reach the Registered Office of the Company not less than forty-eight hours before the aforesaid Meeting.
 3. A Proxy need not be a Member of the Company.

ATTENDANCE SLIP

PLASTIBLENDS INDIA LIMITED

30, Shah Indl. Estate, Kolsite House, 2nd Floor, Off. Veera Desai Road, Andheri (West), Mumbai - 400 053

Regd. Folio No. :	DP ID :	Client ID :
No. of Shares held :		

I hereby record my presence at the Twentieth Annual General Meeting of the Company held at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058 on Tuesday, the 30th day of August, 2011 at 4:15 p.m.

1. Full Name of the Member (in Block Letters)
2. Full Name of the Joint-Holder(s) (in Block Letters).....
3. Full Name of the Proxy (in Block Letters)
4. Signature of the Member/Proxy attending the Meeting

Note : Member/Proxy attending the Meeting must fill-in this Attendance Slip and hand it over at the entrance of the venue of the Meeting.

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Green Initiative in Corporate Governance

Dear Shareholder/(s)

The Government of India, Ministry of Corporate Affairs ("MCA") vide its circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a "Green Initiative in Corporate Governance" and has allowed companies to make service of documents including Annual Report comprising of notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.(the documents) to members through electronic mode, to the registered email addresses of the members.

This is a golden opportunity for every member and also to **Plastiblends India Limited (the Company)** to contribute to our Nation and society at large by reducing our carbon footprints. All you have to do is to register your e-mail address with the company to receive communication through electronic mode.

In case of Electronic holding, Members are requested to register their e-mail address through their respective Depository Participant and those who are holding in Physical mode are requested to inform to the company in the manner detailed below.

The members who want to receive the documents in physical mode are requested to send a communication to this effect to below mentioned address or to Companies e-mail address pbi_sd@kolsitegroup.com.

The Company Secretary,
Plastiblends India Ltd.
Kolsite House, 30 Shah Industrial Estate,
Dattaji Salvi Marg, Off. Veera Desai Road,
Andheri (West), Mumbai – 400 053

In case no communication to this effect is received by Company, it will be held that you don't have any objection to receiving the documents in electronic mode to the e-mail address registered with Company

The Annual Report will also be available on the website of the Company www.plastiblendsindia.com

We solicit your patronage and support in helping the Company to implement the Green initiatives of the Government. Please note, as valued members of the Company, you are always entitled to request and receive, free of cost, a printed copy of the Annual Report of the company and such other documents.

Best Regards,

For Plastiblends India Limited

Himanshu Mhatre
Company Secretary

DETAILS FOR REGISTRATION OF MEMBERS E-MAIL ADDRESS TO RECEIVE DOCUMENTS FROM COMPANY IN ELECTRONIC MODE

Name of the Shareholder :
DPID/Folio No. :
Client ID :
E-mail Address :

I wish to receive the documents from the Company in electronic mode in my abovementioned e-mail address.

Signature*:-

Name :- _____

*Note :- Please sign as per the signature registered with the Company



A **KOLSITE** Group Company

Corporate Office

Plastiblends India Ltd, Kolsite House, 30 Shah Industrial Estate, Dattaji Salvi Marg, Off. Veera Desai Road, Andheri (W), Mumbai - 400 053. India
Tel.: +91 22 67205200, +91 22 26736468 / 9 **Fax:** +91 22 26736808 **Email:** pbi@kolsitegroup.com **Web:** www.plastiblendsindia.com

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Kadaiya Village, Daman - 396 210
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Email: calcutta@kolsitegroup.com