



# PLASTIBLENDS



Merging Ideas

22<sup>nd</sup> Annual Report 2012-13  
PLASTIBLENDS INDIA LTD.

## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Sales and Other Income</b>	<b>40933.49</b>	<b>34142.44</b>	<b>27737.72</b>	<b>21065.82</b>	<b>17094.64</b>
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>3277.90</b>	<b>3246.41</b>	<b>3045.33</b>	<b>2016.47</b>	<b>2109.88</b>
Less : Depreciation	408.05	401.26	365.29	344.91	310.25
Finance Cost	566.83	447.63	319.76	237.59	251.01
<b>Profit before Tax (PBT)</b>	<b>2303.02</b>	<b>2397.52</b>	<b>2360.28</b>	<b>1433.97</b>	<b>1548.63</b>
<b>Net Profit after Tax (PAT)</b>	<b>1536.49</b>	<b>1671.17</b>	<b>1854.38</b>	<b>1042.99</b>	<b>1177.34</b>
Share Capital	649.73	649.73	649.73	649.73	649.73
Reserves	11029.44	10025.06	8882.48	7556.68	6969.79
<b>Total shareholders funds</b>	<b>11679.17</b>	<b>10674.79</b>	<b>9532.21</b>	<b>8206.41</b>	<b>7619.52</b>
Number of Equity Shares	12994600	12994600	6497300	6497300	6497300
Face Value of Shares (₹)	5.00	5.00	10.00	10.00	10.00
Book Value Per Share (₹)	89.87	82.15	146.72	126.30	117.27
Earning Per Share (EPS) (₹)	11.82	12.86	28.54	16.05	18.12
Dividend Per Share (₹)	3.50	3.50	7.00	6.00	7.00

## BOARD OF DIRECTORS

**Shri Shreevallabh G. Kabra**  
(Chairman & Managing Director)

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

**Shri Anand S. Kabra**  
(Executive Director)

**Shri Haridas S. Sanwal**  
(Independent Director)

**Shri Pushp Raj Singhvi**  
(Independent Director)

**Dr. Yatish B. Vasudeo**  
(Independent Director)

**Shri Sudarshan K. Parab**  
(Independent Director)

## BANKERS

State Bank of India  
HDFC Bank Ltd.  
DBS Bank Ltd.  
HSBC Ltd.

## AUDITORS

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

## COMPANY SECRETARY

Mr. Himanshu S. Mhatre

## 22<sup>ND</sup> ANNUAL GENERAL MEETING

Date : 27<sup>th</sup> August, 2013

Time : 4:15 p.m.

Venue : Hotel Karl Residency 36, Lallubhai Park  
Road, Next to Lallubhai Park,  
Andheri (West), Mumbai - 400 058

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## NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the Members of PLASTIBLENDS INDIA LIMITED will be held on Tuesday, the 27<sup>th</sup> day of August, 2013 at 4:15 p. m. at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai-400 058 to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2013;
3. To appoint a Director in place of Shri Pushp Raj Singhvi, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Dr. Yatish B. Vasudeo, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint M/s. A. G. Ogale & Co., Chartered Accountants, Pune as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on such remuneration and reimbursement of out of pocket expenses, if any, as may be mutually agreed upon between the Board of Directors of the Company and the said Auditors.

### SPECIAL BUSINESS :

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

6. **“RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act or any re-enactment or modifications thereof and all other applicable statutory provisions, if any, and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Satyanarayan G. Kabra as a Vice-Chairman & Managing Director of the Company, for a period of 5 (five) years w.e.f. 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2018 on the terms, conditions and stipulations including remuneration detailed in the Explanatory Statement annexed hereto (which shall form part hereof), with a liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any Committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board of Directors and Shri Satyanarayan G. Kabra, subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII to the said Act, (including any Statutory Modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereinafter from time to time be made thereto by the Central Government.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of said appointee, the company has no profit or its profits are inadequate, the company shall pay salary & perquisites as provided under Schedule XIII as a minimum remuneration.

**RESOLVED FURTHER THAT** the aforesaid consent of the Company is accorded without prejudice to his right of holding managerial position of whatsoever nature in any other company and draw remuneration therefrom, subject to the regulatory guidelines and ceiling stipulated in this regard.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, matters or things as may be necessary, expedient or desirable in the best interest of the Company.”

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

**Himanshu S. Mhatre**  
Company Secretary

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

### Notes:

1. **A member entitled to attend and vote at the annual general meeting may appoint proxy to attend and on a poll vote, instead of himself / herself. A proxy need not be a member of the company. Proxies in order to be effective must be received by the company at the registered office of the company not later than forty-eight hours before the commencement of the meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
3. Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 20<sup>th</sup> day of August, 2013 to Tuesday, the 27<sup>th</sup> day of August, 2013 (both days inclusive)

4. The dividend, as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Monday, the 19<sup>th</sup> day of August, 2013 as per the list to be furnished by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form and to the Members holding shares in physical mode as per Register of Members of the Company as on Tuesday, the 27<sup>th</sup> day of August, 2013 after giving effect to all valid transfers in respect of which request were lodged on or before 19<sup>th</sup> day of August, 2013.
5. (i) Those shareholders who have so far not claimed their dividend for the financial years 2005-06 to 2011-12 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of duplicate thereof.  
(ii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2005-2006 and thereafter which shall remain unclaimed / unpaid for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education & Protection Fund (IEPF). Accordingly, during September, 2013, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31<sup>st</sup> March, 2006. Members are therefore requested to make claim thereof, before August, 2013 otherwise no claim shall lie in respect of such amount.  
(iii) Pursuant to the said provisions unclaimed / unpaid dividend for the financial upto 2004-05 have been transferred to IEPF.
6. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owners bank account directly through NECS/ECS wherever NECS/ECS facility is available subject to availability of bank account number and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may be intimated to the concerned Depository Participant immediately. Shareholders holding share in physical form and desirous of availing NECS/ECS facility, should provide the bank details/core banking account number & 9 digits MICR code number in NECS/ECS mandate proforma already sent by post to those shareholders who have not yet provided their bank details.
7. Queries if any, should be sent at least 15 days before the AGM to the Company Secretary at the Registered Office.

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

**Himanshu S. Mhatre**  
Company Secretary

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

### Brief resume of Directors proposed to be re-appointed / appointed

Name	Shri Pushp Raj Singhvi	Dr. Yatish Bhupendra Vasudeo	Shri Satyanarayan G. Kabra
Age	69 Years	60 Years	70 years
Qualification	B. Com, L.L.B.	M. Sc., Ph. D., L.P.R.I (London)	B. E. (Mechanical)
Experience	Over 45 years in marketing of Petrochemicals in India & Abroad	Over 25 years in Plastic Industry	Over 47 years in business and industry and founder promoter of Kolsite Group of Companies
Nature of Expertise	<ul style="list-style-type: none"> <li>• Launching and establishing new products / polymers</li> <li>• Establishing a multinational Company in India and is the Vice Chairman and Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>• Broad experience in Thermosets and Thermoplastics Research &amp; Development including Filled &amp; Reinforced compounds, Speciality Masterbatches, Quality Control, Application development &amp; Technical Services.</li> </ul>	<ul style="list-style-type: none"> <li>• Management and Control of Business and Industrial Houses</li> </ul>
Names of Other Companies in which holds Directorship	<ul style="list-style-type: none"> <li>• Borouge (India) Pvt. Ltd.</li> <li>• Windsor Machines Ltd.</li> <li>• Shaily Engineering Plastics Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• By Innovations Consultancy India Pvt. Ltd.</li> <li>• Panoramic Investment Advisors Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Kabra Extrusiontechnik Ltd</li> <li>• Smartech Global Solutions Ltd.</li> <li>• Kabra Gloucester Engineering Ltd.</li> <li>• Kolsite Packaging Systems Pvt. Ltd.</li> </ul>
Name of the other Companies in which holds committee position	<ul style="list-style-type: none"> <li>• Windsor Machines Ltd.</li> <li>• Shaily Engineering Plastics Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>	<ul style="list-style-type: none"> <li>• None</li> </ul>



## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173(2) of the Companies Act, 1956

#### Item No. 6

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2013, subject to the approval of the members in General Meeting, approved re-appointment and terms of remuneration of Shri Satyanaryan G. Kabra aged 70 years w.e.f. 1<sup>st</sup> July, 2013 for a term of 5 years as Vice-Chairman and Managing Director of the Company.

He is holding similar position in M/s. Kabra Extrusiontechnik Ltd., a company in the same group and paid remuneration therefrom as approved by the Members of that company.

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

- (i) **Basic Salary** : ₹ 2,00,000/- (Rupees Two Lacs Only) per month, with an annual increment to be decided by the Board at such percentage not exceeding 20% of the basic salary, subject to the same not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.  
In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary.
- (ii) **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of above Salary.
- (iii) **Medical Reimbursement** : For self, spouse and family subject to a ceiling of one (1) month salary in a year or three (3) months salary in a block of three (3) years.
- (iv) **Leave Travel Reimbursement** : For self, spouse and family once in a year incurred in accordance with the rules specified by Company.
- (v) **Club Fees** : Subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vi) **Personal Accident Insurance & Medi-Claim Policy** : For self, spouse and family as per the rules of the Company.  
**Explanation:** 'Family' means spouse, dependent children and dependent parents of the said appointee.
- (vii) **Provident Fund** : Company's contribution to Provident Fund as per the Schemes of the Company will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income-Tax Act, 1961.
- (viii) **Gratuity** : As per rules of the Company.
- (ix) **Encashment of leave** : As per rules of the Company.  
For the purpose of gratuity & encashment of leave, the period of service of said appointee shall be considered as service with the company without any break in service & on a continuous basis.
- (x) Provision of car and telephone at residence for use of Company's business will not be considered as perquisites. However, personal long distance telephone calls and use of car for private purpose shall be billed by the Company to him.

#### General:

- (i) The office of said appointee may be terminated by the company or the concerned Director by giving the other three (3) months' prior notice in writing.
- (ii) The terms & conditions set out for re-appointment as above & payment of remuneration herein may be altered & varied by the Board as it may, from time to time, deem fit.

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

Shri Shreevallabh G. Kabra is concerned or interested being relative of the said appointee.

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

The Board recommends above resolution for your approval.

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

**Himanshu S. Mhatre**  
Company Secretary

## DIRECTORS' REPORT

To  
The Members of  
**Plastiblends India Limited**

Your Directors have pleasure in presenting the **TWENTY SECOND ANNUAL REPORT** and the **Audited Financial Statements** for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	Year ended 31 <sup>st</sup> March 13	Year ended 31 <sup>st</sup> March 12
Sales and Other Income	<b>40,933.49</b>	34,142.44
Gross Profit before Interest and Depreciation	<b>3,277.90</b>	3,246.41
Less: Interest	<b>566.83</b>	447.63
Depreciation	<b>408.05</b>	401.26
<b>Profit Before Tax (PBT)</b>	<b>2,303.02</b>	2,397.52
Less: Provision for Taxation (including earlier years) (Excess)/short Provision for earlier years	<b>550.50</b> <b>0.16</b>	590.00 ---
<b>Profit After Tax (PAT)</b>	<b>1,752.36</b>	1,807.52
Less: Provision for Deferred Tax Liability	<b>215.87</b>	136.35
<b>Net Profit after provision of Deferred Tax</b>	<b>1,536.49</b>	1,671.17
Add: Balance b/f from previous year	<b>7,649.21</b>	6,676.63
<b>Profit available for appropriation</b>	<b>9,185.70</b>	8,347.80
<b>Appropriations:</b>		
Transferred to General Reserves	<b>160.00</b>	170.00
Provision for Proposed Dividend	<b>454.81</b>	454.81
Provision for Tax on Proposed Dividend	<b>77.30</b>	73.78
Surplus balance c/f to Balance Sheet	<b>8,493.59</b>	7,649.21
	<b>9,185.70</b>	8,347.80

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 3.50/- per share of the face value of ₹ 5/- each for the year ended 31<sup>st</sup> March, 2013 (₹ 3.50/- per share on face value of ₹ 5/- per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 454.81 lacs. In addition ₹ 77.30 lacs is payable towards tax on dividend.

### OPERATIONS

During the year under review, your Company has achieved Operational and Other Income of ₹ 40,933.49 lacs as against ₹ 34,142.44 lacs during the previous year, registering an increase of about 19.89% over the previous year. Profit after providing for taxes is ₹ 1,536.49 lacs as against ₹ 1,671.17 lacs during the previous year, registering a decrease of about 8.06% over the previous year.

### EXPORTS

Exports during the year under review were ₹ 13,163.52 Lacs as against ₹ 9,991.81 Lacs in the previous financial year registering an increase of 31.74% over previous year and contributed 32.18% in the total sales. Company exports to various countries around the globe with strong presence in Middle East, Africa, SAARC & CIS Countries.

### 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 Pushp Raj Singhvi and Dr. Yatish B. Vasudeo, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible seek re-appointment.

Shri Satyanarayan G. Kabra, Vice-Chairman & Managing Director has been re-appointed by the Board of Directors subject to approval of the members.



## 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, 2013, 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, 2013 and of the profits of the Company for the said financial year;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the said accounts on a "going concern basis".

## CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a Report on Corporate Governance is appended along with a Certificate of Compliance from the Auditors, forming part of this report. The Board of Directors of the Company adopted the Code of Conduct and the same is posted on the Company's website. The Directors and Senior Management personnel have affirmed their compliance with the said code.

## AUDITORS

M/s. A. G. Ogale & Co., Chartered Accountants, Pune Auditors of the Company will retire from the office of the Auditors at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. They have furnished a certificate of their eligibility for re-appointment u/s.224 (1-B) of the Companies Act, 1956 and they are not disqualified under amended section 226(3)(e) of the said Act.

In terms of section 233(B) of Companies Act, 1956 the Board of Directors have approved the appointment of R. A. Chincholkar & Co., Cost Accountants as cost auditors for F.Y. 2013-14, subject to approval of Central Government. The cost auditor has confirmed his eligibility and independence to the Company. The cost audit report for the financial year ended 31<sup>st</sup> March, 2013 will be filed with Ministry of Corporate Affairs as prescribed Statutorily.

## 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 2013-14 have been paid.

## CUSTODIAN CHARGES

The Company confirms that the Custodian Charges due to National Securities Depository Ltd., and Central Depository Services (India) Ltd., have been paid for the financial year 2013-14 as applicable and payable as per the SEBI circular in this regard.

## PARTICULARS OF EMPLOYEES

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

## CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

## ACKNOWLEDGEMENT

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

For and on behalf of the Board

Place: Mumbai

Date: 29<sup>th</sup> May, 2013

**S. V. Kabra**

Chairman & Managing Director

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE 'A'

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

#### A. CONSERVATION OF ENERGY:

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

#### B. TECHNOLOGY ABSORPTION:

##### Research and Development

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

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

During the year, the Company has incurred revenue expenditure of ₹ 82.67 Lacs on Research & Development initiatives.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(₹ in Lacs)

	2012-13	2011-12
Foreign Exchange Earned	<b>13,163.52</b>	9,991.81
Foreign Exchange Used	<b>13,663.98</b>	11,853.57

For and on behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Plastiblends India Limited is a part of Kolsite Group of Companies and a leading manufacturer of masterbatches. Plastiblends produces a wide variety of white, black, color, specialty and high performance masterbatches, additives and compounds. Masterbatches are one of the essential ingredients in plastics processing used for enhancing performance and appearance of plastics. Masterbatch industry can be categorized into organized sector, medium sector and small sector. Organised sector, in which the Company operates, provides the benefits of strong Research and Development support, high quality standards and strong distribution network. Small and medium sector manufacturing units are smaller manufacturing units spread throughout India serving market in their vicinity.

Plastiblends India Limited despite all the adverse economic conditions and volatile polymer market continues to grow in domestic and international markets. Company's aggressive marketing efforts in international markets to expand its presence in new territories/countries and its strong brand building efforts in domestic market helped it to grow at much higher rates than its peers in the same market segment. In domestic markets, Plastiblend's market share is growing steadily at the cost of competition due to focused efforts to promote value added products and efforts to reach maximum customers in each market segments. The major efforts are in the segments such as Agricultural end uses as films - mulch, shade nets, green house and specified drip irrigation pipes, Packaging - multilayer films for consumer goods packaging and Fibers - Nonwoven and PET fiber.

### II. OPPORTUNITIES AND THREATS

International industrial giants in automobiles, electronics, telecommunications, food processing, packing and healthcare have established large manufacturing bases in India. Joint ventures, foreign investments and access to technology from developed countries have opened new vistas to further facilitate the growth of the industry.

Infrastructure investments have ensured more than 10% growth rate for the sector. Moreover, the agricultural sector's focus on plasti-culture under micro-irrigation scheme will further boost demand for plastics.

Polymer consumption in India is poised to grow multifold, with the help of new developments in packaging applications, infrastructure growth, modernization of agriculture sector, improved healthcare facilities, improved lifestyle and disposable incomes, automobile demand and rural penetration.

Masterbatch industry will get a direct benefit by this growth in polymer consumption. Your Company with its strong R & D backup, consistent high quality and strong distribution network is well poised to tap this potential.

The domestic and international competition, unfavorable Government Policies towards plastics use, wide fluctuation in foreign currency rate and rising crude oil prices are some of the risks faced by the plastic masterbatch industry.

### III. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Your Company operates in one segment only - Masterbatches & compounds.

### IV. BUSINESS OUTLOOK

Global masterbatch market is expected to grow due to increasing shift towards packaged products and increasing demand for consumer goods, automobiles etc. With the growing consumption of polymer, masterbatch industry will be direct beneficiary and the outlook is very optimistic for masterbatch industry.

Your company will continue its focus on product and service innovation supported by dedicated R & D facility recognized by the Department of Scientific and Industrial Research (DSIR).

Company's participation in various trade fairs including the Argen Plas, Arab Plas, Jordan Plas etc has generated good response and is helping the company expand its geographical reach and strengthen the marketing network.

Company consistently strives to maintain global quality standards, which has helped it penetrate the export markets. Plastiblends has emerged as a leading player in the organized segment with overall market share of 12%.

High performance masterbatches with a thrust on exports is expected to be a major growth driver for the company going forward.

## V. RISK AND CONCERNS

The rising raw material cost and increasing competition from overseas manufacturers is putting pressure on the margins and affecting performance of Company. It is the ability of the Company to invest in R & D and offer innovative value added products that has helped company maintain its leadership position in the market. It has helped company strengthen its relationship with the existing and prospective customers.

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

## VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

Internal Audit Team consists of well experienced members, which constantly review various aspects of control systems and conduct audit under well laid down audit programmes to ensure effectiveness of the controls. The said internal audit team continuously review the control system and undertakes audit of special areas in-depth.

## VII. FINANCIAL HIGHLIGHTS WITH RESPECT TO OPERATIONAL PERFORMANCE

(₹ in Lacs)

Particulars	2012-13	2011-12	% Change
Total Income	<b>40,933.49</b>	34,142.44	19.89
Profit after Tax	<b>1,536.49</b>	1,671.17	(8.06)

## VIII. HUMAN RESOURCE

The overall industrial relations during the year under review were peaceful. Contribution and co-operation from all levels of employees was excellent and the same has been appreciated & supported well by the management through its continuous & systematic training programmes. Manpower as on 31<sup>st</sup> March, 2013 including Workers, Staff and Executives was 496.

## IX. CAUTIONARY STATEMENT

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

For and on behalf of the Board

Place: Mumbai

Date: 29<sup>th</sup> May, 2013

**S. V. Kabra**

Chairman & Managing Director



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

### 2. BOARD OF DIRECTORS

#### A) Composition of Board of Directors

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

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

#### B) Board Meeting

Four (4) Board Meetings were held during the financial year 2012-13 on 30<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 and 13<sup>th</sup> February, 2013.

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, 2013		
			Board Meeting	Last AGM held on 30/08/12	Number of External Directorship held #	Number of Membership/ Chairmanship in Board Committee across all the Company	
						Member	Chairman
1.	Shri S. V. Kabra \$	Executive Non-Independent	04	Yes	05	02	-
2.	Shri S. N. Kabra \$	Executive Non-Independent	03	Yes	04	-	-
3.	Shri A. S. Kabra €	Executive Non-Independent	03	Yes	05	-	-
4.	Shri H. S. Sanwal	Non-Executive Independent	04	No +	07	-	04 *
5.	Shri P. R. Singhvi	Non-Executive Independent	04	No +	03	05	-
6.	Dr. Y. B. Vasudeo	Non-Executive Independent	03	Yes	02	-	-
7.	Shri S. K. Parab	Non-Executive Independent	04	Yes	01	04	-

\$ 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 and in any other manner.

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

- + Shri H. S. Sanwal could not attend AGM due to medical treatment he was undergoing and was advised complete rest. Shri P. R. Singhvi being out of India could not remain present.
- \* A Committee Member holding Chairmanship of the Audit and Shareholders Grievance Committee.
- \*\* No other Directors are related to each other within the meaning of Section 6 of the Companies Act, 1956 and Schedule I-A appended to the said Act.

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

### 3. AUDIT COMMITTEE

#### Terms of Reference:

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

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

#### Committee Composition:

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

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

#### Meeting and Attendance:

- The Audit Committee meetings were held four (4) times during the financial year 2012-13 on 30<sup>th</sup> May, 2012, 13<sup>th</sup> August, 2012, 3<sup>rd</sup> November, 2012 and 13<sup>th</sup> February, 2013.
- The Chairman of the Audit Committee Shri H. S. Sanwal, could not remain present at Annual General Meeting held on 30-08-2012 due to hospitalization and follow-up treatment.
- Quorum of the Committee is two (2) Independent Directors as Members.
- The internal auditor, head of finance and statutory auditors are permanent invitees at the meeting. The Company Secretary acts as a Secretary to the Committee.
- Minutes of each Audit Committee Meeting are placed before and discussed in the Board Meeting held subsequently.



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

##### Details of Remuneration to Directors

Non-Executive Directors were paid sitting fees of ₹ 20,000/- for each meeting of the Board, Audit Committee and ₹ 10,000/- for Shareholders'/Investors' Grievances Committee thereof attended by them during the financial year 2012-13.

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

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

(Amt in ₹)

Name of the Director	Basic Salary & HRA	Contribution to P.F. & F.P.F.	Other Perquisites
S. V. Kabra	36,00,000	2,88,000	60,487
S. N. Kabra	36,00,000	2,88,000	2,00,000
A. S. Kabra	36,00,000	2,88,000	3,81,910
<b>Total</b>	<b>1,08,00,000</b>	<b>8,64,000</b>	<b>6,42,397</b>

#### 5. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

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

Chairman: Shri H. S. Sanwal

Compliance Officer: Mr. Himanshu Mhatre

##### Terms of Reference:

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

Details of Investor's correspondence received and disposed during the financial year 2012-13 are as under:

Sr. No.	Nature of Correspondence	Received	Disposed
1.	Change of address & bank details	29	29
2.	Revalidation of Dividend Warrants	75	75
3.	Loss of Share Certificates & Duplicate request	02	02
4.	Transmission of shares	06	06
5.	Others	05	05
	<b>Total</b>	<b>117</b>	<b>117</b>

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

#### 6. GENERAL BODY MEETINGS

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

Financial Year	AGM Date	Venue	Time
2009-10	06-08-2010	Hotel Karl Residency, Andheri (West), Mumbai – 58	4:15 p.m.
2010-11	30-08-2011	-- do --	4:15 p.m.
2011-12	30-08-2012	-- do --	4.15 p.m.

### 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, 2011.
- 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 has entered into contracts with concerns in which some of the Directors of the Company are deemed to be concerned / interested. However, these contracts are in the ordinary course of the Company's business. Directors have regularly made full disclosures to the Board of Directors regarding the nature of their interest in such concerns. Full particulars of the contract entered with such concerns in which Directors are directly or indirectly concerned or interested are recorded in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Meeting of Directors, for the noting and approval by the Board. Particulars of the Related Party Transactions have been disclosed in Note No. 37 of the accounts.

- Disclosure regarding certain Non-Compliances related to Capital Markets

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

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

## 8. MEANS OF COMMUNICATION

- Quarterly/Half yearly results are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company are sent to the Stock Exchange immediately after they have been approved by the Board. Quarterly and Annual Results are published in the prominent newspapers and also uploaded on company's website [www.plastiblendsindia.com](http://www.plastiblendsindia.com)
- Management Discussion and Analysis Report form the part of the Annual Report.

## 9. GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting –

Day, Date & Time	: Tuesday, 27 <sup>th</sup> Day of August, 2013 at 4:15 p.m.
Venue	: Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai-400 058.
Date of Book Closure	: Tuesday, 20 <sup>th</sup> August, 2013 to Tuesday, 27 <sup>th</sup> August, 2013 (both days inclusive)
Dividend Payment Date	: On or after 2 <sup>nd</sup> September, 2013.
Reporting of Unaudited / Audited Financial Results	: In respect of Financial Year 2013-14
(a) First Quarter Results	: On or before 14 <sup>th</sup> August, 2013
(b) Second Quarter and 1 <sup>st</sup> Half Year Results	: On or before 14 <sup>th</sup> November, 2013
(c) Third Quarter and Nine Monthly Results	: On or before 14 <sup>th</sup> February, 2014
(d) Fourth Quarter Results for the year	: Within 60 days from the end of the Financial Year
(e) Annual General Meeting (For the year 2013-2014)	: In accordance with Sec. 166 of Companies Act, 1956



### LISTING ON STOCK EXCHANGE

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

Annual Listing Fees for the Financial Year 2013-14 have been paid to the above Stock Exchanges.

Stock Market Data: Monthly High/Low price of the Equity Shares of the Company during the financial year 2012-2013 with the volume traded on BSE & NSE.

Month	BSE Ltd			National Stock Exchange of India Ltd		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
April, 2012	79.90	68.05	19177	79.65	73.05	22077
May, 2012	84.85	70.00	15638	77.10	64.10	24619
June, 2012	77.50	65.05	11022	77.90	68.35	15148
July, 2012	83.65	62.00	26329	80.00	72.55	31845
August, 2012	83.00	70.00	74049	89.00	63.95	78315
September, 2012	79.75	68.55	441270	80.90	67.60	26190
October, 2012	84.95	72.25	42008	86.30	76.00	57458
November, 2012	82.50	70.65	27396	81.70	74.00	32229
December, 2012	88.40	76.00	98687	88.50	76.60	196727
January, 2013	79.75	72.05	18034	82.00	72.15	38444
February, 2013	77.50	67.75	26283	75.00	67.40	72775
March, 2013	74.00	66.80	58776	73.75	66.60	24306

Performance of share price of your Company in comparison to BSE Sensex for the Financial Year is presented in GRAPH on Inside Back Cover Page

#### Share Transfer System :

All valid requests for share transfer received by the Company or share transfer agent M/s. Sharex Dynamic (India) Pvt. Ltd. are immediately processed, approved and share certificates are dispatched to shareholders by post.

#### Distribution of Shareholding as on 31<sup>st</sup> March, 2013

Number of Equity Shares	Number of	% of	Number of	% of Shares
	Shareholders	Shareholders	Shares	
Upto- 100	1062	15.44	55490	0.43
101-200	3626	52.70	717509	5.52
201-500	919	13.36	351553	2.70
501-1000	700	10.18	554407	4.27
1001-5000	436	6.34	1021204	7.86
5001-10000	63	0.92	452144	3.48
10001-100000	62	0.90	1835132	14.12
100001 & Above	11	0.16	8007161	61.62
<b>TOTAL</b>	<b>6879</b>	<b>100.00</b>	<b>12994600</b>	<b>100.00</b>

### Category of Shareholders as on 31<sup>st</sup> March, 2013

Sr. No.	Category	Number of Shares	% of Shareholding	Number of Shareholders	% of Shareholders
1.	Promoters	7430607	57.18	9	0.13
2.	Banks & FI	523164	4.03	4	0.06
3.	Private Corporate Bodies	404865	3.11	127	1.85
4.	NRIs / OCBs	289266	2.23	75	1.09
5.	Indian Public & Others	4346698	33.45	6664	96.87
	<b>TOTAL</b>	<b>12994600</b>	<b>100.00</b>	<b>6879</b>	<b>100.00</b>

### Reconciliation of Share Capital Audit Report:

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

Mode of Holding	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Physical	2177	31.65	986226	7.59
Electronic	4702	68.35	12008374	92.41
<b>TOTAL</b>	<b>6879</b>	<b>100.00</b>	<b>12994600</b>	<b>100.00</b>

### Share held by Non-Executive Directors as on 31<sup>st</sup> March, 2013:

Sr. No.	Name of the Non-Executive Directors	No. of Shares held
1.	Shri H. S. Sanwal	305
2.	Shri S. K. Parab (held as Joint Holder)	1000
3.	Shri P. R. Singhvi	2200

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

- Details of use of Public Funds obtained in last three years : No funds have been raised from public in last three years.
- Dematerialisation of Shares : As on 31<sup>st</sup> March, 2013 92.41% shares have been dematerialised.
- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, its date of conversion and likely impact on Equity : There are no outstanding instruments and hence there will be no dilution of the equity.

### 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 to those shareholders who have yet not claimed their Share Certificates issued upon sub-division of Equity shares of the company during financial year 2011-12. The Company has re-delivered share certificates to all those claimants who have responded to the reminder. After further reminders as necessary, the Company shall initiate laid down procedure to transfer the unclaimed share 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 :

- Shareholders holding shares in physical mode are requested to lodge share transfer, transmission and intimate changes, if any, in their registered address, bank account and mandate details, residential status etc. quoting their folio number/(s) to Company's Share Transfer Agent at Sharex Dynamic (India) Pvt. Ltd., Unit 1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai – 400 072.
- Queries on Annual Report and Dividend be addressed to Secretarial Department, Plastiblends India Limited, 30, Shah Indl. Estate, Kolsite House, 2<sup>nd</sup> Floor, Off. Veera Desai Road, Andheri (West), Mumbai-400 053.
- **Designated email id for investors** : pbi\_sd@kolsitegroup.com
- **Company Identification Number** : L25200MH1991PLC059943 and ISIN:INE083C01022
- **COMPLIANCE** :

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

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

For and on behalf of the Board

Place: Mumbai

Date: 29<sup>th</sup> May, 2013

**S. V. Kabra**

Chairman & Managing Director

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

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnel 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, 2013

**S. V. Kabra**

Chairman & Managing Director

### AUDITORS' CERTIFICATE

To, The Members of Plastiblends India Limited,

We have examined the compliance of conditions of Corporate Governance by Plastiblends India Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

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

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

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

**For A.G.OGALE &CO.**  
Chartered Accountants

**Pramod K. Gugale**  
Partner

M.No. 113775

Firm Regn. No 114115 W

Date: 29<sup>th</sup> May, 2013

Place: Mumbai.

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of Plastiblends India Ltd.

### Report on the Financial Statements

We have audited the accompanying financial statements of Plastiblends India Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;



- e. On the basis of the written representations received from the directors as on March 31, 2013, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For A.G. OGALE & CO.**  
Chartered Accountants

**Pramod K. Gugale**  
Partner

M.No. 113775

Firm Regn. No. 114115 W

Place: Mumbai

Date : 29<sup>th</sup> May, 2013

## **ANNEXURE TO THE AUDITORS' REPORT**

Referred to in paragraph 1 of our report on Legal & Regulatory Requirements

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed Assets is reasonable.
- (c) No substantial amount of Fixed Assets of the company has been disposed of during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate, considering the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventories. As explained to us the discrepancies noticed on verification between physical stocks & book stocks were not material & the same have been properly dealt with in books of accounts.
- (iii) (a) The company has taken loans from twelve parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was ₹ 1546.84 lacs and the year-end balance was ₹ 1437.93 lacs. The maximum balance outstanding was ₹ 2927.53 lacs.
- To a company covered in the register maintained under section 301 of Companies Act, 1956 the company has not granted any inter corporate deposits.
- (b) In our opinion, the rate of interest and other terms and conditions on which loans/inter corporate deposits have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed asset and with regard to the sale of goods and services. We have neither come across nor have been informed of any major weakness in the internal control system in the aforesaid areas.
- (v) (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000/- in respect of each party during the year

are either have been made at prices which are reasonable having regard to prevailing market prices at the relevant time or the prices at which transactions for similar goods or services have been made with other parties or as compared to the prices quoted by others or such comparisons could not be made since there are no other suppliers of similar items.

- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 vide Notification (GSR 429(E)) issued by Ministry of Corporate Affairs dated 3<sup>rd</sup> June 2011 and the Company has made and maintained such accounts and records.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax/VAT, wealth tax, custom duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of statutory dues which have remained outstanding as at 31<sup>st</sup> March 2013 for a period of more than six months from the date they became payable.  
(b) As set out in note no. 26 dues of service tax have not been deposited on account of various disputes.
- (x) There are no accumulated losses of the company. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institutions and banks.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information & explanation given to us, term loans were applied for the purpose for which loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term Investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us during the period covered by audit report, the company had not issued debentures.
- (xx) The company has not made public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

**For A.G. OGALE & CO.**  
Chartered Accountants

**Pramod K. Gugale**  
Partner

Place: Mumbai  
Date : 29<sup>th</sup> May, 2013

M.No. 113775  
Firm Regn. No. 114115 W



## BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2013

(₹ in Lacs)

Particulars	Note No	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>I Equity and Liabilities</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	649.73	649.73
b) Reserves and Surplus	2	11,029.44	10,025.06
<b>2. Non-Current Liabilities</b>			
a) Long Term Borrowings	3	1,437.93	1,634.12
b) Deferred Tax Liabilities (Net)	4	764.59	548.72
c) Other Long Term Liabilities	5	1,088.48	976.90
<b>3. Current Liabilities</b>			
a) Short-Term Borrowings	6	4,256.31	3,293.63
b) Trade Payables	7	2,535.42	1,535.80
c) Other Current Liabilities	8	581.55	312.02
d) Short-Term Provisions	9	1,233.31	1,026.86
		<b>23,576.76</b>	<b>20,002.84</b>
<b>II. Assets</b>			
<b>1. Non-Current Assets</b>			
a) Fixed Assets	10		
(i) Tangible Assets		6,398.40	5,923.82
(ii) Intangible Assets		81.94	98.48
(iii) Capital Work-In-Progress		22.87	124.53
b) Non Current Investments	11	358.44	371.40
c) Other Non-Current Assets	12	161.73	30.14
<b>2. Current Assets</b>			
a) Inventories	13	5,918.38	5,633.57
b) Trade Receivables	14	8,544.47	6,331.02
c) Cash and Cash Equivalents	15	68.46	143.72
d) Short Term Loans and Advances	16	1,879.70	1,153.95
e) Other Current Assets	17	142.37	192.21
		<b>23,576.76</b>	<b>20,002.84</b>
Significant Accounting Policies Notes on Financial Statements	1-41		

As per our report on even date

For and on behalf of the Board

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

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

**Pramod K. Gugale**  
(Partner)  
M.No. 113775

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

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

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

**S. K. PARAB**  
(Director)

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

(₹ in Lacs)

Particulars	Note No	Year Ended 31 <sup>st</sup> March 2013	Year Ended 31 <sup>st</sup> March 2012
I Revenue from Operations	18	<b>40,899.26</b>	34,112.47
II Other Income	19	<b>34.23</b>	29.97
<b>III Total Revenue</b>		<b>40,933.49</b>	34,142.44
IV Expenses			
Cost of Material Consumed	20	<b>31,052.28</b>	24,819.34
Purchase of Stock-In-Trade		<b>4.98</b>	0.55
Changes in Inventory of Finished Good and WIP	21	<b>(612.88)</b>	(160.99)
Employee Benefits Expenses	22	<b>1,154.54</b>	977.67
Finance Cost	23	<b>566.83</b>	447.63
Depreciation and Amortization Expenses	10	<b>408.05</b>	401.26
Other Expenses	24	<b>6,056.67</b>	5,259.46
<b>Total Expenses</b>		<b>38,630.47</b>	31,744.92
<b>V Profit Before Tax</b>		<b>2,303.02</b>	2,397.52
VI Tax Expense			
(1) Current Tax		<b>550.50</b>	590.00
(2) Deferred Tax		<b>215.87</b>	136.35
(3) (Excess) / Short provision for earlier years		<b>0.16</b>	-
<b>VII Profit / (Loss) for the year</b>		<b>1,536.49</b>	1,671.17
VIII Earning Per Share (In ₹)			
(1) Basic		<b>11.82</b>	12.86
(2) Diluted		<b>11.82</b>	12.86

Significant Accounting Policies

Notes on Financial Statements

1-41

As per our report on even date

For and on behalf of the Board

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

**Pramod K. Gugale**  
(Partner)  
M.No. 113775

**H. S. MHATRE**  
(Company Secretary)

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

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

**P. R. SINGHVI**  
(Director)

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

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

**Y. B. VASUDEO**  
(Director)

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

**S. K. PARAB**  
(Director)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013**

(₹ in Lacs)

Sr. No.	Particulars	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>(A)</b>	<b>Cash Flow from Operating Activities :</b>		
	Net Profit Before Tax	2,303.02	2,397.52
	Less: Dividend Received	25.57	22.75
		<b>2,277.45</b>	<b>2,374.77</b>
	Add: Adjustment for		
	i) Depreciation	408.05	401.26
	ii) Loss on Sale of Assets	0.65	1.06
	iii) Interest Paid	566.83	447.63
	iv) Bad Debts	37.38	-
		<b>1,012.91</b>	<b>849.95</b>
	Net cash from Operation	<b>3,290.36</b>	<b>3,224.72</b>
	Less: Adjustment for Working Capital Change:		
	i) Inventory	284.81	112.53
	ii) Sundry Debtors	2,250.83	1,067.91
	iii) Loans and Advances	807.51	242.54
		<b>3,343.15</b>	<b>1,422.98</b>
	Less: Trade Payable and Provisions	<b>1,458.83</b>	<b>273.17</b>
		<b>1,884.32</b>	<b>1,149.81</b>
	Less: Interest Paid	<b>1,406.04</b>	<b>2,074.91</b>
	Income Tax Paid	<b>566.83</b>	<b>447.63</b>
		<b>429.17</b>	<b>568.21</b>
		<b>410.04</b>	<b>1,059.07</b>
<b>(B)</b>	<b>Cash Flow from Investing Activities :</b>		
	Sale of Assets	17.63	6.12
	Dividend Received	25.57	22.75
	Sale of Investments / Refund of Capital	363.47	2,072.90
		<b>406.67</b>	<b>2,101.77</b>
	Less: i) Purchase of Fixed Assets including Capital W.I.P.	782.71	723.82
	ii) Investment Made	350.51	2,045.56
		<b>1,133.22</b>	<b>2,769.38</b>
		<b>(726.55)</b>	<b>(667.61)</b>
<b>(C)</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from :		
	I C D Taken	446.64	329.50
	Secured Loans	962.68	57.65
	Fixed Deposits Received	1,224.57	647.08
		<b>2,633.89</b>	<b>1,034.23</b>
	Less: I C D Repaid	641.75	151.00
	Repayment of Fixed Deposits	1,225.65	698.30
	Dividend Paid	525.24	526.46
		<b>2,392.64</b>	<b>1,375.76</b>
		<b>241.25</b>	<b>(341.53)</b>
<b>(D)</b>	<b>Net Increase / (Decrease) In Cash and Cash Equivalents : (A+B+C)</b>	<b>(75.26)</b>	<b>49.93</b>
<b>(E)</b>	<b>Cash and Cash Equivalents</b>		
	Opening Balance	143.72	93.79
	Closing Balance	<b>68.46</b>	<b>143.72</b>

As per our report on even date

For and on behalf of the Board

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

**Pramod K. Gugale**  
(Partner)  
M.No. 113775

**H. S. MHATRE**  
(Company Secretary)

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

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

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

**P. R. SINGHVI**  
(Director)

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

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

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

**Y. B. VASUDEO**  
(Director)

**S. K. PARAB**  
(Director)

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2013

### Significant Accounting Policies

#### A Basis of Accounting

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

#### B Fixed Assets, Depreciation

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

Depreciation on fixed assets is computed on the straight-line method at rates prescribed under Schedule XIV of the Companies Act, 1956.

From the financial year 2010-11, Individual assets valuing for less than ₹5,000/- are entirely depreciated in the year of acquisition.

#### Intangible Fixed Assets and Amortization

Intangible assets, have finite useful life and are amortized over expected useful economic life.

#### C Investments

Investments are long term investments and are carried at cost. There is no permanent diminution in value.

#### D Current Assets:

##### a. Inventories

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

Stock in Trade is valued at cost.

From financial year 2012-13, Stock of Stores & Spares are valued at Moving Average Cost basis which was shown under consumption of Store & Spares.

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

#### E. Revenue Recognition

Revenue comprises sale of Masterbatches, 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. Sales of services (Labour charges) is recognised on completed contract basis.

#### 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 Statement of Profit and Loss 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 Effect 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 and Benefits to Employees

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

## 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 Statement of Profit and Loss 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 present obligation as a result of a past event that probably requires an 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 that may, but probably will not, require 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.

(₹ in Lacs)

Particulars	As At	As At
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>1. SHARE CAPITAL</b>		
<b>Authorised Capital</b>		
2,00,00,000 Equity Shares of ₹ 5/- each	<b>1,000.00</b>	1,000.00
<b>Issued, Subscribed and paid-up</b>		
1,29,94,600 Equity Shares of ₹ 5/- each	<b>649.73</b>	649.73
	<b>649.73</b>	649.73
Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year		
Number of shares outstanding at the beginning of the year	<b>1,29,94,600</b>	64,97,300
Number of shares allotted during the year upon Sub-division	-	64,97,300
Number of shares outstanding at the end of the year	<b>1,29,94,600</b>	1,29,94,600

### Shares in the company held by each shareholder holding more than 5% Shares

Sr. No.	Name of the shareholder	Number of shares	%	Number of shares	%
1.	Kabra Extrusionstechnik Ltd.	<b>1592200</b>	12.25	<b>1992200</b>	15.33
2.	Varun Satyanarayan Kabra	<b>1305204</b>	10.04	<b>1105204</b>	8.51
3.	Anand Shreevallabh Kabra	<b>1263924</b>	9.73	<b>1063924</b>	8.19
4.	Kolsite Corporation LLP	<b>1102943</b>	8.49	-	-
5.	Kolsite Machine Fabrik Pvt. Ltd.	-	-	<b>1019146</b>	7.84
6.	Shreevallabh Gopilal Kabra	<b>679836</b>	5.23	<b>679836</b>	5.23

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>2. RESERVES AND SURPLUS</b>		
Capital Reserves	<b>0.23</b>	0.23
General Reserves		
Opening Balance	<b>2,375.62</b>	2,205.62
Transferred from Statement of Profit and Loss	<b>160.00</b>	170.00
	<b>2,535.62</b>	2,375.62
Statement of Profit and Loss	<b>7,649.21</b>	6,676.63
Add :- Profit for the year	<b>1,536.49</b>	1,671.17
Less :- Transfer to General Reserve	<b>160.00</b>	170.00
Proposed Dividend on Equity Shares	<b>454.81</b>	454.81
Tax on Dividend	<b>77.30</b>	73.78
	<b>8,493.59</b>	7,649.21
	<b>11,029.44</b>	10,025.06
<b>3. LONG - TERM BORROWINGS (Unsecured)</b>		
Inter Corporate Deposit	<b>765.64</b>	960.75
Fixed Deposits	<b>672.29</b>	673.37
	<b>1,437.93</b>	1,634.12
<b>4. DEFERRED TAX LIABILITIES (NET)</b>		
At the beginning of year	<b>548.72</b>	412.37
During the year	<b>215.87</b>	136.35
At the close of year	<b>764.59</b>	548.72
<b>5. OTHER LONG - TERM LIABILITIES</b>		
Security Deposits from Dealers	<b>1,085.48</b>	970.45
Others	<b>3.00</b>	6.45
	<b>1,088.48</b>	976.90
<b>6. SHORT - TERM BORROWINGS</b>		
Working Capital Facility from Banks (Secured)	<b>4,256.31</b>	3,293.63
Secured by hypothecation of stock and book debts both present and future of the Company and collaterally secured by charges on fixed assets of the Company ranking pari-passu.	<b>4,256.31</b>	3,293.63
<b>7. TRADE PAYABLES</b>		
Creditors for Raw Material	<b>1,255.91</b>	610.77
Creditors for Commission & Others	<b>1,279.51</b>	925.03
	<b>2,535.42</b>	1,535.80
<b>8. OTHER CURRENT LIABILITIES</b>		
Other liabilities	<b>537.34</b>	271.17
Unclaimed Dividend	<b>44.21</b>	40.85
	<b>581.55</b>	312.02



(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>9. SHORT - TERM PROVISIONS</b>		
Provisions for Expenses	451.61	381.73
Provisions for Leave Encashment	99.16	82.18
Provisions for Gratuity	24.65	30.06
Proposed Dividend	454.81	454.81
Tax on Dividend	77.30	73.78
Provision for Income Tax (Net of Tax Paid)	125.78	4.30
	<b>1,233.31</b>	<b>1,026.86</b>

**10. FIXED ASSETS**

(₹ in Lacs)

FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK		
	Balance as at 01.04.2012	Additions during the year	Disposals during the year	Balance as at 31.03.2013	Balance as at 01.04.2012	Charged for the year	On disposal	Balance as at 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
<b>TANGIBLE ASSETS</b>										
Land	277.15	-	-	277.15	-	-	-	-	277.15	277.15
Building	2,040.53	112.14	-	2,152.67	385.63	67.86	-	453.49	1,699.18	1,654.90
Plant and Equipments	5,612.00	670.13	(2.72)	6,279.41	2,127.00	272.14	(0.53)	2,398.61	3,880.80	3,484.99
R & D Equipments	181.56	-	-	181.56	42.54	8.58	-	51.12	130.44	139.02
Furniture and Fixture	156.49	1.72	-	158.21	86.78	6.73	-	93.51	64.70	69.71
Vehicles	113.21	88.72	(17.28)	184.65	38.04	13.89	(2.12)	49.81	134.84	75.17
Electrical Installation and Fittings	179.52	4.92	-	184.44	60.03	7.61	-	67.64	116.80	119.49
Office Equipments	215.96	6.62	(1.43)	221.15	112.57	14.59	(0.50)	126.66	94.49	103.39
<b>Sub Total</b>	<b>8,776.42</b>	<b>884.25</b>	<b>(21.43)</b>	<b>9,639.24</b>	<b>2,852.59</b>	<b>391.40</b>	<b>(3.15)</b>	<b>3,240.84</b>	<b>6,398.40</b>	<b>5,923.82</b>
<b>INTANGIBLE ASSETS</b>										
Software	102.64	0.11	-	102.75	4.16	16.65	-	20.81	81.94	98.48
<b>Sub Total</b>	<b>102.64</b>	<b>0.11</b>	<b>-</b>	<b>102.75</b>	<b>4.16</b>	<b>16.65</b>	<b>-</b>	<b>20.81</b>	<b>81.94</b>	<b>98.48</b>
Capital Work-in-Progress	124.53	782.71	(884.37)	22.87	-	-	-	-	22.87	124.53
<b>Grand Total</b>	<b>9,003.59</b>	<b>1,667.07</b>	<b>(905.80)</b>	<b>9,764.86</b>	<b>2,856.75</b>	<b>408.05</b>	<b>(3.15)</b>	<b>3,261.65</b>	<b>6,503.21</b>	<b>6,146.83</b>
<b>Total Previous Year</b>	<b>8,309.61</b>	<b>1,326.69</b>	<b>(632.70)</b>	<b>9,003.59</b>	<b>2,478.14</b>	<b>401.26</b>	<b>(22.64)</b>	<b>2,856.76</b>	<b>6,146.83</b>	<b>5,831.46</b>

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>11. NON - CURRENT INVESTMENTS : ( Valued at Cost )</b>		
<b>NON TRADE INVESTMENT</b>		
<b>Investments in Shares</b>		
a) 8,27,372 Equity Shares of ₹ 5/- each of Kabra Extrusientechnik Ltd.	46.91	46.91
b) 12,450 Equity Shares of ₹ 10/- each of State Bank of Travancore	23.23	23.23
<b>Unquoted Investments</b>		
a) Urban Infrastructure Opportunity Fund - Growth Plan 300 Units @ ₹ 87,500/- each (P.Y. ₹ 91,500/- each)	262.50	274.50
b) Urban Infrastructure Opportunity Fund - Growth Plan 24 Units @ ₹ 1,07,500/- each (P.Y. ₹ 1,11,500/- each )	25.80	26.76
	<b>358.44</b>	<b>371.40</b>
Aggregate Value of Quoted Investments	70.14	70.14
Market Value of Quoted Investments	297.91	349.52
Aggregate Value of Unquoted Investments	288.30	301.26
Aggregate provision made for diminution in value	Nil	Nil

(₹ in Lacs)

Particulars	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>12. OTHER NON - CURRENT ASSETS</b>		
Deposits	161.73	30.14
	161.73	30.14
<b>13. INVENTORIES</b>		
Raw Materials	2,585.13	2,984.78
Packing Materials	48.42	53.30
Work-in-Process	149.93	308.77
Finished Goods	3,029.88	2,258.16
Stores & Spares	74.48	-
Stock-In-Trade	30.54	28.56
	5,918.38	5,633.57
<b>14. TRADE RECEIVABLES (Unsecured Considered Good)</b>		
Outstanding for the period more than six months	407.32	223.75
Outstanding for the period less than six months	8,137.15	6,107.27
	8,544.47	6,331.02
Directors	-	-
Other officer of the Company	-	-
Firm in which Director is a partner	22.99	8.72
Private Company in which Director is a member	3.53	1.04
	26.52	9.76
<b>15. CASH AND CASH EQUIVALENTS</b>		
Balance with Banks	14.79	32.58
Earmarked Balances		
Margin Money	6.00	66.22
Unclaimed Dividend Account	44.21	40.85
Cash in Hand	3.46	4.07
	68.46	143.72
<b>16. SHORT - TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered good)		
A. Loans and Advances to related parties	-	-
B. Others		
Advances recoverable In cash or kind	55.52	44.50
Advances to suppliers	341.68	511.73
Capital Advances	29.16	29.27
Other Deposits	77.78	54.91
Balance with Government Authorities	1,310.03	469.65
Prepaid expenses	65.53	43.89
	1,879.70	1,153.95
<b>17. OTHER CURRENT ASSETS</b>		
Others	142.37	192.21
	142.37	192.21



(₹ in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>18. REVENUE FROM OPERATIONS</b>		
Sales of Products	<b>43,668.22</b>	36,790.90
Less : Excise Duty	<b>2,825.81</b>	2,748.90
	<b>40,842.41</b>	34,042.00
Other Operating Revenues	<b>18.15</b>	17.67
Sale of Services	<b>38.70</b>	52.80
	<b>40,899.26</b>	34,112.47
<b>19. OTHER INCOME</b>		
Dividend Income	<b>25.57</b>	22.75
Other Non Operating Revenue		
- Rent Received	<b>4.44</b>	4.44
- Other	<b>4.22</b>	2.78
	<b>34.23</b>	29.97
<b>20. COST OF MATERIAL CONSUMED</b>		
Raw Material Consumed	<b>30,603.72</b>	24,491.52
Packing Material Consumed	<b>448.56</b>	327.82
	<b>31,052.28</b>	24,819.34
<b>21. CHANGES IN INVENTORIES OF FG AND WIP</b>		
STOCK AT CLOSE		
Finished Goods	<b>3,029.88</b>	2,258.16
Work-in-Progress	<b>149.93</b>	308.77
	<b>3,179.81</b>	2,566.93
STOCK AT BEGINNING		
Finished Goods	<b>2,258.16</b>	1,948.14
Work-in-Progress	<b>308.77</b>	457.80
	<b>2,566.93</b>	2,405.94
	<b>(612.88)</b>	(160.99)
<b>22. EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	<b>932.63</b>	754.18
Contribution to Provident and Other Funds	<b>111.18</b>	129.12
Welfare Expenses	<b>110.73</b>	94.37
	<b>1,154.54</b>	977.67
<b>23. FINANCE COST</b>		
Interest Cost	<b>205.98</b>	156.22
Other Borrowing Cost	<b>360.85</b>	291.41
	<b>566.83</b>	447.63

(₹ in Lacs)

Particulars	Year Ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
<b>24. OTHER EXPENSES</b>		
Stores and Spares Consumed	241.11	339.27
Power and Fuel Consumed	988.07	853.31
Repairs to Plant and Machinery	51.76	40.81
Repairs to Building	35.84	15.65
Repairs to Others	30.10	27.00
Insurance	70.03	37.29
Rent	130.77	127.47
Travelling Expenses		
Directors	14.22	17.68
Others	109.72	102.12
Postage, Telephone	33.05	32.53
Commission on Sales	1,854.89	1,649.22
Discount on Sales	917.31	722.97
Carraige Outward	628.43	474.21
Payment to Auditors	3.09	2.72
Rent & Taxes	2.34	3.92
Loss on sale of Assets	0.65	1.06
Advertisements	6.48	8.35
SAP related Expenses	40.79	59.38
Legal and Professional Charges	147.51	157.56
Exchange Fluctuation	41.07	(1.75)
Factory Expenses	50.12	46.50
Clearing Charges on Export	103.67	112.77
R & D Expenses	82.67	43.42
Miscellaneous Expenses	472.98	386.00
	<b>6,056.67</b>	<b>5,259.46</b>
<b>25 Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	17.53	99.73
Paid as advance	15.19	29.27
<b>26 Contingent Liabilities not provided for</b>		
Bank Guarantees	91.60	106.80
Letter of Credit	253.49	425.87
Less : Fixed deposits shown under the head cash and cash equivalents include deposits pledged with the banks as margins to secure letters of credit and guarantees issued by banks	6.00	66.22
Net amount	339.09	466.45
Disputed income tax demand	6.10	24.95
Service tax matter under dispute	415.19	402.97



(₹ in Lacs)

	Year Ended March 31	
	2013	2012
<b>33 Remittance in foreign currency on account of dividend to non-resident shareholders</b>		
No. of shareholders	1.00	1.00
No. of shares on which dividend is paid	229800	114900
Year to which dividend relates	31.03.2012	31.03.2011
Amount of Dividend	8.04	8.04
<b>34 Auditors' remuneration:</b>		
Audit Fees	1.70	0.80
Tax Audit Fees	0.30	0.20
Other Services	0.70	1.25
Reimbursement of out-of-pocket expenses	0.39	0.47
	<b>3.09</b>	<b>2.72</b>
<b>35 Disclosure in pursuance of Accounting Standard – 15</b>		
1 Defined contribution plans		
The Company has recognised following amounts in the Statement of Profit & Loss for the year :		
Contribution to Employees Provident Fund	47.75	38.80
Contribution to Super Annuation Fund	10.78	12.51
2 Defined Benefit Plans/compensated absence - as per Actuarial valuation on 31 <sup>st</sup> March, 2013		
a) Reconciliation of opening and closing balance of present value of the Defined Benefit Obligation (DBO):		
1. Obligation at beginning of the year	172.57	113.09
2. Current service cost	15.95	13.58
3. Interest cost	14.67	9.33
4. Actuarial (gain)/losses	12.57	37.50
5. Benefits paid	(9.09)	(0.93)
6. Present value of Obligations at end of the year	206.67	172.57
b) Reconciliation of the opening and closing balances of the fair value of plan assets:		
1 Opening fair value of plan asset at period beginning	142.52	37.18
2 Expected returns on plan assets	12.25	3.07
3 Actuarial gain/(losses)	6.29	2.30
4 Contribution by the employer	70.96	100.89
5 Benefits paid	(9.09)	(0.92)
6 Fair value of plan assets at period closing	222.93	142.52



(₹ in Lacs)

	Year Ended March 31	
	2013	2012
c) Net assets / (liabilities) recognised in the Balance Sheet		
1 Present value of Funded obligations	<b>(206.68)</b>	(172.57)
2 Fair marker value of plan assets	<b>222.93</b>	142.52
3 Present value of unfunded obligations	-	-
4 Net assets / (liabilities) recognized in the balance sheet	<b>16.25</b>	(30.05)
d) Total expenses recognized in the Statement of Profit and loss :		
1 Current service cost	<b>15.95</b>	13.59
2 Interest on defined benefit obligation	<b>14.67</b>	9.33
3 Expected returns on plan assets	<b>(12.26)</b>	(3.07)
4 Actuarial (gains)/losses	<b>6.27</b>	35.20
Total expenses recognized in the Statement of Profit and Loss :	<b>24.63</b>	55.05
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:		
1 Discount Rate	<b>8.50 %</b>	8.50 %
2 Expected return on plan asset	<b>8.70 %</b>	8.50 %
3 Retirement age	<b>58</b>	58
4 Salary escalation rate	<b>6.50 %</b>	6.50 %
g) Gratuity is administered through group gratuity scheme with Kotak Life Insurance under Kotak Gratuity Group Plan.		

### 36 Information about Business Segments

The company is operating in only one segment i.e. manufacturing of materbatches.

### 37 Related Party Disclosures

#### (a) List of related parties and relationships:

Relation	Parties
i) Associate Concern and Promoter Companies	Kabra Extrusiontechnik Ltd.
Relation	Parties
ii) Enterprise over which key management personnel exercise significant influence.	Kolsite Industries, Kolsite Corporation LLP, Kolsite Packaging Systems Pvt. Ltd., Maharashtra Plastic Industries, Maharashtra Plastic & Industries, Rambalab Ramnaran, Smartech Global Solutions Ltd., Wonderworld Resorts Ltd.,
iii) Key Management Personnel and Relatives, Chairman and Managing Director, Directors, Related to Directors	Shri S. V. Kabra, Shri S. N. Kabra, Shri A. S. Kabra, Shri Varun S. Kabra, Smt Veenadevi S. Kabra, Smt Saritadevi S. Kabra, Smt Ekta A. Kabra, Miss Khushi A. Kabra

**(b) Related party transactions:**

(₹ in Lacs)

Aggregate of Transactions	Associate concerns		Enterprises over which KMP exercise significant influence		Key Management Personnel and Relatives of KMP		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
1. Sales and other Income	186.49	148.81	-	-	-	-	186.49	148.81
2. Purchases and services	244.35	238.76	1.11	120.80	-	-	245.46	359.56
3. Purchase of assets	421.77	254.51	-	2.97	-	-	421.77	257.48
4. Directors sitting charges	-	-	-	-	5.80	5.30	5.80	5.30
5. Interest paid during the year	59.45	95.68	41.34	0.86	85.15	99.62	185.94	196.16
6. Deposits received	338.00	329.50	56.00	30.00	1,152.84	617.08	1,546.84	976.58
7. Deposit repaid	135.00	151.00	506.75	30.00	1,225.65	668.31	1,867.40	849.31
8. Rent paid	133.27	129.73	-	-	6.36	6.36	139.63	136.09
9. Salaries paid	-	-	-	-	123.06	98.19	123.06	98.19

**(c) Balance outstanding at the end of financial year:**

(₹ in Lacs)

Transaction Particulars	Subsidiaries, Associate Companies & Promoter Companies		Enterprises over which KMP exercise significant influence		Key Management Personnel and Relatives of KMP		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Debit Balances outstanding								
Debtors	24.39	1.09	2.13	8.72	-	-	26.52	9.81
Credit Balances outstanding								
Loans Taken	765.51	960.75	-	-	672.42	673.37	1,437.93	1,634.12
Creditors	465.48	3.67	-	-	-	-	465.48	3.67

**38 Disclosure for operating leases:**

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

(₹ in Lacs)

Particulars	Year Ended March 31	
	2013	2012
Lease payment debited to Statement Profit & Loss (Net of Service Tax)	<b>95.19</b>	90.65
Lease obligation		
Up to 1 year	<b>135.22</b>	95.19
Greater than 1 year but less than 5 years	<b>403.45</b>	-
	<b>538.67</b>	95.19



(₹ in Lacs)

Sr	Particulars	Year Ended March 31	
		2013	2012
<b>39</b>	<b>Statement of computation of Deferred Tax Liabilities/Assets (Net)</b>		
A)	Deferred Tax Liability		
a.	Depreciation	<b>798.29</b>	725.16
	<b>(A)</b>	<b>798.29</b>	725.16
B)	Deferred Tax Assets		
a.	Difference in valuation of closing stock	-	149.78
b.	Provision for Employee Benefit	<b>33.70</b>	26.66
	<b>(B)</b>	<b>33.70</b>	176.44
	Deferred Tax (Assets) / Liability (A-B) as on 31-03-2013.	<b>764.59</b>	548.72
	Net Deferred Tax (Assets) / Liability as on 1-04-2012.	<b>548.72</b>	412.37
	Deferred Tax Expense / (benefit) recognised in Statement Profit and Loss	<b>215.87</b>	136.35
<b>40</b>	<b>Earnings Per Share</b>		
	The earnings per share have been computed in accordance with the "AS 20".		
	Profit / (Loss) After Tax	<b>1,536.49</b>	1,671.17
	Profit / (Loss) attributable to Equity Shareholders	<b>1,536.49</b>	1,671.17
	Adjusted number of ordinary shares, (face value ₹ 5/-)	<b>129.95</b>	129.95
	Basic & Diluted Earning Per Share - (in ₹)	<b>11.82</b>	12.86

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

As per our report on even date

For and on behalf of the Board

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

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

**Pramod K. Gugale**  
(Partner)  
M.No. 113775

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

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

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

Place :- Mumbai  
Date :- 29<sup>th</sup> May, 2013

**S. K. PARAB**  
(Director)



### PROXY FORM

Folio No.:..... DP ID No. : ..... Client A/c No:.....

I/We.....of.....

being a member/(s) of **Plastiblends India Limited**, 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 Second Annual General Meeting of the Company to be held at Hotel Karl Residency, 36,  
Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai - 400 058 on Tuesday, the 27<sup>th</sup> day of August,  
2013 at 4:15 p.m. and/or at any adjournment thereof.

Signed this ..... day of .....2013



**(Signature)**

#### Notes :

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



### ATTENDANCE SLIP

Folio No.:..... DP ID No. : ..... Client A/c No:.....

I hereby record my presence at the Twenty Second Annual General Meeting of Plastiblends India Limited held  
at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai - 400 058 on  
Tuesday the 27<sup>th</sup> day of August, 2013 at 4:15 p.m. and/or at any adjournment thereof.

Name of the Shareholder/Proxy.....

Signature of the Shareholder/Proxy attending the Meeting .....

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



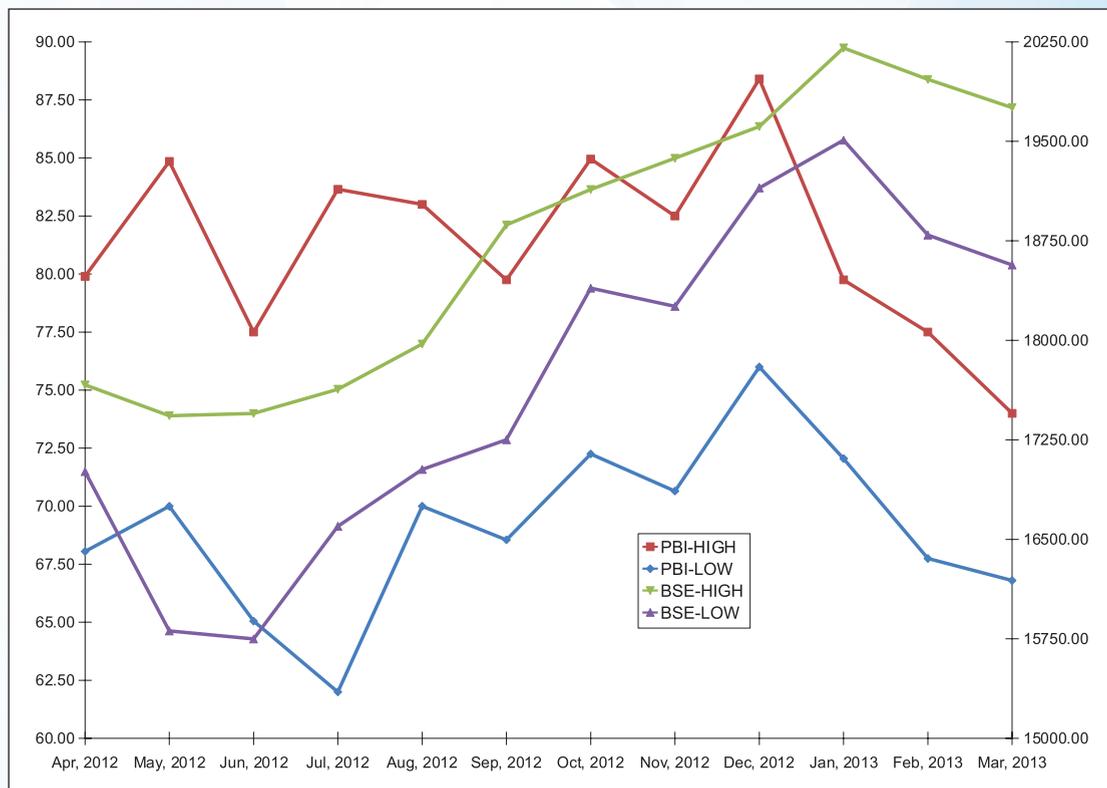




Shri S. V. Kabra, CMD was conferred upon with "Outstanding Achievement Award at Vinyl India 2013 held on 11<sup>th</sup> & 12<sup>th</sup> April 2013, in Mumbai for being a Pioneer of Indian Plastic Industry.

## STOCK PERFORMANCE

(Share Price / BSE Sensex)



#### **REGISTERED OFFICE**

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Kolsite House, 30 Shah Industrial Estate,  
Dattaji Salvi Marg, Off. Veera Desai Road,  
Andheri (West), Mumbai – 400 053

Tel. No. : +91-22-26736468

Fax : +91-22-26736808

E-mail : [pbi@kolsitegroup.com](mailto:pbi@kolsitegroup.com)

Website : [www.plastiblendsindia.com](http://www.plastiblendsindia.com)

#### **WORKS**

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**Daman** : Daman Industrial Estate, Kadaiya  
Village, Daman-396 210

**Roorkee** : Khasara No. 216, Village Raipur,  
Pargana : Bhagwanpur,  
Tehsil : Roorkee, Distt. Haridwar,  
Uttarakhand – 247 667