



**29<sup>th</sup> Annual Report 2011-12**  
**Kabra Extrusiontechnik Ltd.**

# RESULTS AT A GLANCE

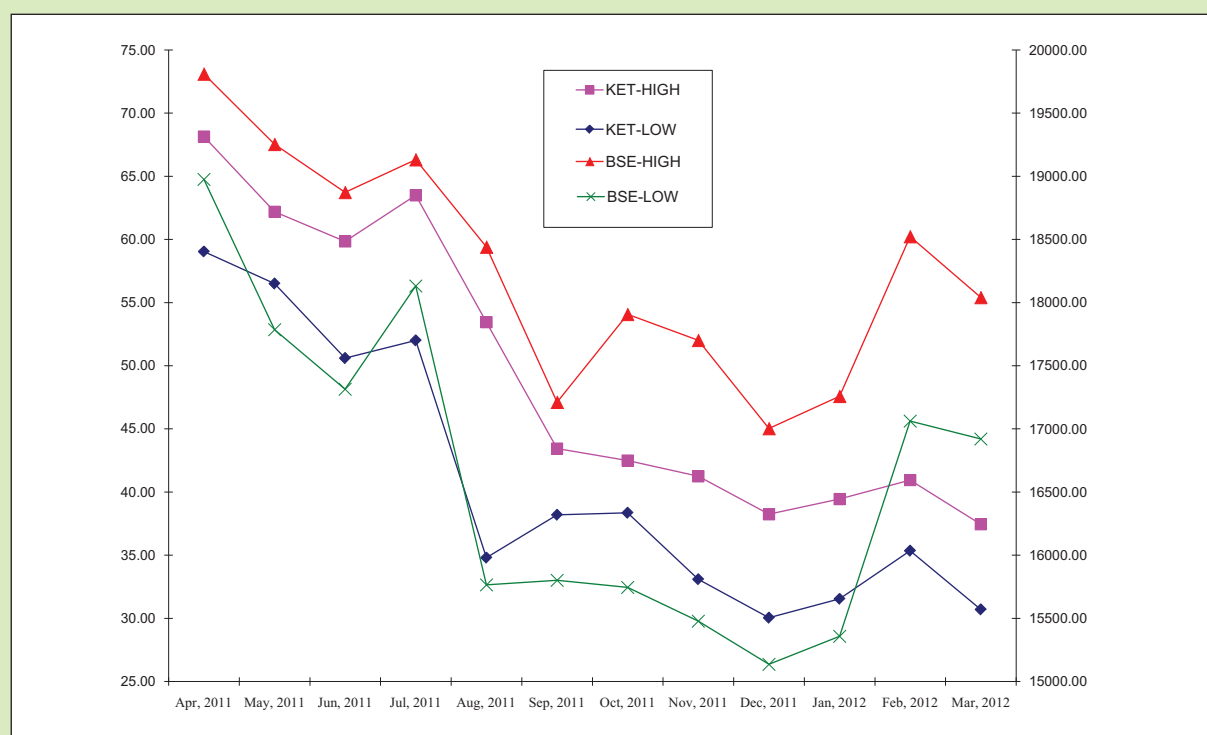
(Rs. in Lacs)

Operating Results	2011-12	2010-11	2009-10	2008-09	2007-08
Sales and Other Income	19499.70	22610.20	19730.48	15763.61	15055.14
Profit before Depreciation, Interest & Tax	1824.72	3993.99	3493.15	2052.75	2327.18
Less : Depreciation	465.31	388.23	338.95	365.80	337.36
Interest (Finance Cost)	100.49	88.12	71.41	79.35	69.13
Profit Before Tax (PBT)	1258.92	3517.64	3082.79	1607.60	1920.69
Profit After Tax (PAT)	1000.71	2581.57	2146.37	1169.88	1451.12
Retained earnings	629.94	1932.71	1493.20	610.02	891.26
Earning per share (EPS) (Rs)	3.14	8.09	26.91	14.67	18.19
Number of Issued Shares	31902320	31902320	7975580	7975580	7975580
(after sub-division & bonus shares in 2010-11)					
Face Value per share (Rs.)	5.00	5.00	10.00	10.00	10.00
Dividend (%)	20	35	70	60	60
Share Capital	1595.12	1595.12	797.56	797.56	797.56
Reserves	9712.43	9082.48	7947.33	6454.12	5844.11
Total Shareholders Funds	11307.55	10677.60	8744.89	7251.68	6641.67
Book Value Per Share (Rs.)*	35.44	33.47	109.65	90.92	83.28

\*Adjusted for Sub-division and Bonus

## STOCK PERFORMANCE

Share Price / BSE Sensex



# BOARD OF DIRECTORS



Shri Shreevallabh G. Kabra  
(Chairman & Managing Director)



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



Shri Mahaveer Prasad Taparia  
(Independent Director)



Shri Anand S. Kabra  
(Technical Director)



Shri Nihalchand C. Chauhan  
(Independent Director)



Shri Haridas S. Sanwal  
(Independent Director)



Shri Yagnesh B. Desai  
(Independent Director)

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BANKERS
State Bank of India
Axis Bank Ltd.
AUDITORS
Kirtane & Pandit
Chartered Accountants
CHIEF FINANCIAL OFFICER
Jayant Sarpotdar
COMPANY SECRETARY
Y. D. Sanghavi
29 <sup>th</sup> ANNUAL GENERAL MEETING
Date : 30 <sup>th</sup> August, 2012
Time : 2:00 p.m.
Venue : Hotel Karl Residency, Andheri (West)

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### *Chairman's Speech*

#### Dear Fellow Stakeholders

The Indian economy is expected to grow by 6.9% in the Financial Year 2012-13 according to the World Bank. India's economic growth rate in 2011-12 slipped to a nine-year low of 6.5% as compared to the 8.4% growth in the preceding two years. Clearly fiscal and inflation concerns, cut into investment activities across businesses.

These events, which affected consumer confidence in different regions of the world, undermined the demand for capital goods including plastic extrusion machinery, back home.

Looking ahead to 2012, the macro-environment remains volatile and complicated and will pose challenges to our business. It is unrealistic to expect that the European sovereign debt crisis and looming concerns over the growth in global as well as the Indian economy can be entirely eased in the short-term.

**However, we share the belief that the worst will soon be behind us and an economic revival will commence soon. Despite the challenge of the macro-environment, we are confident that we will seize current opportunities to further strengthen our leadership positioning as the market and technology leader in the industry with our product portfolio.**

Over the longer term, the World Bank has pegged growth at 7.2% and 7.4% for fiscal years 2013-14 and 2014-15 respectively, in their report titled 'Global Economic Prospects'.

In line with this economic outlook, the prospects of plastics extrusion machinery industry too appear positive in the long term. As per Plastindia Foundation, India's plastics processing sector will grow from 69,000 machines to 150,000 machines by the year 2020.

We derive demand from the Plastic Industry which, despite the industry's high growth spanning over a period of over two decades, is yet to realize its full potential. The per capita consumption of plastics in India at 8 kgs, is one of the lowest in the world. The average global per capita consumption is 30 kgs as per the Indian Plastic Federation. Further, India's consumption of plastics will grow from 7.5 million tons to 15 million tons by 2015 as per Plastindia Foundation and is set to be the third largest consumer of plastics in the world. This is reflective of the positive outlook for plastic processing sector.

India has the advantage of a large population and thus the consumer base is justifiably expected to propel India's plastics consumption to new levels in coming years.

#### Impact

For the financial year 2011-12, In line with the subdued economic backdrop, the Net Income stood at Rs. 19,499.70 Lacs, a de-growth of 13.76% as compared to the last financial year. This was mainly on account of slowdown in the end user industries due to which orders were delayed, which in turn resulted in inventory buildup of machines during the year. The overheads have already been incurred and accounted for the above.

Further, the operational performance has been impacted by the rise in power cost per unit by over 30% with retrospective effect from June 2011. The entire amount has been accounted for in the third quarter of the financial year 2011-12. The Other Expenditure continued to rise on account of the capex incurred on the Dunetha plant.

Most of the expenses incurred and accounted for in quarter three and four of financial year 2011-12 are not recurring in nature. As we are now getting past the cost curve with commercial operations having commenced in the previous quarter, we are poised to benefit from the revenue curve ahead, once the demand situation improves.



## Business Review & Outlook

Last year KET acquired a 15 % stake in Gloucester Engineering Company Inc (GEC), USA which catapulted our positioning in the plastic extrusion machinery for Film Plants in terms of technical capabilities.

**We have already showcased the 3 layer and 5 layer - KAGE machine manufactured at Dunetha with Gloucester Engineering Co. Inc., USA (GEC) technology. The plant produces film for barrier applications which are mainly used in oil packaging in addition to packaging of milk, water, oils, spices etc and also for lamination, stretch & shrink wraps. As I had mentioned last year, we remain convinced that this segment has tremendous potential and expect it to be a major growth driver. We have successfully completed the order we bagged from a company engaged in manufacturing and selling of edible oils, in Kerala last year.**

Packaging demand and resultant demand for plastic films is expected to take off as the growth of the middle class in developing nations continues, with more consumers around the world seeking out packaged food. Although the overall packaging industry was severely impacted by the economic recession, the plastic packaging market is gradually gaining significance through the latest technologies and enhanced products in the vast global packaging industry. The global plastic packaging market is a steadily growing market which is expected to follow a modest growth rate in mature markets and a progressive above average growth rate in emerging markets. Visiongain calculates that the global plastic packaging market will reach USD 196.42 billion in 2012. Further, plastics in packaging consume 3.5 million tones of polymers today and will increase to 9 million tonnes by 2020 in India.

In the pipe segment too we have launched new products with our focus on research and technology. We have been focusing on Window profile extrusion due to modernization of building techniques and increasing awareness amongst architects on the various advantages of the PVC profiles. KET offers cPVC pipe extrusion lines in single as well as dual strand with technology from American Maplan Corporation, USA (AMC). With increasing outlay in agriculture year on year, irrigation continues to be one of our core focus areas as regards pipe extrusion lines. India's demand for plastics in irrigation alone is pegged to cross 2.5 million tonnes by 2015. Along with the round drip we are now also entering the flat drip lines market which has high scalability prospects.

**Another key development during the year was that the Technology agreement with Battenfeld Cincinnati was amended recently to include its group member, Battenfeld Cincinnati, Austria thereby strengthening KET's portfolio further with high quality, high performance innovative extruders, processing tools and down stream equipments for both pipe and film plants. KET has the exclusive right to make available Battenfeld Cincinnati's entire product range given its end to end strengths in terms of a modern manufacturing set up as well as well entrenched marketing set up.**

Overall, on the domestic front, we expect a gradual turn around in terms of industry demand and thereby a uptick in our order intake. We believe that in the coming year, the exports market will provide scale. KET now exports its machines to more than 70 countries. We are also expanding our base to many new countries.

In addition to building capacities, we spent significant resources by participating in various trade fairs including the Plastindia Exhibition and received a very good response. Our Company has participated in 8 exhibitions and in the coming year too, we will focus on widening \ enhancing our global footprint and widening our agent base.

## Well Positioned

I would like to highlight here that the Kolsite Group, of which Kabra Extrusiontechnik is a flagship company, has completed 50 years in the industry. We have faced various economic ups and downs and emerged stronger and better positioned for traversing the next growth curve.

The fact that we showcased new products against the backdrop of a weak economic scenario underlines our faith in the industry prospects and our capabilities. We are reasonably confident that as soon as the industry starts picking up, we will be able to scale up our operations with ease, given our five decade long experience and expertise in the markets.

A combination of effective marketing, dedicated customer service, technical support and the flexibility provided by our modern manufacturing facilities and technological collaborations will see us emerge stronger.

**Overall, our strategic efforts remain focused on saving costs, increased thrust on marketing and enhancing our product portfolio. As the macroeconomic parameters turn around, we will be ready to tap the next growth phase for our business.**

## A Vote of Thanks

I take this opportunity to thank all our stakeholders including our employees, associates, vendors, clients, bankers and shareholders for their support and faith in us. Let me assure you, we are leaving no stone unturned to ensure that your faith in us stands vindicated.

*S.V. Kabra*  
Chairman & Managing Director

## Innovation – Our Key to Tapping Opportunities

Over 50 years the Kolsite group has concentrated efforts on innovation, technical collaboration and its marketing network to bring several industries under its wings.

### FILM PLANTS

#### Industry Overview: Packaging

The Indian packaging industry which is a major consumer of plastic films is expected to become the fourth-largest packaging market in the world, with revenues of USD 43.7 billion in 2016. Flexible plastic packaging was the fastest-growing packaging category in India, achieving a CAGR of 16.6%. During the review period, the packaging industry benefited from strong growth in the Indian retail market. Other end-user markets from packaging, including pharmaceutical and processed food, have been growing rapidly over the review period, both domestically and internationally. This demand from end-user markets is expected to remain high. (Source: Global Information, Inc.).

Further, as per Global Industry Analysts Inc, the global Plastic Film and Sheets market is forecast to reach 56.6 million tons by 2017, mainly driven by burgeoning demand from end-use markets, competitive advantages over traditional paper and foil, and technological advancements. Changing consumer dynamics particularly in the food and non-food packaging industries, economic recovery, and growing prominence of developing Asian, Middle East and Latin American markets will further accelerate the pace of development.

Plastic film, used for packaging of both food and non-food products apart from various other plastic products, is the largest sub-sector of the plastics processing industry.

#### Highlights during the Year

KET has forged various technical collaborations to remain ahead of competition. To complement these efforts, the marketing thrust has also been sustained despite a downturn and the Company expects to focus even more on marketing. Various activities have been planned for FY 2012-13 and more innovations are expected to be underway.

**Some of the new machines we have added to our portfolio, encompass :**

#### 3 – Layer **KAGE** plant

The plant produces multi layer films of extremely high standards finding application in flexible packaging industry.

Output of 600 kgs/hr on a 40 micron thick lamination film for food packaging applications was demonstrated during the Open House held by the Company where several invitees from client industries attended the demo.

The 3 Layer 2200 mm film line has applications in the Lamination films for food packaging, Shrink and Stretch wraps for Bulk packaging, Industrial packaging applications etc. The line's output is up to 600 to 650 kg / hr and it has an installed capacity of 4000 T/year.

This is expected to be a major growth driver going forward given the industry demand.

#### 5 - Layer **KAGE** Plant

First 5 layer plant was manufactured as per specifications of Gloucester Engineering USA. The Plant output is up to 550 kg/hr and has an installed capacity of 4000 T/year. It will produce film for barrier application – mainly used in oil packaging. Given the technologically advanced nature of this extrusion machines, the films thus produced enhance the shelf life of packaged product, provide good barrier property against oxygen & moisture and prevents leakage in case of liquids.



## PIPE PLANTS

### Industry Overview

World plastic pipes market is projected to reach 7.6 billion meters by 2017, as per Global Industry Analysts Inc. Long term growth in the market clearly underlines a shift in balance towards the emerging markets, driven by heavy infrastructure investments and rise in construction activity. New product developments and application areas are expected to further facilitate market growth. World plastics pipe market is poised to register modest growth in the near term as the industry remains clouded by economic challenges. The market suffered a major setback during 2008 and 2009 after registering commendable performance in the past decade, especially during the period prior 2008, as the financial crisis swept away growth in most regions. Future growth in the plastic pipes market would be driven by huge infrastructure investments in developing countries led by the BRIC nations.

While Europe and the US comprise the largest markets, Asia-Pacific, Middle East, Eastern Europe and Latin America are expected to display higher growth than the global average growth rate following increasing demand for plastic pipes in construction, telecommunications and natural gas distribution systems.

### Highlights during the Year

Traditionally a strong focus area of the company, the Pipe Extrusion Machinery segment has seen many innovations from the Company's end. Further, KET has developed many innovative machines in line with changing industry trends and new applications.

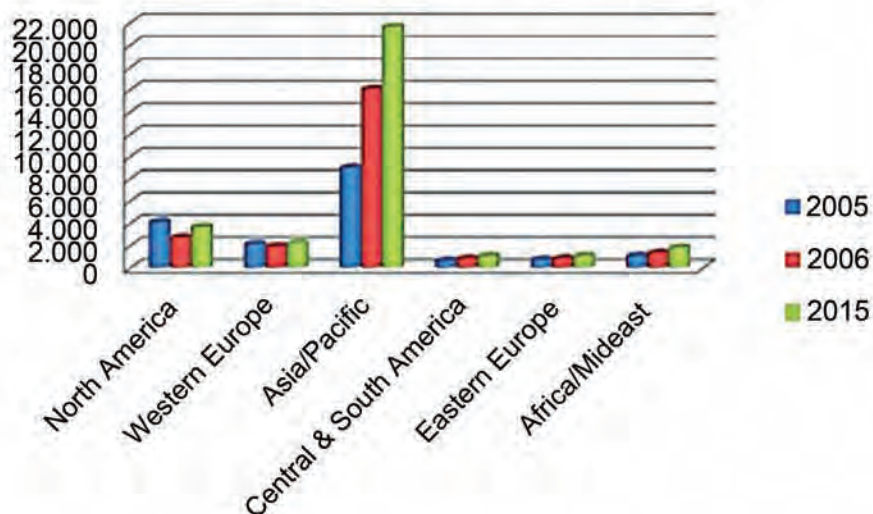
Today it caters to Irrigation, Plumbing, Construction, Industrial Applications, Drinking Water, Drainage and Sewage, Teleduct, Gas etc.

During the year, the company has been focusing on Window profile extrusion machinery. The product developed by these machines finds widespread application in modern construction and also on account of increase in awareness in architect about the advantages of using PVC profiles in construction.

Further, the cPVC pipe extrusion lines in single as well as dual strand with AMC technology have been another major focus area. The applications of cPVC pipes are for plumbing and hot and cold water applications in the construction sector. The major advantages of the dual strand pipes are that they are space saving for the client and offer optimum production in smaller sizes.

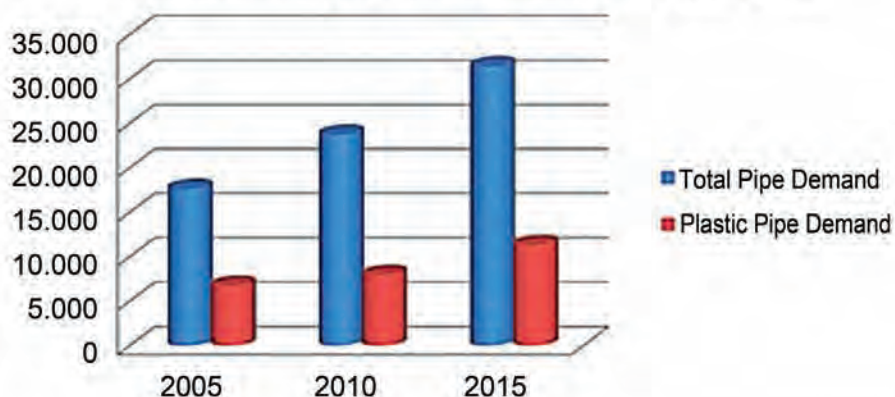
### World Pipe Demand in million metres

(C) 2011 by The Freedonia Group, Inc.



### World Pipe & Plastic Pipe Demand

in million metres, (C) 2011 by The Freedonia Group, Inc.





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Along with the round drip, the Company is now also entering the flat drip lines market. Flat irrigation is easy to ship and store and is inexpensive compared to rigid tubing. Further, it is lightweight and easy to move to a new location and hence, has found greater acceptance. It is easy to install, easy to design and can help reduce disease problems associated with high levels of moisture on some plants.

Some of our innovative and high performance machines encompass:

### twinEX

This is a parallel twin extrusion machine that find application in production of Sewage pipes, plumbing, drainage pipes and irrigation. Again a compact version, it saves space for the client and offers high flexibility through gentle, homogenous plasticization due to longer L/D ratio. It is a low maintenance machine through free intra cool screw cooling system along with a self regulating & energy efficient tempering system resulting in higher cost saving and better quality output for the client.-

### solEX

The high performance extruder for PE-HD and PP Pipe extrusion finds application in manufacture of Pipes for Gas transport, tele-ducts, cable ducts and electric conduits.

These advanced plants, based on proven Battenfeld Cincinnatti Technology offer significant benefits to its users. They are ideally suited for HDPE corrugated pipe and also suitable for steel pipe coating with HDPE or PP layers.

They are compact in nature and hence extremely space saving through high performance with small screw diameters.

### fiberEX

This extrusion machine is specially designed to produce Wood Composite Pipes which find widespread application in the construction segment for Floor coverings, terrace and verandah floor boards, hand rails, railing and fencing etc and the technologically advanced nature of the machine enables the customer to produce pipes which are more resistant to moisture and thus offer excellent resistance to weathering.





## Capex to Tap Opportunities

As per The Freedonia Group Inc, the Global demand for plastics processing machinery is projected to rise 6.0 percent annually through 2015 to USD 28.9 billion, a rebound from market declines experienced during the recession impacted 2005-2010 period. Further, India is expected to emerge as a leading player in the global plastic industry. Sales growth will be driven by acceleration in plastic product manufacturing, as well as by favorable investment opportunities in the Industry. In line with the industry prospects, KET had planned a capex programme in October 2010 over a period of 2 – 3 years. Till 31<sup>st</sup> March 2011, KET has added Rs 9.73 Cr of the assets to its gross block and committed Rs 10.56 Cr as capital work in progress pending capitalization in 2011-12. During the year FY 2011-12, capex incurred was Rs 6.80 crores.

Various machine launches are expected to be seen in both the films and pipe segment and emphasis on technological advancement is a continuous feature at KET.

The state of the art painting facilities installed at Dunetha uses the technology developed for the exacting standards of the Engineering industry. This impressive process is an assurance of adequate corrosion protection and an unrivalled paint finish. It is a reflection of the company's commitment towards quality.

The Company proposes to review its capex plans in line with slowdown in the orders. The capex plan has been aligned in line with the industry outlook and the pace will pick up as soon as the demand scenario improves.



View of Plant at Dunetha, Daman

## Exploring Opportunities at the Frontline

*“Motivation is a fire from within. If someone else tries to light that fire under you, chances are it will burn very briefly.” – Stephen Covey*

Despite the macroeconomic headwinds and resultant slowdown in the industry and overall end user industry demand, KET is reasonably confident in the long term prospects of its offerings.

The Company continues to expand its horizons with a zealous thrust on marketing activities by participating in trade fairs and building a strong network of agents and client relationship.

### Bangabandhu International Conference Centre (BICC), Bangladesh

The leading industry fair was held in February from 16th - 19th. The event attracted more than 16,742 local and overseas professional buyers. The event was beneficial and gave a platform to interact with processors from South East Asia.



### Saudi PPP 2011 RICEC Riyadh, Saudi Arabia

The exhibition was organised between November 28th–1st December, 2011. It attracted a large number of visitors from the plastic industry. KET's stall in India pavilion was visited by inquisitive processors from pipe and film segments. The event turned out to be immensely successful.

### Plastic & Rubber Propack 2011, Jakarta International Expo center, Indonesia

The event was held between 16th to 19th November and was attended by visitors from Indonesia and adjoining countries. KET's stall was very well received by the processors and they were very inquisitive about the advanced technology.



### Plast Eurasia, Tuyap Fair, Convention & Congress Center, Turkey

The exhibition was organized between 27th -30th October, 2011. It attracted a large number of visitors from the plastic industry. KET's stall was visited by processors from pipe and film segments. It was KET's second participation in this exhibition, and provided a good platform to meet our existing customers and generate new leads.

## 50 years of excellence based on our Mantra

***“A sale is the beginning of the Commitment”***

### What is being said about us?

“We expect to benefit from KET’s strong manufacturing set-up and marketing network across India as our group’s entire product range shall be exclusively made available by them enabling us to extend our leadership in India. Furthermore, the modern facilities of KET will be instrumental for establishing manufacturing footprint in India and increase the presence of Battenfeld-Cincinnati made European equipment in the country” - **Mr. Jürgen Arnold, Battenfeld-Cincinnati CEO.**

While there are several factors such as cultural background, business strategy, skills of personnel managing the venture and so on, the most important factor that can make or break the venture is the mutual trust amongst partners. And Kabra has been exemplary in their business values. I feel they drive standards of professionalism and integrity. The success also depends on attention to detail in the planning and launch of the joint venture and the design of an effective system that provides confidence to both partners and builds mutual trust.- **Mr. Haeder, battenfeld-cincinnati, (Chief of Infrastructure Division)**

**Mr. Adam Blumenthal, Managing Partner of Blue Wolf Capital**, the majority owner of GEC was quoted as saying: “I am extremely proud to see 5 Layer Film Plant and the equipment run so well and am gratified to observe our customers openly embrace the KAGE brand. We look forward to continuing to serve both the World and Indian market with our KET partners and expanding KAGE’s global market share.”

“Our journey of business cooperation began in 1995. In 2003 we bought 1” twin strand extrusion line. Having been satisfied with quality and after sales services, we placed number of repeat orders. We also encountered several problems during the operations and were able to manage within shortest possible span of time with Kolsite team. During this course, I also tried to have alternate potential supplier from India and I visited their manufacturing plants as well for evaluation. I am confident to quote that the machines from Kolsite are well above the nearest competitor in respect of Design and Reliability. I wish Kolsite team to excel in their efforts.” - **MK Cable Management (SA) Ltd, Saudi Arabia**





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### NOTICE

**NOTICE** is hereby given that the **TWENTY-NINETH ANNUAL GENERAL MEETING of the Members of KABRA EXTRUSIONTECHNIK LIMITED** will be held on Thursday, the 30<sup>th</sup> day of August, 2012 at 2.00 p. m. at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058 to transact the following business :

#### ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2012 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2012;
3. To appoint a Director in place of Shri Anand Shreevallabh Kabra, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Mahaveer Prasad Taparia, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint M/s. Kirtane & Pandit, Chartered Accountants, Pune, as Auditors of the Company to hold office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors.

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

**Y. D. Sanghavi**  
Company Secretary

Place: Mumbai  
Date: 29<sup>th</sup> May, 2012

#### 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 INORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate Members are requested to send to the Company, at its Registered Office a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
3. Register of Members and the Share Transfer Books of the Company will remain closed from Thursday the 23<sup>rd</sup> August, 2012 to Thursday the 30<sup>th</sup> August, 2012 (both days inclusive).
4. Dividend recommended by the Board, if approved by the Members at the Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Wednesday, 22<sup>nd</sup> August, 2012 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 Thursday the 30<sup>th</sup> August, 2012 after giving effect to all valid transfers in respect of which request were lodged with the R & T Agent of the Company on or before 22<sup>nd</sup> August, 2012.



5. (i) The unclaimed dividend upto financial year 1993-94 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1993-94 may claim their dividend from the Registrar of Companies, Maharashtra, Mumbai by submitting an application in the prescribed form.
- (ii) Those members who have not encashed their dividend warrants for the financial year 2004-2005 to 2010-2011 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of Bankers' Cheque / Demand Draft in lieu thereof.
- (iii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2004-2005 and thereafter which shall remain unclaimed / unpaid for a period of 7 (Seven) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education & Protection Fund (IEPF). **Accordingly, during October, 2012, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31<sup>st</sup> March, 2005. Members are therefore requested to make claim thereof, before September, 2012 otherwise no claim shall lie in respect of such amount.**
- (iv) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1994-95 to 2003-04 have been transferred to the Investor Education and Protection Fund.
6. Brief profile of the Directors retiring by rotation and being eligible seeking re-appointment at the ensuing AGM is as below :

Name	Shri Anand Shreevallabh Kabra	Shri Mahaveer Prasad Taparia
Age	37 Years	75 Years
Qualification	B.E. (Mechanical) MBA – FMB	B. A.
Experience	Over 13 years in business and industry	<ul style="list-style-type: none"> <li>50 years in Plastic Processing Industry</li> <li>Promoter of Supreme Group of Companies</li> </ul>
Nature of Expertise	<ul style="list-style-type: none"> <li>Management of Business Affairs &amp; Project Execution</li> <li>Expertise in Strategy, Growth, Procurement &amp; Information Technology</li> </ul>	<ul style="list-style-type: none"> <li>Management &amp; Control of Business and Industrial houses.</li> </ul>
Names of Other Companies in which holds Directorship	<ul style="list-style-type: none"> <li>Plastiblends India Ltd.</li> <li>Smartech Global Solutions Ltd.</li> <li>Wonderworld Resorts Ltd.</li> <li>Kabra Gloucester Engineering Ltd.</li> <li>Kolsite Packaging Systems Pvt. Ltd.</li> <li>Gloucester Engineering Co. Inc. USA</li> </ul>	<ul style="list-style-type: none"> <li>Supreme Petrochem Ltd.</li> <li>The Supreme Industries Ltd.</li> <li>Supreme Capital Management Ltd.</li> <li>The West Coast Papers Mills Ltd.</li> <li>Jovial Investment &amp; Trading Co. Pvt. Ltd.</li> <li>Polystrene Producers Association (India)</li> </ul>
Name of the other Companies in which holds committee position	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Supreme Petrochem Ltd.</li> </ul>

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

**Y. D. Sanghavi**  
Company Secretary

Place: Mumbai  
Date: 29<sup>th</sup> May, 2012

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### DIRECTORS' REPORT

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

Your Directors are pleased to present the **TWENTY-NINETH ANNUAL REPORT** and the **AUDITED STATEMENT OF ACCOUNTS** for the year ended 31<sup>st</sup> March, 2012.

#### 1. FINANCIAL RESULTS:

##### PARTICULARS

	(Rs. in Lacs)	
	2011-2012 (Current Year)	2010-2011 (Previous Year)
Revenue from Operations and Other Income	<b>19,499.70</b>	22,610.20
Gross Profit before Interest & Depreciation	<b>1,824.72</b>	3,993.99
Less: Interest (Finance Cost)	<b>100.49</b>	88.12
Depreciation	<b>465.31</b>	388.23
<b>Profit Before Tax</b>	<b>1,258.92</b>	3,517.64
Less : Provision for Taxation	<b>291.10</b>	851.26
Provision for Deferred Tax Liabilities	<b>43.58</b>	84.81
Add : Excess provision of earlier years	<b>76.47</b>	-
<b>Net Profit After Tax &amp; Deferred Tax</b>	<b>1,000.71</b>	2,581.57
Balance b/f from previous year	<b>4,076.65</b>	3,543.94
<b>Amount available for appropriation</b>	<b>5,077.36</b>	6,125.51
<b>APPROPRIATIONS:</b>		
Transferred to General Reserves	<b>100.10</b>	1,400.00
Proposed Dividend	<b>319.02</b>	558.29
Tax on Proposed Dividend	<b>51.75</b>	90.57
Surplus balance carried to Balance Sheet	<b>4,606.49</b>	4,076.65
	<b>5,077.36</b>	6,125.51

#### 2. DIVIDEND :

Your Directors are pleased to recommend a dividend of **Rs. 1/-** per share of Rs. 5/- each for the year ended 31<sup>st</sup> March, 2012 subject to the Members' approval [Rs. 1.75 per share of Rs. 5/- each for the previous year on the Post bonus enhanced capital].

#### 3. OPERATION AND OUTLOOK :

Your Company has achieved Operational and Other Income for the year under review at **Rs. 19,499.70 lacs** as against the previous years' Operational and Other income of Rs. 22,610.20 lacs. The profit before tax amounts to **Rs. 1,258.92 lacs** against the previous years' profit of Rs. 3,517.64 lacs. Net Profit of the Company after tax, deferred tax and excess provision of earlier year written back amounts to **Rs. 1,000.71 lacs** as against Rs. 2,581.57 lacs of the previous year.

Performance for the year under review was adversely affected by slowdown witnessed in end users industries.

During the year, the Company has manufactured a Five (5) Layer Blown Film Plant, first time in India with GEC technology at its newly developed manufacturing set-up at Dunetha and the said plant has been successfully supplied to a company based in Kerala to produce barrier film for edible oil packaging.

#### 4. EXPORTS:

Exports during the year is **Rs. 6,184.54 lacs**, as against previous years' export of Rs. 6,798.79 lacs and is about 32.80% of total sales turnover.

#### 5. DIRECTORS:

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Shri Anand Shreevallabh Kabra and Shri Mahaveer Prasad Taparia, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible, seek re-appointment.

## 6. DIRECTORS' RESPONSIBILITY STATEMENT :

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

- (i) in the preparation of annual accounts for the year ended 31<sup>st</sup> March, 2012, 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 31<sup>st</sup> March, 2012 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".

## 7. STATUTORY AUDITORS :

Messrs. Kirtane & Pandit, Chartered Accountants, Statutory 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.

## 8. COST AUDITOR :

Shri A. P. Raman, a qualified Cost Accountant has been appointed as a Cost Auditor of the Company pursuant to section 233(B)(1)&(2) of the Companies Act, 1956 and subject to the approval of the Central Government.

In terms of order dt. 24<sup>th</sup> January 2012 issued by Ministry of Corporate Affairs, Cost Audit Branch, his appointment is made to conduct audit of cost accounting records of financial year from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 maintained by the Company in respect of its product i.e. Plastic Processing Machinery covered by Chapter 84 of Central Excise Tariff Act.

He has furnished certificate of his eligibility for such appointment and he is free from any disqualification and is independent and is at arm's length relationship with the company.

In respect of Financial Year 2011-12, aforesaid qualified Cost Accountant shall certify Compliance Report as prescribed under Rule 5 of (The Cost Accounting Records) Rules, 2011.

## 9. LISTING FEES :

The Company confirms that the Annual Listing Fees due to BSE Ltd. and National Stock Exchange of India Ltd. for the financial year 2012-13 have been paid.

## 10. CORPORATE GOVERNANCE :

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

## 11. EMPLOYEES RELATIONS :

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

## 12. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION :

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

## ACKNOWLEDGEMENT :

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

For and on behalf of the Board

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

**S. V. Kabra**  
Chairman & Managing Director

## 29<sup>th</sup> Annual Report 2011 – 12

### ANNEXURES TO DIRECTORS' REPORT

#### ANNEXURE 'A'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

#### A. Conservation of Energy:

- Energy Conservation Measures taken: Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc. is strictly monitored and certain savings are expected, but total impact of this cannot be measured.
- Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: None.
- Impact of measures at (a) & (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods: With the implementation of measures indicated in (a) above, it is expected that there would be a corresponding favourable impact on the energy cost per unit of production.

#### B. Technology Absorption:

##### 1. Specific areas in which R & D carried out by the Company :

Following extrusion lines have been developed :

- Twin Screw-92 to process CPVC pipe with twin track for plumbing pipe application;
- KAGE 3 layer film plant with 600 Kg/Hr output (with GEC Technology);
- KAGE 5 layer film plant with 550 Kg/Hr output (with GEC Technology);
- Automatic Surface Winder KVP-II with Pneumatic Lay on systems for controlling winding roll hardness
- High-output Stretch Cling Film Plant for hand-wrap application at 220 Kg/Hr with 75/55/55 mm extruders and 1800mm cold parts.

- Benefits derived as a result of the above R & D :** Product range of the Company has widened and the customers benefited by unique advantages of highest out-put, per unit power consumption, lowest investment with regards to output, space saving by compact design, control by automation / electronic device and ease of operation.

- Future plan of action :** Your Company is making continuous effort to develop new range of extrusion lines.

- Expenditure on R & D :** During the year, the Company spent recurring amount of expenditure on R & D which have been included in the respective expense head. No separate account head for expenditure on R & D has been maintained.

##### 5. Technology imported during the last 5 years :

Technology Imported	Imported From	Year of Import	Status
Manufacture of Pipe Extrusion, Profile Extruders, Film & Sheet Extrusion and Planetary Roller Extruders.	M/s. Battenfeld Extrusionstechnik GmbH, Germany**	April 2006	Valid till March, 2016
Manufacture of Pipe & Profile Extruders, Tooling of Extrusion lines for siding, fencing and decking including composite system	M/s. American Maplan Corporation, USA.**	April 2006	
Manufacture of Single Screw Extruders including PE Pipe, Film & Sheet, Planetary Roller Extruders, Twin Screw Extruders for PVC Pipes, Profile Pallet and Polymer	M/s. Battenfeld Cincinnati Austria GMBH**	Since November 2011	

\*\*Above companies are Member of Battenfeld-Cincinnati Group

#### C. Foreign Exchange Earnings and Outgo:

	2011-2012 (Rs. in Lacs)	2010-2011 (Rs. in Lacs)
Foreign Exchange Earned	6087.85	6499.34
Foreign Exchange Used	731.58	362.15

For and on behalf of the Board

**S. V. Kabra**

Chairman & Managing Director

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS :

Kabra Extrusiontechnik (KET) is the flagship company of Kolsite group. The latter which is in the 50th year of its operations, is one of the largest players in the plastic extrusion machinery and plastic masterbatches market and is known for its innovative offerings.

KET specializes in providing plastic extrusion machinery for pipe and films manufacturing. It has plants in Daman. In line with this economic outlook, the plastics extrusion machinery industry's prospects too appear positive in the longer term. As per Plastindia Foundation the growth of the plastics industry has seen the number of processing units grow from 25,000 in 2010 to 30,000 in 2011. The exponential growth anticipated over the next three years will see this number go up to 40,000 units. This is reflective of the positive outlook for our sector.

### 2. BUSINESS OVERVIEW AND OUTLOOK :

In the year 2010-11 KET had acquired 15% stake in Gloucester Engineering Company Inc (GEC) which will help KET to get technology and expertise in the high-end Blown Film Plants which find application in packaging for lamination, shrink and stretch wraps. The Company has demonstrated its first "KAGE" 3 layer film plant at their factory in Dunetha with an output of 600 kgs/hr on a 40 micron thick lamination film which find applications in the food packaging industry.

In the Pipes segment, the Company is focusing on Window profile extrusion due to increasing awareness of advantages of the PVC profiles and resultant demand. The Company also offers cPVC pipe extrusion lines in single as well as dual strand with AMC technology. Having established a strong presence in the irrigation segment which continues to provide major opportunities for growth, the Company, along with the round drip has now entered the flat drip lines market.

The extrusion machines supplied by KET facilitate space savings, lower energy consumption and high quality output for its customers.

The collaboration with Battenfeld, Germany, which the company has since 1983 only got stronger in the financial year 2011-12 as the technology agreement has been amended recently to include technology from its group member Battenfeld-Cincinnati, Austria. With this, KET will now be able to enhance its production program.

The Company continued its focus on marketing activities and strengthening its agent network by participating in various trade fairs and exhibitions. It has made significant inroads in many new markets.

During the financial year 2011-12, the Company participated in 8 national and international exhibitions to showcase its product portfolios to strengthen its geographical base as well as clientele.

### 3. KET's COMPETITIVE POSITIONING :

KET's competitive positioning lies in its understanding of the indigenous markets with strong client relationships coupled with continuous efforts at enhancing its technological expertise.

Being a market leader with close to five decades of promoter experience in the industry, it has a strong brand loyalty and dedicated target base.

The Technological collaborations forged by Company over a period of time have helped it to capture the import market in India and expand its geographical base to more than 70 countries.

The company is present in extremely potent segment with huge demand potential from the plastics industry both in the pipe and films segment.

### 4. SEGMENT-WISE PERFORMANCE :

Your Company is operating only in one segment i.e. Plastic Extrusion Machinery and Allied Equipments.

### 5. RISKS AND CONCERNS :

Technology obsolescence, market conditions, growing competition including imports and unorganized sector are major risks perceived by the Company that may have adverse effect on Company's business and its margin in future.

The Company has deepened its association with Battenfeld Cincinnati to include Battenfeld Cincinnati-Austria by amending its technology transfer agreement thus getting access to technology from Austria too.

The Company strives consistently to deepen its product portfolio and offer a complete range of offerings to its existing clients. At the same time, the company is widening its product offerings to capture new industry applications which are in demand due to increasing awareness and in nascent industries.

## 29<sup>th</sup> Annual Report 2011 – 12

The Commitment to technology and offering high quality machines is reflected in the Company's plants including the new one at Dunetha. Its state of the art painting facilities use technology developed for the exacting standards of the Engineering industry. This will provide the clients with assurance of adequate corrosion protection and very fine paint finish.

The Company continuously focuses on safety of environment and is increasing its awareness amongst the employees of the Company. Measures are being taken continuously to control cost on all fronts.

### 6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Management feels that the internal controls in place are sufficient considering the complexity, size and nature of operations of the Company. Internal Audit Team consists of well experienced members, who constantly review various aspects of control systems and conduct audit under well laid out audit programmes to ensure effectiveness of the controls.

### 7. FINANCIAL & OPERATIONAL PERFORMANCE :

Sr. No.	Particulars	2011-2012 (Rs.in lacs)	2010-2011 (Rs.in lacs)	% Changes
1.	Income from Operations (Net of Excise)	19,028.84	21,952.30	- 13.32
2.	Other Income	470.86	657.90	- 28.43
3.	Net Profit after Interest, Depreciation, Tax and Deferred Tax	1,000.71	2,581.57	- 61.24

Your Company has a low debt equity ratio and is well placed to take care of its borrowings made by way of credit facilities and term loan.

The Company's credit terms and recovery mechanism are effective enough to check the financial defaults by any of the customers. No financial defaults of whatsoever nature were reported during the year under review.

### 8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :

Industrial relations during the year were cordial and peaceful without any disruption of manufacturing activities. Programmes and conferences aiming at leadership development and know-how upgradation with advancing technology on all fronts were conducted during the year.

Manpower as on 31<sup>st</sup> March, 2012 including Workers, Staff and Executives : 351

### 9. CAUTIONARY STATEMENT :

Actual performance may differ from projections made, as the Company's operations are subject to various economic conditions, government regulations and other incidental factors.

For and on behalf of the Board

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

**S. V. Kabra**  
Chairman & Managing Director

## REPORT ON CORPORATE GOVERNANCE

A compliance report on Corporate Governance is included in this Annual Report as required by Clause – 49 of the Listing Agreement with the Stock Exchange.

### 1. Company's Philosophy on Code of Governance :

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the need and interest of all its stakeholders' viz. customers, shareholders, employees, regulatory bodies, vendors, bankers etc.

### 2. Board of Directors :

#### • Composition and size of the Board :

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.

#### • Board Meeting and Attendance :

Four (4) Board Meetings were held during the financial year 2011-12 on 30<sup>th</sup> May, 2011, 10<sup>th</sup> August, 2011, 9<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.

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 <sup>st</sup> March, 2012		
			Board Meeting	Last AGM held on 30/08/11	Number of External Directorship held #	Number of Membership / Chairmanship in Board Committee across all the Company	
						Member	Chairman
1.	Shri S. V. Kabra \$	Executive Not Independent	04	Yes	05	02	-
2.	Shri S. N. Kabra \$	Executive Not Independent	03	Yes	05	-	-
3.	Shri A.S. Kabra €	Executive Not Independent	04	Yes	06	-	-
4.	Shri H. S. Sanwal	Non-Executive Independent	04	Yes	07	-	04 *
5.	Shri M. P. Taparia	Non-Executive Independent	03	Yes	06	-	03
6.	Shri Y. B. Desai	Non-Executive Independent	04	Yes	02	01	01
7.	Shri N. C. Chauhan	Non-Executive Independent	04	Yes	02	01	-

\$ Shri S. V. Kabra and Shri S. N. Kabra are Promoters and are 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, Foreign Company and Companies formed under Section 25 of the Companies Act, 1956.

\* A Committee Member holding Chairmanship of the Audit & Shareholders' Grievance Committee

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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 regard 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.
- 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.
- Review and approve appointment of CFO i.e. whole time finance director or any other person heading and discharge the finance function
- Recommend appointment of cost auditor and to ensure that the cost auditor is free from any disqualification and is independent and is at arm's length relationship with the company.

#### Committee Composition :

The Committee comprise 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 Y. B. Desai	Non-Executive Independent	B.A.(Hons), CAIIB	Member	04
Shri N. C. Chauhan	Non-Executive Independent	B.Com (Hons), L.L.B., CAIIB.	Member	04

#### Meeting and Attendance:

- The Audit Committee meetings were held four (4) times during the financial year 2011-12 on 30<sup>th</sup> May, 2011, 10<sup>th</sup> August, 2011, 9<sup>th</sup> November, 2011 and 14<sup>th</sup> February, 2012.
- The Chairman of the Audit Committee Shri H. S. Sanwal, was present at the Annual General Meeting held on 30<sup>th</sup> August, 2011 to answer the Shareholders' Queries.
- Quorum of the Committee is two (2) Independent Directors as Members.
- Chief Financial Officer 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 the Board Meeting.

### 4. Remuneration Committee, Policy and Details of remuneration to all the Directors :

Non-Executive Directors were paid sitting fees of Rs. 20,000/- for each meeting of the Board and Audit Committee and Rs. 10,000/- for each meeting of Shareholders'/ Investors' Grievances Committee thereof attended by them. Total Sitting Fees paid to Non-Executive Directors during the financial year 2011-12 is Rs. 5,80,000/-

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.

Remuneration paid to Shri S. V. Kabra – Chairman & Managing Director, Shri S. N. Kabra – Vice-Chairman & Managing Director and Shri A. S. Kabra - Technical Director are as under: (Amount in Rupees)

Name of the Director	Basic Salary & HRA	Contribution to P.F. & Other Fund	Other Perquisites	Total
Shri S. V. Kabra	36,00,000	2,88,000	28,475	39,16,475
Shri S. N. Kabra	30,37,500	2,43,000	26,300	33,06,800
Shri A. S. Kabra	28,50,000	5,19,492	-	33,69,492
<b>Total</b>	<b>94,87,500</b>	<b>10,50,492</b>	<b>54,775</b>	<b>1,05,92,767</b>



## 5. Shareholders'/Investors' Grievances Committee :

Shareholders'/Investors' Grievances Committee, specifically looks into redressing of Shareholders' and Investors' Complaints regarding transfer of shares, non-receipt of Dividend warrants and Annual Reports.

Name of the Non-Executive Director heading the Committee : Shri Haridas S. Sanwal

Name and Designation of the Compliance Officer dealing with grievance of shareholders & investors : Shri Y. D. Sanghavi

### Nature & Status of Shareholders Correspondence:

The Company has received 70 letters during the period from 1<sup>st</sup> April, 2011 to 31<sup>st</sup> March, 2012 as described herein below:

Sr. No.	Nature of Correspondence	Received	Disposed
1.	Non-receipt of dividend warrants already posted / Revalidation of Dividend Warrants	51	51
2.	SEBI & Stock Exchange Letters	--	--
3.	Change of Address	13	13
4.	Change / Noting / Cancellation of Bank Mandate	01	01
5.	Transmission / Name Deletion	03	03
6.	Non-receipt of Transferred Shares & Others	02	02
	<b>Total</b>	<b>70</b>	<b>70</b>

Your Company is making all attempts to redress grievances to the full satisfaction of the Shareholders. Except for pending disputed case, all valid transfers have been processed and no complaints pending in that behalf.

## 6. General Body Meetings :

Particulars of the venue and time where last three (3) Annual General Meetings (AGM) were held:

Financial Year Ended	AGM Date	Venue	Time
31-03-2009	06-08-2009	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058	2:00 P. M.
31-03-2010	06-08-2010	- do -	2:00 P. M.
31-03-2011	30-08-2011	- do -	2:00 P. M.

Special Resolution in respect of appointment of Shri S. V. Kabra as Chairman & Managing Director was passed at the Annual General Meeting 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 :

- The Company do enter into transactions with concerns in which some of the Directors of the Company are deemed to be concerned / interested. However, these transactions 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. 29 of the accounts.

- Details of non-compliance by the Company, Penalties/Strictures imposed on the Company by Stock Exchange(s) or Securities Exchange Board of India (SEBI) or any other statutory authority or any matters 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.

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### 8. Means of Communication :

- Quarterly/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. These Results are published in the prominent newspapers viz. The Economic Times (English) & Maharashtra Times (Marathi) respectively.
- As per the requirement of Clause 54 of the Listing Agreement, all the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded and also updated on company's website.
- Management Discussion and Analysis Report forms part of the Annual Report.

### 9. General Shareholders Information:

#### Annual General Meeting –

Day, Date & Time	: Thursday, 30 <sup>th</sup> August, 2012 at 2:00 p.m.
Venue	: Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058
Date of Book Closure	: Thursday, 23 <sup>rd</sup> August, 2012 to Thursday, 30 <sup>th</sup> August, 2012 (both days inclusive)
Dividend Payment Date	: On or after 5 <sup>th</sup> September, 2012, but within the statutory time limit

#### Reporting of Unaudited / Audited Financial Results : In respect of Financial Year 2012-2013 from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013

(a) First Quarter Results	: Before 14 <sup>th</sup> August, 2012
(b) Second Quarter Results with half Yearly results	: Before 14 <sup>th</sup> November, 2012
(c) Third Quarter Results	: Before 14 <sup>th</sup> February, 2013
(d) Fourth Quarter Results or Audited Results for the year ended 31 <sup>st</sup> March, 2013	: Before 15 <sup>th</sup> May, 2013 or Audited Results within statutory time period
(e) Annual General Meeting (For the year 2012-2013)	: Tentatively by August, 2013

### LISTING ON STOCK EXCHANGE

Name	Address	Stock Code
BSE Ltd. (BSE)	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001	524109
National Stock Exchange of India Ltd (NSE)	Exchange Plaza, Plot No. C/1, G- Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	KABRAEXTRU

Annual Listing Fees for the Financial Year 2012-2013 have been paid to the above Stock Exchanges.

The Company has made payment of Custodian Charges for the financial year 2012-2013 to National Securities Depository Ltd., and Central Depository Services (India) Ltd.

**Stock Market Data:** Monthly High/Low price of the Equity Shares of the Company during the financial year 2011-2012 with the volume traded.

Month	BSE Ltd			National Stock Exchange of India Ltd		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2011	68.15	59.05	43591	66.25	59.00	87318
May, 2011	62.20	56.50	65443	68.85	56.00	116727
June, 2011	59.85	50.60	84304	60.30	50.75	141897
July, 2011	63.50	52.00	418354	64.00	51.55	613394
August, 2011	53.45	34.80	206484	54.40	34.70	418480
September, 2011	43.45	38.20	63012	43.40	37.50	76120
October, 2011	42.50	38.35	31626	43.60	38.00	44144
November, 2011	41.25	33.10	73202	41.45	33.00	108998
December, 2011	38.25	30.05	48287	38.00	31.00	56643
January, 2012	39.45	31.55	43264	39.50	31.35	45462
February, 2012	40.95	35.35	100663	40.70	35.20	77066
March, 2012	37.45	30.70	71603	37.90	30.00	72723

Performance of share price of your Company in comparison to BSE Sensex for the Financial Year is presented in GRAPH on inside front cover page.

<b>Dematerialisation of Shares &amp; Liquidity</b>	<b>82.61%</b> of the equity shares have been dematerialized till 31 <sup>st</sup> March, 2012 out of 31902320 Equity Shares during the financial year 2011-12.
<b>Registrar &amp; Transfer Agent</b>	M/s. Sharepro Services (India) Pvt. Ltd., a SEBI Registered Transfer Agent are attending to all the work related to Share Registry in terms of both Physical and Electronic Mode.
<b>Address of the Transfer Agent</b>	Plot No. 13AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400072
<b>Contact Details</b>	<b>Tel.:</b> 022-67720300 / 400 <b>Fax.:</b> 022-28591568 / 28508927 <b>Email:</b> sharepro@shareproservices.com
<b>Share Transfer System</b>	Trading in Company's Shares on the Stock Exchange takes place in electronic form. However physical shares lodged for transfer and other related requests are processed by the said Transfer Agent and the same are approved by the Company.

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2012:

No. of Equity Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto – 1000	6637	84.79	2262835	7.09
1001-2000	600	7.67	924454	2.90
2001-4000	318	4.06	992044	3.11
4001-6000	79	1.01	402285	1.26
6001-8000	59	0.75	426741	1.34
8001-10000	28	0.36	258901	0.81
10001-20000	52	0.66	799029	2.51
Above 20001	55	0.70	25836031	80.98
<b>TOTAL</b>	<b>7828</b>	<b>100.00</b>	<b>31902320</b>	<b>100.00</b>

#### Reconciliation of Share Capital Audit Report:

It is carried out every quarter and the report thereon were placed before the Board of Directors and submitted to the Stock Exchanges. The audit interalia 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 and physical form.

## 29<sup>th</sup> Annual Report 2011 – 12

### Shareholding in Physical and Electronic mode as on 31<sup>st</sup> March, 2012

Mode of Holding	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Physical	863	11.02	5549532	17.39
Electronic	6965	88.98	26352788	82.61
<b>TOTAL</b>	<b>7828</b>	<b>100.00</b>	<b>31902320</b>	<b>100.00</b>

### Category of Shareholders as on 31<sup>st</sup> March, 2012

Sr. No.	Category	Number of Shares	% of Shareholding	Number of Shareholders	% of Shareholders
1.	Promoters	17725466	55.56	13	0.17
2.	Public Financial Institutions, Banks & Insurance Companies	6800	0.02	05	0.06
3.	Private Corporate Bodies	761803	2.39	252	3.22
4.	NRIs / OCBs	5120348	16.05	105	1.34
5.	Indian Public & Others	8287903	25.98	7453	95.21
	<b>TOTAL</b>	<b>31902320</b>	<b>100.00</b>	<b>7828</b>	<b>100.00</b>

### None of the Non-Executive Directors are holding any equity shares of the Company as on 31<sup>st</sup> March, 2012:

Details of use of Public Funds obtained in last three years	:	No funds have been raised from public in last three years
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 Location	:	(i) Kabra Industrial Estate, Kachigam, Daman – 396210 (ii) 259/260/265 (III), Coastal Highway, Dunetha – 396210
Registered Office	:	Kolsite House, Off. Veera Desai Road, Andheri (West), Mumbai – 400 053 Tel. : 022-26734822-24 Fax : 022-26735041

### 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 <sup>th</sup> August, 2005	2004-2005	35%	October, 2012
11 <sup>th</sup> August, 2006	2005-2006	40%	September, 2013
17 <sup>th</sup> August, 2007	2006-2007	45%	September, 2014
15 <sup>th</sup> July, 2008	2007-2008	60%	August, 2015
06 <sup>th</sup> August, 2009	2008-2009	60%	September, 2016
06 <sup>th</sup> August, 2010	2009-2010	70%	September, 2017
30 <sup>th</sup> August, 2011	2010-2011	35% **	October, 2018

\*\* on Equity Shares with face value of Rs. 5/- each & on post bonus capital

### Unclaimed Suspense Account

In compliance with SEBI's notification No. CIR/CFD/DIL/10/2010 dated 16<sup>th</sup> December, 2010, the Company has sent reminders twice to those shareholders who have yet not claimed their Shares Certificates issued upon sub-division and bonus during Financial Year 2010-11. The Company has re-delivered share certificates to all those claimants who have responded to the request made to them. After further reminders as necessary, the Company shall initiate laid down procedure to transfer the unclaimed shares to "Unclaimed Suspense Account" in due course. All corporate benefits in terms of securities accruing on such shares shall be credited to such suspense account and voting rights on such shares shall remain frozen till the rightful owner claims such shares.



**Address for Correspondence:** Members holding shares in physical form are requested to lodge their application for share transfer, transmission and request for changes, if any, in their addresses, bank account and mandate etc. to M/s. Sharepro Services (India) Pvt. Ltd., Plot No. 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Sakinaka, Andheri (East), Mumbai – 400 072 and for query on Annual Report and Dividend, Members are requested to write to the Company at Kolsite House, Off. Veera Desai Road, Andheri (West) Mumbai – 400 053.

**Designated email id for investors :** ket\_sd@kolsitegroup.com

**Company identification number :** L28900MH1982PLC028535 and

**ISIN :** INE900B01029

## 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 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 : 29<sup>th</sup> May, 2012

**S. V. Kabra**  
Chairman & Managing Director

## Compliance of Conditions of Corporate Governance

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors proposed to be re-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 : 29<sup>th</sup> May, 2012

**S. V. Kabra**  
Chairman & Managing Director

## AUDITORS' CERTIFICATE

To,  
The Members of Kabra ExtrusionTechnik Ltd.

We have examined the compliance of conditions of corporate governance by M/s. Kabra ExtrusionTechnik Ltd., for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the 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 explanations given to us, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR KIRTANE & PANDIT**  
Chartered Accountants  
(FRN - 105215W)

**PARAG P. PANSARE**  
Partner  
MEMBERSHIP NO.: 117309

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

## 29<sup>th</sup> Annual Report 2011 – 12

### AUDITORS' REPORT

To The Members of  
**Kabra ExtrusionTechnik Ltd.**, Mumbai.

We have audited the attached Balance Sheet of Kabra Extrusiontechnik Ltd ("the Company") as at 31<sup>st</sup> March, 2012, the Statement of Profit and Loss for the year ended on that date annexed thereto and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. 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 the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. Further to our comments in the Annexure referred to in paragraph (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 our audit;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of such books;
  - c) the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) so far as it appears from our scrutiny of books of account and other records, we are of the opinion that the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) on the basis of the written representations received from the directors as on March 31, 2012 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - f) in our opinion and to the best of our information and according to the explanations given to us the said accounts, read together with the notes thereon 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 the affairs of the Company as at 31<sup>st</sup> March, 2012;
    - ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR KIRTANE & PANDIT**  
Chartered Accountants  
(FRN - 105215W)

**PARAG P. PANSARE**  
Partner

Membership No.: 117309

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

**Annexure referred to in paragraph 1 of our report of even date addressed to the Members of  
Kabra ExtrusionTechnik Ltd, on the financial statements for the year ended March 31, 2012.**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to us, fixed assets are physically verified by the management at reasonable intervals, in a phased verification programme, which, in our opinion, is reasonable, looking at the size of the company and nature of its business.  
(c) During the year, the Company has disposed some of its fixed assets. In our opinion and according to the information and explanations given to us, fixed assets disposed off were not substantial and therefore has not affected the going concern assumption.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and adequate, considering the size of the company and the nature of its business.  
(b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of Inventory. The discrepancies noticed on physical verification of inventory as compared to the book records have been properly dealt with in the books of accounts.
- (iii) (a) The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.  
(b) As the Company has not granted any loan, clauses (b) to (d) of paragraph 4 (iii) are not applicable.  
(c) The Company has accepted unsecured loan, from 3 parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Maximum amount outstanding at any time during the year was ₹ 4,11,50,000/- and the year-end Balance is ₹ 23,66,274/- (including interest)

- (d) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions of loan accepted by the company, are not prima facie prejudicial to the interest of the company.
- (e) The principle & interest is repayable as per agreed terms and there are no overdue amounts in respect of said loans and interest there on.
- (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 and fixed assets and for the sale of goods and service. We have neither come across nor have been informed of any major weaknesses in the internal control system in the aforesaid areas.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that are required to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to 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 ₹ Five Lacs with any parties during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public. Accordingly, paragraph 4(vi) of the Order (as amended) is not applicable.
- (vii) On the basis of internal audit reports broadly reviewed by us, we are of the opinion that, the company has an adequate internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) According to records of the company undisputed statutory dues including provident fund, Investors Education and Protection Fund, Employees' State insurance, Income-Tax, Sales tax, Wealth tax, Service tax, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2012 for the period of more than six months from the date of becoming payable.
- (b) The disputed statutory dues aggregating ₹ 142.37 lacs that have not been deposited on account of disputed matters pending before appropriate authorities are as under

Sr. No	Name of the statute	Nature of the dues	Amount (₹ in Lacs)	Period for which the amount relates	Forum where the dispute is pending
1.	Finance Act 1994	Service Tax	142.37	Various years from 2006-07 to 2010-11	Commissioner of central excise (Appeals)

- (x) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in 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 any financial institution or bank.
- (xii) According to the information and explanations given to us and based on the documents and records produced 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. Accordingly, the provision of clause 4(xii) of the Order (as amended) is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order (as amended) are not applicable.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order (as amended) is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (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 parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the Order (as amended) is not applicable.
- (xix) According to the information and explanations given to us, during the year, the company has not issued debentures. Accordingly, paragraph 4(xix) of the Order (as amended) is not applicable.
- (xx) As the Company has not raised any money by way of public issue, disclosure requirement of the end use of money raised by public issue does not apply to the Company.
- (xxi) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the course of our audit, nor we have been informed of such case by the Management

**FOR KIRTANE & PANDIT**  
Chartered Accountants  
(Firm No. 105215W)

**PARAG P. PANSARE**  
Partner  
Membership No.: 117309

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

## 29<sup>th</sup> Annual Report 2011 – 12

### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2012

(Rs. in Lacs)

Sr. PARTICULARS No.	Note No.	As at 31 <sup>st</sup> March, 2012	As at 31 <sup>st</sup> March, 2011
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2	1,595.12	1,595.12
(b) Reserves and Surplus	3	9,712.42	9,082.48
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	-	157.50
(b) Deferred Tax Liabilities (Net)	31	550.06	506.48
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	5	1,087.44	479.94
(b) Trade Payables		1,749.22	2,872.46
(c) Other Current Liabilities	6	2,277.78	2,327.08
(d) Short-Term provisions	7	1,346.18	1,583.21
		<u>18,318.22</u>	<u>18,604.27</u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	4,252.07	3,893.08
(ii) Intangible Assets	8	997.65	584.46
(b) Non-current investments	9	1,800.28	1,274.18
(c) Long-term loans and advances	10	2,226.34	1,280.81
<b>(2) Current Assets</b>			
(a) Current Investments	11	693.17	2,884.52
(b) Inventories	12	5,409.08	5,782.09
(c) Trade Receivables	13	1,974.30	2,013.18
(d) Cash and cash equivalents	14	161.52	97.08
(e) Short-Term loans and advances	15	803.82	794.87
		<u>18,318.22</u>	<u>18,604.27</u>

Notes to Accounts and Significant Accounting Policies form an integral part of these Financial Statement

As per our report of even date

For and on behalf of the Board

for **Kirtane & Pandit**  
Chartered Accountants  
Firm Registration No. : 105215W

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

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

**PARAG PANSARE**  
(Partner)  
Membership No. : 117309

**JAYANT SARPOTDAR**  
(Chief Financial officer)

**H. S. SANWAL**  
(Director)

**M. P. TAPARIA**  
(Director)

**Y. D. SANGHAVI**  
(Company Secretary)

**Y. B. DESAI**  
(Director)

**N. C. CHAUHAN**  
(Director)

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

			(Rs. in Lacs)	
Sr. No.	PARTICULARS	Note No.	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
I	Revenue from Operations	16	19,028.84	21,952.30
II	Other income	17	470.86	657.90
III	Total Revenue (I + II)		19,499.70	22,610.20
IV	Expenses:			
	Cost of materials consumed	18	12,171.90	15,753.23
	(Increase)/decrease in inventories of finished goods, work in progress, stock in transit	19	550.50	(995.29)
	Employee benefits expense	20	2,019.91	1,747.07
	Finance costs	21	100.49	88.12
	Depreciation and amortization expense	8	465.31	388.23
	Other expenses	22	2,932.67	2,111.19
V	Total Expenses		18,240.78	19,092.56
VI	Profit before Tax (III-V)		1,258.92	3,517.64
VII	Tax expense:			
	(1) Current tax (including wealth tax)		(291.10)	(851.26)
	(2) Deferred tax		(43.58)	(84.81)
	(3) Excess provision of earlier years		76.47	
VIII	Profit (Loss) for the period from continuing operations (VI-VIII)		1,000.71	2,581.57
IX	Profit (Loss) for the period		1,000.71	2,581.57
	Number of Equity Shares		31902320	31902320
X	Earnings per equity share (Basic & Diluted) Rs.		3.14	8.09

Notes to Accounts and Significant Accounting Policies form an integral part of these Financial Statement

As per our report of even date

For and on behalf of the Board

for **Kirtane & Pandit**  
Chartered Accountants  
Firm Registration No. : 105215W

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

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

**PARAG PANSARE**  
(Partner)  
Membership No. : 117309

**JAYANT SARPOTDAR**  
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(Director)

**Y. D. SANGHAVI**  
(Company Secretary)

**Y. B. DESAI**  
(Director)

**N. C. CHAUHAN**  
(Director)

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012



## 29<sup>th</sup> Annual Report 2011 – 12

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012

PARTICULARS		(Rs. in Lacs)	
		2011-2012	2010-2011
<b>(A) Cash Flow from Operating Activities</b>			
<b>Net Profit Before Tax &amp; Extra-ordinary Items</b>		<b>1,258.93</b>	<b>3,517.64</b>
Add	: Adjusted for		
	Depreciation	465.31	388.23
	Loss on Sale of Fixed Assets	15.16	4.75
	Interest Paid	100.54	45.46
		<b>1,839.95</b>	<b>3,956.07</b>
Less	: Interest Income	116.16	13.78
	Surplus on Sale of Assets	0.08	15.47
	Surplus on Sale of Investment	216.99	431.08
	Dividend Received	83.06	147.64
<b>Operating Profit Before Working Capital changes</b>		<b>1,423.66</b>	<b>3,348.10</b>
Add/(Less)	: Increase/(Decrease) in Current Liabilities	(1,211.29)	1,484.96
	Increase/(Decrease) in Provision	65.56	88.59
		<b>277.92</b>	<b>4,921.65</b>
Add/(Less)	: Increase/(Decrease) in Inventories	373.01	(1,674.76)
	Increase/(Decrease) in Receivables	38.88	(948.02)
	Increase/(Decrease) in Current Assets	(976.31)	(505.66)
		<b>(286.50)</b>	<b>1,793.20</b>
Less	: Income Tax Paid	239.13	891.68
		<b>(525.63)</b>	<b>901.53</b>
<b>(B) Cash Flow from Investing Activities</b>			
	Purchase of Fixed Assets	(1,243.99)	(1,180.10)
	Sales of Assets	13.24	47.13
	Investment Made	(2,822.91)	(2,727.42)
	Sale of Investments	4,705.15	3,554.62
	Interest Received	116.16	13.78
	Dividend Received	83.06	147.64
<b>Net Cash Generated/used in Investing Activities</b>		<b>850.70</b>	<b>(144.36)</b>
<b>(C) Cash Flow from Financing Activities</b>			
	Increase/(Decrease) in Secured/Unsecured loans (Working capital)	485.12	(47.86)
	Inter Corporate Deposit made/Refund	-	-
	Interest paid	(100.54)	(45.46)
	Dividends Paid	(645.21)	(650.01)
<b>Net Cash from Financing Activities</b>		<b>(260.63)</b>	<b>(743.34)</b>
<b>Net Increase in Cash &amp; Cash Equivalents A+B+C</b>		<b>64.44</b>	<b>13.83</b>
Add	: Cash & Cash equivalents at the beginning of the year	97.08	83.25
	Cash & Cash equivalents at the close of the year	<b>161.53</b>	<b>97.08</b>

As per our report of even date  
for **Kirtane & Pandit**  
Chartered Accountants  
Firm Registration No. : 105215W

**PARAG PANSARE**  
(Partner)  
Membership No. : 117309  
Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

**JAYANT SARPOTDAR**  
(Chief Financial officer)  
**Y. D. SANGHAVI**  
(Company Secretary)

For and on behalf of the Board  
**S. V. KABRA**  
(Chairman & Mg. Director)

**H. S. SANWAL**  
(Director)  
**Y. B. DESAI**  
(Director)  
Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

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

**M. P. TAPARIA**  
(Director)  
**N. C. CHAUHAN**  
(Director)

**NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012 AND STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012**

**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**

Tangible 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.

**Intangible Fixed Assets and amortization**

Intangible assets have finite useful lives and are amortized over their expected useful economic lives.

Depreciation and amortisation on fixed assets is computed on the straight-line method at rates prescribed under Schedule XIV of the Companies Act, 1956. Technical know-how is amortised over useful life of the underlying assets.

**C. Investments**

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

Current investments are carried at lower of cost or quoted/fair value determined separately for each individual investment.

**D. Current Assets:**

**a. Inventories**

Raw Material, Components 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 there on.) 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 Plastic Processing Machines & Spare parts, DEPB License, Services, 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 recognized as an expense in the Profit and Loss account of the

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year in which the employee has rendered services. The expense is recognized 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 creates a provision when there is a present obligation as a result of a past event that probably requires outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not required an outflow of resources when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

## 2. SHARE CAPITAL

		(Rs. in Lacs)	
Particulars	As at 31 March 2012	As at 31 March 2011	
A) Authorised, Issued, Subscribed and Paid-up Share Capital and Par Value Per Share			
<b>Authorised Share Capital</b>	<b>2,000.00</b>	2,000.00	
40000000 equity shares of Rs 5/- each (Previous year 40000000 equity shares of Rs 5/- each)			
<b>Issued, Subscribed &amp; Fully Paid up Share Capital</b>	<b>1,595.12</b>	1,595.12	
31902320 equity shares of Rs 5/- each (Previous year 31902320 equity shares of Rs 5/- each)			
	<u>1,595.12</u>	<u>1,595.12</u>	
Of the above shares 23180160 shares of Rs 5/- each were allotted as fully paid up bonus shares without payment being received in cash.			
B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year	Number of Shares	Number of Shares	
No of shares outstanding as at the beginning of the year	<u>31902320</u>	<u>7975580</u>	
<b>Add :</b>			
Sub division of shares (face value from Rs 10/- to Rs 5/-)	-	7975580	
Bonus issue (1:1)	-	15951160	
	<u>31902320</u>	<u>31902320</u>	
The company has only one class of share having par value of Rs 5/-. Each holder of equity share is entitled to one vote per share.			
C) Shares in the company held by each shareholder holding more than 5%	(shares in lacs)		
	2011-12		2010-11
	Number of shares held in the company	% of shares held	Number of shares held in the company
Mahashree Plastic Industries Pvt Ltd	49.40	15.49	49.40
Battenfeld Extrusionstechnik Gmbh	36.00	11.28	36.00
Anand S. Kabra	25.57	8.02	26.56
Satyanarayan G Kabra	20.74	6.50	18.04
Varun S Kabra	16.71	5.24	16.71
Saritadevi S Kabra	16.71	5.24	-

### 3. RESERVES AND SURPLUS

(Rs. in Lacs)		
Particulars	As at 31 March 2012	As at 31 March 2011
Capital Reserves	12.69	12.69
Securities Premium Account	594.14	594.14
<b>General Reserve</b>		
Opening balance	4,399.00	2,999.00
Add - Transferred from Statement of Profit & Loss	100.10	1,400.00
Closing Balance	4,499.10	4,399.00
<b>Profit &amp; Loss Account</b>		
Opening balance	4,076.65	3,543.94
<b>ADD - Profit for the year</b>	1,000.71	2,581.57
<b>LESS -</b>		
Transferred to General Reserve	100.10	1,400.00
Proposed Dividend	319.02	558.29
Tax on proposed Dividend	51.75	90.57
<b>Balance carried forward</b>	4,606.49	4,076.65
	9,712.42	9,082.48

### 4. LONG TERM BORROWINGS

#### Foreign Currency Term Loan from SBI (Secured)

(Term loan from State Bank of India is repayable at LIBOR+ 5.25% interest and is secured by first charge on the fixed assets of the Company including assets acquired out of the term loan. The loan is repayable in 60 installments starting from February 2008 and the last installment is falling due on January 2013)

- 157.50

- 157.50

Note : There is no default, continuing or otherwise, as at the balance sheet date, in repayment of above loan

### 5. SHORT TERM BORROWING

#### Loans repayable on demand (Secured)

##### \*Cash Credit From Banks (Repayable on demand)

785.56 423.32

(Cash credit from Axis bank carries interest rate Base Rate (At present 10.00%) + 2.25% and Cash credit from SBI bank carries interest rate Base Rate (at present 10.00%) + 2.50%.)

##### \*Bills Discounted (Repayable on demand)

278.38 56.63

(Above Credit facilities from the said banks are secured by first pari-passu charge created in their favour on entire Current and fixed Assets of the company (both present & future) and further secured by equitable mortgage on first pari passu basis, by deposit of title deeds of plot of land situated at village-Kachigam, Daman, belonging to the company)

#### Loans & advances from related parties

Inter corporate deposits (unsecured)

23.50 -

1,087.44 479.94

Note : There is no default, continuing or otherwise, as at the balance sheet date, in repayment of any of the above loans.

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(Rs. in Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>6. OTHER CURRENT LIABILITIES</b>		
<b>Current maturities of long term debt</b>		
Foreign Currency Term loan from SBI (Secured)	157.50	122.52
(Term loan from State Bank of India is repayable at LIBOR+ 5.25% interest and is secured by first charge on the fixed assets of the Company including assets acquired out of the term loan. The loan is repayable in 60 installments starting from February 2008 and the last installment is falling due on January 2013)		
Interest accrued and due on borrowings	0.16	-
Unpaid/ unclaimed dividends	28.32	24.67
Advance from Customers	1,799.23	2,097.55
Technical Know-how Fees Payable	203.48	-
Other payables	89.10	82.33
	<b>2,277.78</b>	<b>2,327.08</b>
<b>7. SHORT-TERM PROVISIONS</b>		
Provision for employee benefits (leave encashment)	143.25	106.74
Provision for dividends (including dividend distribution tax)	370.77	648.86
Provision for income-tax (Net)	142.57	166.91
Provision for wealth-tax	1.10	1.26
Other provisions	688.49	659.44
	<b>1,346.18</b>	<b>1,583.21</b>

## 8. FIXED ASSETS

(Rs. in Lacs)

Fixed Assets	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTIZATION				NET BLOCK	
	BALANCE AS AT	ADDITION DURING THE YEAR	DEDUCTIONS DURING THE YEAR	BALANCE AS AT	UP TO	DEPRECIATION FOR THE YEAR	DEPRECIATION ON DEDUCTIONS	BALANCE UP TO	BALANCE AS AT	BALANCE AS AT
	01.04.2011			31.03.2012	31.03.2011			31.03.2012	31.03.2012	31.03.2011
<b>a. Tangible Assets</b>										
Land	108.57	-	-	108.57	-	-	-	-	108.57	108.57
Buildings	1,112.45	0.54	-	1,112.99	319.19	34.50	-	353.69	759.30	793.26
Plants and Equipments	3,769.16	679.85	25.30	4,423.71	1,522.78	206.43	18.36	1,710.85	2,712.86	2,246.38
Furnitures and Fixtures	631.71	6.38	-	638.09	141.82	39.48	-	181.30	456.79	489.89
Vehicles	196.55	0.56	19.01	178.10	50.41	16.91	4.89	62.43	115.67	146.14
Office Equipments	143.60	4.25	9.30	138.55	34.76	6.95	2.04	39.67	98.88	108.84
	<b>5,962.04</b>	<b>691.58</b>	<b>53.61</b>	<b>6,600.01</b>	<b>2,068.96</b>	<b>304.27</b>	<b>25.29</b>	<b>2,347.94</b>	<b>4,252.07</b>	<b>3,893.08</b>
<b>b. Intangible Assets</b>										
Technical Know how	1,168.92	574.24	-	1,743.16	584.46	161.05	-	745.51	997.65	584.46
	<b>1,168.92</b>	<b>574.24</b>		<b>1,743.16</b>	<b>584.46</b>	<b>161.05</b>	<b>-</b>	<b>745.51</b>	<b>997.65</b>	<b>584.46</b>
<b>(a+b)</b>	<b>7,130.96</b>	<b>1,265.82</b>	<b>53.61</b>	<b>8,343.17</b>	<b>2,653.42</b>	<b>465.31</b>	<b>25.29</b>	<b>3,093.45</b>	<b>5,249.72</b>	<b>4,477.54</b>

Note: Borrowing cost capitalized during the year ended March 31, 2012 is Rs.29.88 lacs (Previous year gain of Rs. 6.34 lacs) in Plant & Machinery.



(Rs. in Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>9. NON-CURRENT INVESTMENTS (Valued At cost)</b>		
<b>(A) TRADE INVESTMENTS</b>		
<b>Unquoted Equity Instrument</b>		
<b>Investment in Associates</b>		
(i) 1.5 Lacs Equity shares (being 15% stake in Gloucester Engineering Company)	926.74	926.74
<b>(B) NON TRADE INVESTMENTS</b>		
<b>Investment in Equity Instrument</b>		
<b>Investment in Company (Quoted)</b>		
(i) 19.92 Lacs (31 <sup>st</sup> March 2011: 9.96 Lacs) Equity shares of Rs. 5/- each (31 <sup>st</sup> March 2011: Rs. 10/- each) in Plastiblends India Ltd.	140.81	140.81
<b>Investment in Co-operative Societies (Unquoted)</b>		
(i) 5 Shares of Royal Twin Co-op Hsg. Soc.Ltd of Rs.50/- each		
(ii) 5 Shares of Mohid Park Co-op Hsg. Soc.Ltd of Rs.50/- each		
<b>Investment in Mutual Fund (Unquoted)</b>		
(i) 19.85 Lacs Units @ Rs. 10.07 each in DWS Premier Bond fund - Premium + Growth	200.00	-
(ii) 10 Lacs Units @ Rs.10/- each in HDFC FMP 391 days March 2012 (1) Growth	100.00	-
(iii) 20 Lacs Units @ Rs. 10/- each in ICICI Prudential FMP Series 63 - 1 year plan	200.00	-
<b>Investment in Debentures and Bonds (Unquoted)</b>		
(i) 2610 tax free bonds in Indian Railway Finance Corp. of Rs. 1,000/- each	26.10	
(ii) 200 units in Debentures of Deutsche Investment (India) Pvt. Ltd. of Rs 1,00,000/- each	206.62	206.62
	<b>1,800.28</b>	<b>1,274.18</b>
Aggregate Investment (Unquoted)	1,659.46	1,133.36
Aggregate Investment (Quoted)	140.81	140.81
Aggregate Market Value (Quoted)	1,456.30	1,642.57
<b>10. LONG TERM LOANS AND ADVANCES</b>		
<b>a. Capital Advances</b>		
Unsecured, considered good	1,034.54	1,056.37
<b>b. Security Deposits</b>		
Unsecured, considered good	167.03	169.44
<b>c. Loans and advances</b>		
Secured, considered good	969.77	-
Unsecured, considered good	55.00	55.00
	<b>2,226.34</b>	<b>1,280.81</b>

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(Rs. in Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>11. CURRENT INVESTMENTS</b>		
<b>(Valued at lower of Cost and Fair Value, Unless stated otherwise)</b>		
Unquoted		
(a) Investments in Debentures or Bonds		
(i) Bhavishya Nirman Bond	-	99.05
(b) Investments in Mutual Funds		
(i) 0.69 lac units in SBI SHF-Ultra Short Term Fund - Dividend	693.17	568.25
(ii) Kotak FMP 370 days Series - 6 Growth	-	100.00
(iii) Reliance Fixed Horizon Fund - XV Series 9 - Growth	-	200.00
(iv) Reliance Regular Saving Fund - Debt Plan - Growth	-	201.54
(v) SBI Debt Fund Series 370 days - 7 Growth	-	300.00
(vi) UTI Fixed Maturity Plan - Yearly FMP Series - (08/10)	-	499.68
(vii) Templeton India Short Term Income Retail Plan-Growth	-	415.00
(viii) Birla Sun Life Dynamic Bond Fund - Growth	-	100.00
(ix) Birla Sun Life Fixed Term Plan - Series CE	-	200.00
(x) DSP Black Rock FMP - 12M Series 9 & 11	-	201.00
	<b>693.17</b>	<b>2,884.52</b>
<b>12. INVENTORIES</b>		
a. Raw Materials and Components	3,468.14	3,290.66
(includes Goods in transit worth Rs.48.60 Lacs)		
b. Work-in-progress	1,874.76	2,491.43
c. Finished Goods	66.18	-
	<b>5,409.08</b>	<b>5,782.09</b>
<b>13. TRADE RECEIVABLES</b>		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	1,688.78	1,679.66
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	285.52	333.52
	<b>1,974.30</b>	<b>2,013.18</b>
<b>Trade Receivables stated above include debts due by:</b>		
Directors *		
Officers & Employees		
Firm in which director is a partner *	4.32	1.86
Private Company in which director is a member		
	<b>4.32</b>	<b>1.86</b>
<b>14. CASH AND CASH EQUIVALENT</b>		
a. Balances with banks		
Earmarked Balances (Unpaid Dividend accounts)	28.32	24.67
Margin money	46.52	46.52
b. Cash on hand	0.58	0.41
c. Others - Balance in current accounts	79.42	23.29
d. Balance in Cash Credit account	6.68	2.19
	<b>161.52</b>	<b>97.08</b>

(Rs. in Lacs)

Particulars	As at 31 March 2012	As at 31 March 2011
<b>15. SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Advance recoverable in cash or kind	129.05	93.87
Excise Duty / Cenvat	208.06	86.20
Advance to suppliers	365.71	518.03
DEPB licence in hand	50.14	53.51
Loan to vendors	23.90	43.26
Export Incentive receivable	26.96	-
	<u>803.82</u>	<u>794.87</u>
	<b>For the Year ended 31.03.12</b>	<b>For the Year ended 31.03.11</b>
<b>16. REVENUE FROM OPERATIONS:</b>		
Sale of products	19,795.34	22,911.73
Less: Excise Duty	<u>1,715.48</u>	<u>1,555.94</u>
	<u>18,079.86</u>	<u>21,355.79</u>
Sale of services	167.17	100.67
Other operating revenues:	741.01	470.78
Scrap Sale	45.03	27.65
Less: Excise duty	<u>(4.23)</u>	<u>(2.59)</u>
	<u>781.81</u>	<u>495.84</u>
	<u>19,028.84</u>	<u>21,952.30</u>
<b>17. OTHER INCOME</b>		
Interest Income	116.16	13.78
Dividend Income	83.06	147.64
Net gain/loss on sale of investments	216.99	435.14
Other non-operating income (net of expenses directly attributable to such income)	<u>54.66</u>	<u>61.35</u>
	<u>470.86</u>	<u>657.90</u>
<b>18. COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	3,290.66	2,611.19
Add: Purchases	<u>12,349.39</u>	<u>16,432.70</u>
	<u>15,640.05</u>	<u>19,043.89</u>
Less: Inventory at the end of the year	<u>3,419.54</u>	<u>3,290.66</u>
Stock in Transit	<u>48.61</u>	<u>-</u>
	<u>12,171.90</u>	<u>15,753.23</u>
<b>DETAILS OF RAW MATERIAL AND COMPONENTS CONSUMED</b>		
Steel for Barrels	255.23	492.65
Thrust Box (Geared Assembly)	494.56	641.49
Others	<u>11,422.11</u>	<u>14,619.09</u>
	<u>12,171.90</u>	<u>15,753.23</u>

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Particulars	(Rs. in Lacs)	
	For the Year ended 31.03.12	For the Year ended 31.03.12
<b>19. (INCREASE)/DECREASE IN INVENTORIES</b>		
<b>Inventories at the beginning of the year</b>		
Work-in-Progress	2,491.44	1,496.15
Finished Goods	-	-
	<u>2,491.44</u>	<u>1,496.15</u>
<b>Inventories at the end of the year</b>		
Work-in-Progress	1,874.76	2,491.44
Finished Goods	66.18	-
	<u>1,940.94</u>	<u>2,491.44</u>
(INCREASE)/DECREASE IN INVENTORIES	<u>550.50</u>	<u>(995.29)</u>
<b>20. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Wages, bonus and allowances	1,707.64	1,446.32
Contribution to PF, ESIC and Superannuation Fund	167.28	155.13
Gratuity	70.00	57.39
Staff Welfare Expenses	74.99	88.23
	<u>2,019.91</u>	<u>1,747.07</u>
<b>21. FINANCE COST</b>		
Interest Expense	33.78	26.47
Other Borrowing costs	66.71	61.65
	<u>100.49</u>	<u>88.12</u>
<b>22. OTHER EXPENSES</b>		
Rent	181.89	100.65
Insurance	21.35	21.58
Rates and Taxes	4.43	4.61
Legal, Professional and Consultancy charges	176.27	62.75
Sales Promotion	235.46	125.81
Commission on sales	495.27	335.55
Power and Fuel	114.10	91.95
Directors' Remuneration and Sitting Fees	111.73	76.04
Net (Gain) / Loss on foreign currency transactions/ translation (other than adjusted as finance cost)	14.99	(69.57)
Repairs to Building	194.22	30.77
Repairs to Plant and Machinery	42.57	80.35
Travelling (Staff, Directors & Others)	337.38	330.77
Warranty Provision	10.98	22.00
Packing charges	265.37	332.90
Other Expenses	726.66	565.03
	<u>2,932.67</u>	<u>2,111.19</u>

### 23. Capital Commitments –

Estimated Amount of contracts remaining to be executed on capital account & not provided for is Rs. 31/- lacs (Previous year Rs. 175/- lacs)

#### Other Commitments

Liability on account of forward contracts entered during the year and are outstanding on March 31, 2012 against forecasted transactions amounting to Rs 614.58 Lacs (USD 12.50 Lacs)

### 24. Contingent Liabilities not provided for: (Rs. in Lacs)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Counter guarantees given by the Company for the guarantees issued by Company's bankers	354.47	359.09
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	46.53	46.53
Net amount	307.94	312.56
Disputed income tax demand	Nil	Nil
Excise matter under dispute appeal by Department	Nil	Nil
Service Tax matters under dispute	142.37	108.75

### 25. 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 regards.

### 26. (A) Value of Imported & Indigenous raw materials consumed (including components). (Rs. in Lacs)

Particulars	Current Year		Previous Year	
	Value	%	Value	%
Imported(Including custom duty)	2,483.10	20.40	2,091.44	13.28
Indigenous	9,688.80	79.60	13,661.79	86.72
	12,171.90	100.00	15,753.23	100.00

### (B) CIF Value of Imports: (Rs. in Lacs)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
Purchase of stores, spares & raw material	2,162.09	2,129.03
	2,162.09	2,129.03

### (C) Earnings in Foreign Currency: (Rs. in Lacs)

Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
FOB Value of Exports	6,019.0	6,499.34
Interest	68.85	-

### (D) Expenditure in Foreign Currency: (Rs. in Lacs)

Particulars	Year Ended March 31	
	2012	2011
Directors travelling expenses	7.53	4.21
Other travelling expenses	57.33	47.95
Commission	195.53	195.16
Interest on term loan	11.60	17.47
Sales Promotion	9.27	17.80
Technical Know-how	370.76	-
	652.02	282.59



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

Particulars	Year Ended March 31 (Rs. in Lacs)	
	2012	2011
No. of shareholders	4	4
No. of shares on which dividend is paid	45.46	22.73
Year to which dividend relates	31.03.2011	31.03.2010
Amount of Dividend	79.56	79.56

### (F) Auditor's Remuneration: (Net of Service Tax):

Particulars	Year Ended March 31 (Rs. in Lacs)	
	2012	2011
Audit Fees	0.90	0.90
Tax Audit Fees	0.30	0.30
Other Services	1.30	0.30
Reimbursement of out of pocket expenses	0.24	0.22
	2.74	1.72

## 27. Disclosure in pursuance of Accounting Standard – 15 (Revised 2005) on "Employee Benefits"

### 1. Defined Contribution Plans

The Company has recognized following amounts in the Statement of Profit & Loss for the year:

Particulars	Year Ended March 31 (Rs. in Lacs)	
	2012	2011
Contribution to employees provident fund	127.39	111.46
Contribution to superannuation fund	34.70	40.18
	162.09	151.64

### 2. Defined Benefit Plans / compensated absences – as per Actuarial Valuation on March 31, 2012.

#### a) Reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO):

Sr. No.	Particulars of Gratuity	(Rs. in Lacs)	
		2012	2011
1	Obligations at beginning of year	305.58	207.97
2	Current service cost	34.33	22.26
3	Interest cost	24.45	16.64
4	Actuarial (gain) / losses	0.45	64.38
5	Benefits paid	11.92	5.66
6	Present value of Obligations at end of year	352.89	305.58

#### b) A reconciliation of the opening and closing balances of the fair value of plan assets:

Sr. No.	Particulars of Gratuity	(Rs. in Lacs)	
		2012	2011
1	Opening fair value of plan asset at period beginning	123.59	248.29
2	Expected returns on plan assets	30.45	23.51
3	Actuarial gain / (losses)	---	---
4	Contribution by the employer	67.37	57.46
5	Benefits paid	11.92	5.66
6	Fair value of plan assets at period closing	409.49	323.59

c) Net assets / (liabilities) recognized in the balance sheet as on March 31, 2012:

		(Rs. in Lacs)	
Sr. No.	Particulars of Gratuity	2012	2011
1	Present value of funded obligations	352.89	305.58
2	Fair value of plan assets	409.49	323.59
3	Present value of unfunded obligations	-	-
4	Net assets / (liabilities) recognized in the balance sheet	56.60	18.01

d) Total expenses recognized in the Statement of Profit and Loss :

		(Rs. in Lacs)	
Sr. No.	Particulars of Gratuity	2012	2011
1	Current service cost	34.33	22.26
2	Interest on defined benefit obligation	24.45	16.64
3	Expected returns on plan assets	(30.45)	(23.51)
4	Actuarial (gains) / losses	0.45	64.38
		28.79	79.77

e) 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.

f) Actuarial Assumptions:

		Year Ended March 31	
Sr. No.	Particulars	2012	2011
1	Discount rate	8%	8%
2	Expected return on plan asset	9%	9%
3	Retirement age	58	58
4	Salary escalation rate	7%	7%

g) Gratuity is administered through group gratuity scheme with Life Insurance Corporation of India.

## 28. Information about Business Segments

The company is operating in one segment only i.e. Plastic Extrusion Machinery & Allied Equipments.

## 29. Related Party Disclosures

(a) List of related parties and relationships:

	Relation	Name of Parties/Persons
A.	Associate Companies and promoter Companies	Plastiblends India Ltd.
B.	Enterprises over which key management personnel exercise significant influence	Kolsite Industries, Maharashtra Plastics & Industries, Maharashtra Plastic Industries, Kolsite Maschine Fabrik Pvt. Ltd, Mahashree Plastic Inds Pvt. Ltd, Wonderworld Resorts Ltd, Smartech Global Solutions Ltd, Rambalab Ramnaran, Kabra Gloucester Engineering Ltd, Ganges Urethane LLP, Kolsite Packaging Systems Pvt. Ltd.
C.	Key Management Personnel and Relatives, Chairman & Managing Director, Director, Related to Directors	S V Kabra, S N Kabra, Anand Kabra, Varun Kabra, Veenadevi Kabra, Saritadevi Kabra, Ekta Kabra

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(b) Related party transactions:

(Rs. in Lacs)

Aggregate of Transactions	Associate Companies and Promoter Companies	Enterprises over which KMP exercise significant influence	Key Management Personnel & Relatives of KMP	Total
Sales & Other Income	441.17 (377.73)	31.51 ( 70.91 )	- ( - )	472.68 ( 448.64 )
Purchase & Other services	11.42 (19.83 )	232.33 ( 131.01)	- ( - )	243.75 (150.84)
Director's salary, Remuneration & sitting fees	- ( - )	- ( - )	105.93 (69.94)	105.93 ( 69.94 )
Interest paid during the year	- ( - )	11.36 ( - )	- ( - )	11.36 (-)
Deposit received	- ( - )	572.50 ( - )	- ( - )	572.50 ( - )
Deposit given	- ( - )	- (150.00 )	- ( - )	- (150.00)
Deposit Refund	- ( - )	549.00 ( - )	- ( - )	549.00 ( - )
Outstanding receivable - Net	9.52 (17.51)	- ( 0.80 )	- ( - )	9.52 (18.31)
Outstanding Payable	- ( - )	19.38 ( - )	- ( - )	19.38 (-)

Note: Previous year figures have been shown in brackets.

(c) Balance outstanding at end of financial year:

(Rs. in Lacs)

Aggregate of Transactions	Associate Companies and Promoter Companies	Enterprises over which KMP exercise significant influence	Key Management Personnel & Relatives of KMP	Total
Debit Balances outstanding				
Debtors	14.80 ( 34.66 )	4.32 ( 1.77 )	- ( - )	19.12 ( 36.43 )
Investments	140.81 ( 140.81 )	- ( - )	- ( - )	140.81 (140.81)
Credit Balances outstanding				
Loans and advances	- (-)	23.66 ( - )	- ( - )	23.66 ( - )
Creditors	6.62 (6.57)	- ( - )	- ( - )	6.62 ( 6.57 )

Note: Previous year figures have been shown in brackets.

### 30. Disclosure for Operating Leases:

The Company has taken on lease Factory at Dunetha, Daman & residential flats for employees at Daman under operating leases. The lease payments to be made in respect of non cancellable lease in future are as follows: (Rs. in lacs)

Particulars	Year Ended March 31	
	2012	2011
Lease payment debited to Statement of Profit & Loss (Net of Service Tax)	158.61	77.37

(Rs. in lacs)

Lease obligation	Year Ended March 31	
	2012	2011
Up to 1 year	166.54	158.61
Greater than 1 year but less than 5 years	452.53	619.07
Greater than 5 years	Nil	Nil

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

(Rs. in Lacs)

Particulars	Year Ended March 31	
	2012	2011
A) Deferred Tax Assets		
a) Provision for leave encashment	11.85	34.64
b) Disallowance u/s 43B, Sec- 40(a)(i), Sec 40a(7)	9.24	9.32
	<b>(A) 21.09</b>	<b>43.96</b>
B) Deferred Tax Liability		
Depreciation	605.78	550.44
	<b>(B) 605.78</b>	<b>550.44</b>
Net Deferred tax assets / (liability) (A-B) as on end of reporting period	550.06	506.48
Net Deferred tax assets / (liability) as on the beginning of reporting period	506.48	421.66
Deferred Tax expense / (benefit) recognised in Statement of Profit and Loss	43.58	84.81

**32. Earnings per Share**

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

(Rs. in Lacs)

Particulars	Year Ended March 31	
	2012	2011
Profit / (Loss) after tax	1,000.71	2581.57
Profit / (Loss) attributable to equity shareholders	1,000.71	2581.57
Adjusted number of ordinary shares (face value Rs. 5/-)	319.02	319.02
Basic & Diluted earning per share (Rs.)	3.14	8.09

**33.** According to Accounting Standard AS – 29 "Provisions, Contingent Liabilities & Contingent Assets", an incremental provision of Rs. Nil (Previous year Rs.22 Lacs) towards warranty claims has been made as estimated by management (Warranty provision as on 31.03.2012 Rs.183 Lacs, after reversing Rs. 32 lacs provision from the previous year balance of Rs. 215 Lacs).

**34.** 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 **Kirtane & Pandit**  
Chartered Accountants  
Firm Registration No. : 105215W

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

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

**PARAG PANSARE**  
(Partner)  
Membership No. : 117309

**JAYANT SARPOTDAR**  
(Chief Financial officer)

**H. S. SANWAL**  
(Director)

**M. P. TAPARIA**  
(Director)

**Y. D. SANGHAVI**  
(Company Secretary)

**Y. B. DESAI**  
(Director)

**N. C. CHAUHAN**  
(Director)

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

Place : Mumbai  
Date : 29<sup>th</sup> May, 2012

## GLIMPSES OF OUR JOURNEY

From 1500 square feet to.....275000 Square feet over 2 factories in Daman with a third one underway at Dunetha in Daman

From a local supplier to.....The Largest Exporter with presence in more than 70 countries and recipient of 'STAR EXPORT HOUSE' status

From a Manufacturer of low Output machines to..... a Domestic Market Leader with 35% market share.

From low end machine supplier to..... bringing over 60 innovative Plastic Extrusion machines for the FIRST time in India

From a supplier of pipe extrusion machines to.....a leading supplier of film and pipe extrusion machinery for various applications

From a turnover of Rs.7.6 crores in 1990-91 to Rs. 192 crores in 2011-12



**KABRA EXTRUSIONTECHNIK LTD.**

Regd. Office : Kolsite House, Off Veera Desai Road, Andheri (W), Mumbai - 400 053

**FORM OF PROXY**

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

I/We ..... of .....  
being a member/members of KABRA EXTRUSIONTECHNIK LTD., hereby appoint .....  
..... of ..... or failing him/her .....  
of ..... as my/our proxy to attend and vote for me/us on my/our behalf at the  
Twenty-Ninth 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 Thursday, the 30th day of August, 2012 at  
2:00 p.m. and at any adjournment thereof.

Signed this ..... day of ..... 2012.

Revenue  
Stamp  
Re.1

(Signature)

**KABRA EXTRUSIONTECHNIK LTD.**

Regd. Office : Kolsite House, Off Veera Desai Road, Andheri (W), Mumbai - 400 053

**ATTENDANCE SLIP**

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

I hereby record my presence at the Twenty-Ninth 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 Thursday, the  
30th day of August, 2012 at 2:00 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 .....



# Exploring Opportunities Plants Exhibited At Plast India 2012



**Twin Screw Extrusion Line (PVC Pipe)**



**OPTI Flow Die Head (7-Layer)**



**High Speed PVC Compounding  
Mixer Cooler**



**Extruders, Die Header Winder, KAGE 3-Layers Blown Film Plant**

**KAGE 5-Layer Blown Film  
Plant demonstrated during  
Open House at its factory  
at Dunetha, Daman in the  
presence of invitees from  
India & abroad.**







## REGIONAL OFFICES

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Email : ahmedabad@kolsitegroup.com

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Telefax : +91-33-2290 4221  
Email : calcutta@kolsitegroup.com

Representative office at Kanpur, Kalka, Cochin