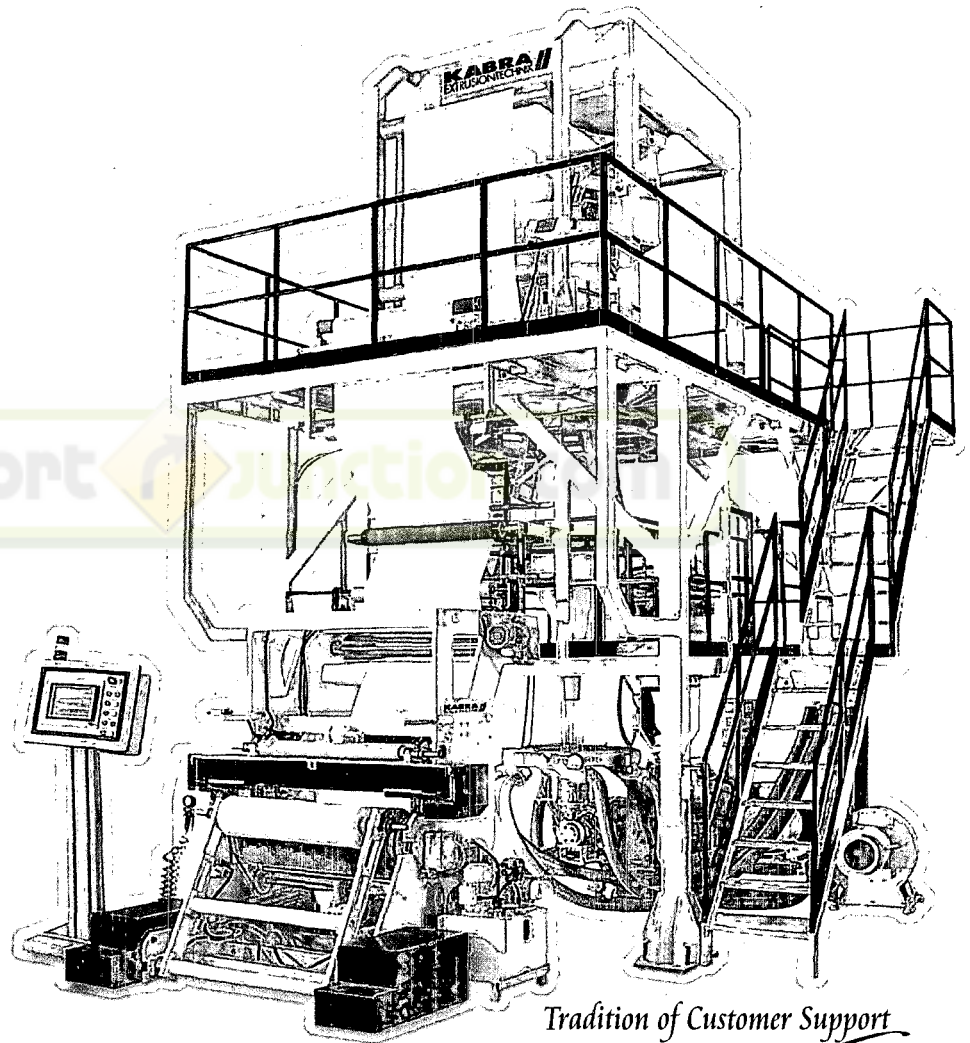


KABRA EXTRUSIONTECHNIK

India's Leading Plastic Extrusion Machinery Manufacturer



Tradition of Customer Support



**ANNUAL
REPORT**

2007 - 08

Making Technology Work For You

Annual Report 2007-08

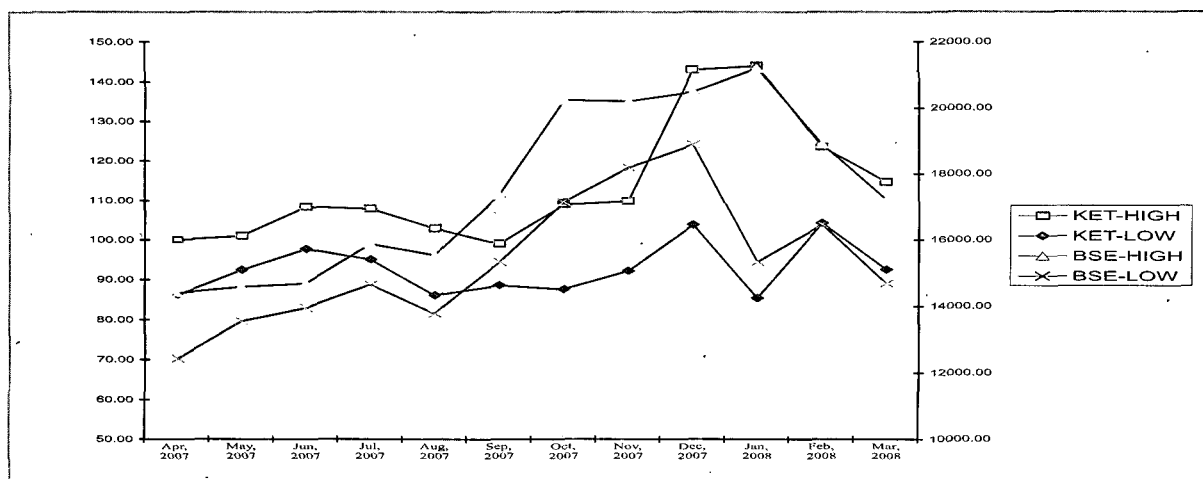
FINANCIAL HIGHLIGHTS

(Rs. in lacs)

	2007-08	2006-07	2005-06	2004-05	2003-04
OPERATING RESULTS					
Sales and Other Income	15055.14	12870.30	10388.15	7398.96	8594.50
Profit before Depreciation, Interest & Tax	2327.18	1393.62	1016.30	808.68	1164.62
Less :Depreciation	337.36	304.34	151.29	133.21	122.58
Interest	69.13	49.14	37.71	12.18	16.73
Profit before tax	1920.69	1040.14	827.30	663.29	1025.31
Less :Provision for Taxation	425.00	255.00	210.00	185.00	205.00
Provision for Deferred Tax	31.77	58.95	(15.18)	20.17	49.42
Taxation of earlier years	12.80	-----	-----	-----	-----
Net Profit after tax & deferred tax	1451.12	726.19	632.48	458.12	770.89
Retained earnings	891.26	306.30	268.72	212.03	500.06
Earning per share (EPS) (Rs)	18.19	9.11	9.22	6.68	11.24
(Computed on profit after tax and deferred tax)					
Dividend (%)	60%	45%	40%	35%	35%
ASSETS EMPLOYED					
Fixed Assets (NET)	4055.24	3767.44	2397.09	1781.51	1896.92
Current Assets (NET)	2446.78	2095.43	2593.19	2715.49	1491.06
Capital Employed	7600.84	6877.72	5256.12	4887.86	4355.19
FINANCED BY					
Share Capital	797.56	797.56	685.90	685.90	685.90
Reserves	5844.11	4952.85	3697.46	3428.76	3216.73
Total Shareholders Funds	6641.67	5750.40	4383.36	4114.66	3902.63
Borrowings	641.66	841.56	645.97	531.23	230.75
Debt : Equity	0.10 : 1	0.15 : 1	0.15 : 1	0.13 : 1	0.06 : 1
OTHERS					
Book Value Per Share (Rs.)	83.27	72.10	64.00	60.00	56.90
Gross Fixed Assets	5687.52	5077.77	3407.21	2654.49	2669.17
Employees Cost	1146.45	856.54	733.43	523.28	448.47
Number of Issued Shares	7975580	7975580	6859000	6859000	6859000

STOCK PERFORMANCE

Share Price / BSE Sensex



BOARD OF DIRECTORS**Shreevallabh G. Kabra**

Chairman & Managing Director

Satyanarayan G. Kabra

Vice-Chairman & Managing Director

Anand S. Kabra

Director

Punamchand C. Parmar

Director

Haridas S. Sanwal

Director

Mahavir Prasad Taparia

Director

Yagnesh B. Desai

Director

Nihalchand C. Chauhan

Director

COMPANY SECRETARY**Y. D. Sanghavi****AUDITORS****A. G. Ogale & Co.**

Chartered Accountants, Pune

BANKERS**State Bank of India**

Industrial Finance Branch, Mumbai – 400 005

SHARE TRANSFER AGENT**M/s. Sharepro Services (India) Pvt. Ltd.**Satam Estate, 3rd Floor, Cardinal Gracious Road,
Chakala, Andheri (East), Mumbai – 400 099

Tel.:022-28215168,28329828 Fax.: 022-28375646

REGISTERED OFFICEKolsite House, Off Veera Desai Road,
Andheri (West), Mumbai – 400 053

Tel.:022-26734822-24 Fax.: 022-26735041

WORKSKabra Industrial Estate,
Kachigam, Daman – 396 210**C O N T E N T S**

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25th Annual General Meeting

Date	: 15 th July, 2008
Day	: Tuesday
Time	: 2:00 p.m.
Venue	: Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058

ANNUAL REPORT 2007-08**NOTICE**

NOTICE is hereby given that the **TWENTY-FIFTH ANNUAL GENERAL MEETING** of the Members of **KABRA EXTRUSIONTECHNIK LIMITED** will be held on Tuesday, the 15th day of July, 2008 at 2:00 p. m. at Hotel Karl Residency, 36, Lallubhai Park, Andheri (West), Mumbai – 400 058 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2008 and the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare a dividend on Equity Shares for the Financial Year ended 31st March, 2008;
3. To appoint a Director in place of Shri Yagnesh B. Desai, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Nihalchand C. Chauhan, a Director, 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 :

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

“RESOLVED THAT pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, 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. 1st July, 2008 to 30th June, 2013 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 hereafter 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 Shri Satyanarayan G. Kabra, the company has no profit or its profits are inadequate, the company shall pay salary & perquisites to the extent as laid down in Section II & III of Part II of Schedule XIII as minimum remuneration.

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

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

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

“RESOLVED THAT pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, 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 appointment and payment of remuneration to Shri Anand S. Kabra as a Technical Director of the Company, for a period of 5 (five) years w.e.f. 1st August, 2008 to 31st July, 2013 on the terms, conditions and stipulations including remuneration detailed in the Explanatory Statement annexed hereto (which shall form part hereof), with a liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any Committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board of Directors and Shri Anand S. Kabra, subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII to the said Act, (including any Statutory Modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may hereafter 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 Shri Anand S. Kabra, the company has no profit or its profits are inadequate, the company shall pay salary & perquisites to the extent as laid down in Section II & III of Part II of Schedule XIII as minimum remuneration.

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

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

By Order of the Board
For Kabra Extrusiontechnik Limited

Y. D. Sanghavi
Company Secretary

Mumbai, 14th May, 2008

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY TO ATTEND AND ON A POLL VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item. No.6 & 7 above, is annexed hereto.
3. Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 8th day of July, 2008 to Tuesday, the 15th day of July, 2008 (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 7th day of July, 2008 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 15th day of July, 2008 after giving effect to all valid transfers in respect of which request were lodged with the R & T Agent of the Company on or before 7th July, 2008.
5. (i) The unclaimed dividend upto financial year 1993-94 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1993-94 may claim their dividend from the Registrar of Companies, Maharashtra, Mumbai by submitting an application in the prescribed form.
 (ii) Those members who have not encashed their dividend warrants for the financial year 2000-2001 to 2006-07 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of duplicate thereof.
 (iii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2000-2001 and thereafter which shall remain unclaimed / unpaid for a period of 7 years from the date of transfer to the unpaid dividend account will be transferred to the Investors Education & Protection Fund and **no claim shall lie in respect of such amount.**
 (iv) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1994-95 to 1999-00 have been transferred to the Investor Education and Protection Fund.
6. Brief profile of the Directors retiring by rotation and being eligible for re-appointment and the Director proposed to be reappointed / appointed at the ensuing Annual General Meeting has been furnished in this Annual Report separately.
7. Members desirous of obtaining any information with regard to accounts are requested to write to the Company Secretary at the Registered Office of the Company, at least 10 days in advance, so as to compile the same.

ANNEXURE TO NOTICE

Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item no. 6 & 7

Shri Satyanarayan G. Kabra has been Vice Chairman & Managing Director since 1st July, 2003. The term of his office will expire on 30th June, 2008. The present proposal is to seek members approval to his re-appointment & remuneration paid to him for the said office. The Board of Directors of the Company at its meeting held on 14th May, 2008 approved the re-appointment and payment of remuneration to Shri Satyanarayan G. Kabra as a Vice-Chairman & Managing Director of the Company w.e.f. 1st July, 2008 for a further period of 5 (Five) years. He is holding similar position in M/s. Plastiblends India Ltd., a company in the same group and paid remuneration therefrom as approved by the Members of that company.

He shall continue to hold said office upon re-appointment, subject to approval at this meeting.

At the said Meeting, the Board also approved the appointment of Shri Anand S. Kabra as a Technical Director w.e.f 1st August 2008. Shri Anand S. Kabra aged 34 years, qualified as B. E. (Mechanical) and MBA in Family Business was President (Operation) of the Company during the period from August, 2001 to July, 2003. Thereafter he was holding office of an Executive Director of the Company for the period from 1st August, 2003 to 31st July, 2006. Since August, 2006, he is associated with the Company as a Director and an Executive Director of group company M/s. Plastiblends India Ltd., to look after setting-up new unit of that company at Roorkee, Uttarakhand to manufacture masterbatches and compounds, which he successfully completed.

The Company propose to develop export market for critical components of extrusion machinery. India is considered to be hub for supply of machinery parts and after sales services to global plastic machinery industry.

The Board keeping in view his professional qualifications, post qualification experience and competence in successful implementation of new unit of group company, approved his appointment as a Technical Director. He will continue to hold office of an Executive Director of M/s. Plastiblends India Ltd., a group company on the terms and remunerations as approved by the Members of that Company.

ANNUAL REPORT 2007-08

Broad particulars of terms of re-appointment of Shri Satyanarayan G. Kabra & appointment of Shri Anand S. Kabra & remuneration payable to them are set out under:

1. Period of Appointment :

Shri Satyanarayan G. Kabra 5 (five) years with effect from 1st July, 2008 to 30th June, 2013

Shri Anand S Kabra 5 (five) years with effect from 1st August, 2008 to 31st July, 2013

2. Remuneration :

Salary : Rs. 75,000/- (Rupees Seventy Five Thousand Only) per month, with an annual increment to be decided by the Board at such percentage up to 10% of the salary, subject to the same not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.

In addition to the above, they shall be entitled to the following perquisites restricted to an amount equal to their individual annual salary.

- i. **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of above Salary.
- ii. **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 years.
- iii. **Leave Travel Reimbursement :** For self, spouse and family once in a year incurred in accordance with the rules specified by the Company.
- iv. **Club Fees :** Subject to a maximum of two clubs. This will not include admission and life membership fees.
- v. **Personal Accident Insurance & Medi-Claim Policy :** For self, spouse and family as per rules of the Company.
Explanation: 'Family' means spouse, dependent children and dependent parents of the said appointees.
- vi. **Provident Fund, Superannuation Fund and Annuity Fund :** Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the Schemes of the Company will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together are not taxable under the Income-Tax Act, 1961.
- vii. **Gratuity :** As per rules of the Company.
- viii. **Encashment of leave :** As per rules of the Company.
For the purpose of gratuity & encashment of leave, the period of service of said appointees shall be considered as service with the company without any break in service & on a continuous basis.
- ix. 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 the Vice-Chairman & Managing Director and Technical Director.

General:

- i. The office of said appointees 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/ appointment as above & payment of remuneration herein may be altered & varied by the Board as it may, from time to time, deem fit.

Both the appointees satisfy all the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment/appointment respectively.

This explanatory statement with the accompanying Notice is to be regarded as an abstract and memorandum of concern or interest, under Section 302 of the Companies Act, 1956 in respect of both the appointees.

Shri Satyanarayan G. Kabra is concerned or interested in the resolution set out at item no. 6, since it relates to his own appointment and remuneration. Shri Anand S. Kabra is concerned or interested in the resolution set out at item no. 7, since it relates to his own appointment and remuneration.

Shri S. V. Kabra is a relative of said appointees and therefore, he is deemed to be interested in the said resolutions.

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

The Board recommends above resolutions for your approval.

By Order of the Board
For Kabra Extrusiontechnik Limited

Y. D. Sanghavi
Company Secretary

Mumbai, 14th May, 2008

DIRECTORS' REPORT

To,
 The Members of
 Kabra Extrusientechnik Limited, Mumbai.

Your Directors are pleased to present the **TWENTYFIFTH ANNUAL REPORT** and the **AUDITED STATEMENT OF ACCOUNTS** for the year ended 31st March, 2008.

1. FINANCIAL RESULTS:

	(Rs. in Lacs)	
PARTICULARS	2007-2008 (Current Year)	2006-2007 (Previous Year)
Sales Turnover and Other Income	15055.14	12870.30
Gross Profit before Interest & Depreciation	2327.18	1393.62
Less: Interest	69.13	49.14
Depreciation	337.36	304.34
Profit Before Tax	1920.69	1040.14
Less : Provision for Taxation	425.00	255.00
Provision for Deferred Tax Liabilities	31.77	58.95
Net Profit After Tax & Deferred Tax	1463.92	726.19
Less : Taxation of Earlier Year	(12.80)	-
Profit after above tax	1451.12	726.19
Balance b/f from previous year	2219.46	1988.17
Amount available for appropriation	3670.58	2714.36
APPROPRIATIONS:		
Transferred to General Reserves	150.00	75.00
Provision for Proposed Dividend	478.53	358.90
Provision for Tax on Proposed Dividend	81.33	61.00
Surplus balance carried to Balance Sheet	2960.72	2219.46
	3670.58	2714.36

2. DIVIDEND :

Your Directors are pleased to recommend a dividend of **Rs. 6.00** per share of Rs.10/- each for the year ended 31st March, 2008 (Rs. 4.50 per share for the previous year) subject to the members' approval.

3. OPERATION AND OUTLOOK:

The Company has achieved the Operational and Other Income for the year under review at **Rs. 15055.14 Lacs** as against the previous years' operational and other income of Rs.12870.30 Lacs, an increase of around **17%** over previous year. The profit before tax amounts to **Rs. 1920.69 Lacs** against the previous years' profit of Rs. 1040.14 Lacs, an increase of around **85%** over previous year. Net Profit of the Company after Tax, Deferred Tax and tax provision of earlier year amounts to **Rs. 1451.12 Lacs** as against Rs. 726.19 Lacs of the previous year, an increase of around **99.83%** over previous year.

4. EXPORTS :

Exports during the year is **Rs. 54.95 Crores**, as against previous years' export of **Rs.52.10 Crores**, an increase of **5%** over previous year.

5. DIRECTORS:

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Shri Yagnesh B. Desai and Shri Nihalchand C. Chauhan, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment. It is proposed to re-appoint Shri Satyanarayan G. Kabra as a Vice-Chairman & Managing Director of the Company w.e.f. 1st July, 2008 for a further period of 5 (five) years and appoint Shri Anand S. Kabra as a Technical Director of the Company w.e.f. 1st August, 2008.

ANNUAL REPORT 2007-08**6. DIRECTORS' RESPONSIBILITY STATEMENT :**

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

- (i) in the preparation of annual accounts for the year ended 31st March, 2008, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have selected such appropriate accounting policies and applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give the true and fair view of the state of affairs of the Company as at 31st March, 2008, and of the profits of the Company for the said financial year;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the said accounts on a "going concern basis".

7. AUDITORS :

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

8. LISTING FEES :

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai for the financial year 2008-09 have been paid.

9. CORPORATE GOVERNANCE :

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

10. EMPLOYEES RELATIONS :

Employees relations continued to be cordial throughout the year. The Directors appreciate the efforts put in by the employees at all the levels. As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, Shri S. V. Kabra, Chairman & Managing Director is a sole employee covered in the statement given hereunder as **ANNEXURE A**.

11. 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 B**.

12. ACKNOWLEDGEMENT :

The Board of Directors of your Company place on record their gratitude and would like to thank Shareholders, Bankers, Customers, Suppliers, Advisors and all employees for their valuable support and co-operation.

For and on behalf of the Board

Place : Mumbai

Date: 14th May, 2008

S. V. Kabra

Chairman & Managing Director

ANNEXURES TO DIRECTORS' REPORT**ANNEXURE 'A'**

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, for the year ended 31st March, 2008 and forming part of the Directors' Report for the said financial year.

- a. Employed throughout the year under review and were in receipt of remuneration in aggregate of not less than Rs. 24,00,000/- p.a.

Name of the Employee	Age (years)	Qualifications	Designation	Date of Commencement of employment	Experience (years)	Gross Remuneration (Rs)	Particulars of last employment
S. V. Kabra	71	B. A. (Hons)	Chairman & Managing Director	01-04-2004	40	24,85,031/-	--

- b. Employed for the part of the year under review and were in receipt of remuneration in aggregate of not less than Rs.2,00,000/- p.m.: None.

Notes: 1. Above appointment is contractual. 2. Remuneration includes salary, house rent allowance and other allowances, Company's contribution to Provident Fund, Superannuation Fund, Leave Travel and Medical reimbursement, but excludes contribution to Group Gratuity Scheme. 3. Other terms and conditions of employment are as per resolution passed in the Annual General Meeting of the Company held on 30th July, 2004. 4. Shri S. V. Kabra is a relative of Shri S. N. Kabra & Shri Anand S. Kabra within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

ANNEXURE 'B'

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

A. Conservation of Energy:

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

B. Technology Absorption:

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

Following extrusion lines have been developed.

- 2-90-25V CPVC Pipe Plant 330-360 kg/hr with Twin downstream equipment & twin distributor like AMC design;
- 1-90-30B/4 600-700 kg/hr, HDPE Pipe Plant with 630 VSI Die Head with oil tempering unit for internal heating , V630 VA Vacuum tank, K630VA Spray Tank, SU-630 cutter with universal clamping system;
- 1-45-30B/6 Adhesive Coating Extruder 180-200 kg/hr with Xaloy Hydraulic Screen Changer and 500mm Ultraflex H40 T Die for pipe coating application. Plant includes specially designed smartouch system with modular Eurotherm Temperature controllers;
- 47mm 26:1 Auxiliary Extruder 55-60 kg/hr for Silicon Coating suitable for Teleduct Pipe Plant;
- 3 Layer Film Plant, 1000mm LFW, 135 kg/hr for Stretch Cling Film application with direct feeding of liquid PIB;
- 5-Layer Film Plant with IBC for Barrier Film processing;
- 75mm Paper Coating Plant 1100mm D/s Equipment with 1250mm T-Die & Static Mixer.

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

3. Future plan of action : Your Company is making continuous effort to develop wide range of extrusionlines.

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

5. Technology imported during the last 5 years :

Technology Imported	Imported From	Year of Import	Status
Manufacture of Pipe Extrusion, Profile Extruders, Film & Sheet Extrusion and Planetary Roller Extruders.	M/s. Battenfeld Extrusionstechnik GmbH, Germany	Valid for 10 years from April, 2006	The Company receives on an ongoing basis valuable technical know-how and support. As a consequence, the Company is able to introduce a wide range of products in Extrusion lines and improve quality of critical components
Manufacture of Pipe & Profile Extruders, Tooling of Extrusion lines for siding, fencing and decking including composite system	M/s. American Maplan Corporation, USA.	Valid for 10 years from April, 2006	

C. Foreign Exchange Earnings and Outgo:

	2007-2008 (Rs. in Lacs)	2006-2007 (Rs. in Lacs)
Foreign Exchange Earned	5345.97	5005.62
Foreign Exchange Used	202.53	1295.16

For and on behalf of the Board

Place: Mumbai
Date: 14th May, 2008

S. V. Kabra
Chairman & Managing Director

ANNUAL REPORT 2007-08**MANAGEMENT DISCUSSION AND ANALYSIS****1. INDUSTRY STRUCTURE AND ITS DEVELOPMENTS :**

The Company is engaged in capital goods sector, manufacturing Plastic Extrusion Machinery, specialising in manufacture of plants to produce a wide range of Plastic Pipes i.e. PVC, HDPE, LDPE, PP, Composite Pipes etc. PVC pipes sector has almost 40% share of total PVC resin business. Pipe extrusion machinery is the largest market and the Company has about 65% share in this segment. The extrusion machinery industry, being linked to plastic consumption, has significant growth potential. The domestic production of extrusion machinery is around Rs. 700 crores. It consists of plants for making pipes (Rs. 150 crores) films (Rs. 150 crores), tapes (Rs. 125 crores), sheet lines, profiles, pelletising, etc. (Rs. 275 crores). Demand is growing in double digit, driven by thrust on agriculture, water management, construction, telecom, packaging applications, organized retailing, etc.

PVC pipes consumption has been recording high double digit volume growth. Traditionally, pipes were used in agriculture and irrigation but are now increasingly used for drinking water and sewage applications. The boom in housing, construction and infrastructure sectors would ensure growth momentum for PVC pipes.

HDPE pipes segment is an upcoming growth area with applications in telecom ducting, water supply, irrigation, fuel gas distribution, etc. The company has been manufacturing hi-tech HDPE pipe plants which has significant growth potential in India.

Flexible packaging industry has been growing at around 18% with focus on Multi-Layer Blown Films (MLF). Applications in lamination, milk and edible oil packing currently contribute 85% of the total market and the boom in organized retailing coupled with rural market penetration is fuelling the demand for MLF.

2. OPPORTUNITIES AND THREATS :

Recognising Company's capabilities in building global products at competitive costs, the range of plants being exported is steadily increasing. During the financial year 2007-08, the Company has exported its plant to 36 Countries.

Your Company has been awarded with certificate of Export Excellence by the Engineering Export Promotion Council, India for six times from financial year 1995-96. As recognition of sustained and excellent export performance, Government of India has accorded "STAR EXPORT HOUSE" status to the Company. Exports of the Company during the year under review were **Rs. 54.95 Crores** which is about **37.70%** of the Annual Sales Turnover.

Technological obsolescence, Market conditions, growing competition including imports are considered to be the threats.

3. SEGMENT-WISE PERFORMANCE :

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

4. OUTLOOK :

Your Company's business being global in nature, the outlook for margins and profitability also depends upon overall global economic outlook and demand supply scenario.

The Company's in-house R&D having decades of engineering experience and advanced designing software has enabled it to regularly introduce latest products.

The continuous inflow of latest technology is available from the Technical Collaborator Battenfeld Extrusionstechnik GmbH, Germany and American Maplan Corporation, USA for manufacturing wider range of extrusion lines. In-house R&D with their support and engineering experience has developed more than 30 new models of plants during the financial year 2007-08 and about 20 new models of plants are under development.

Customer relationship is very strong resulting into nearly cent percent repeat business. At the same time, there is no excessive dependence on any single customer.

India has the potential to become a sourcing base for machineries, critical components, R&D services and after sales services for global plastic machinery industry and the Company is well placed to capitalize on such an opportunity.

Considering its leadership, large potential in domestic as well as export markets and continuous technological innovation, the Company is confident of recording an even better performance going forward.

5. RISKS AND CONCERNS :

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

During the financial year 2007-08, the Company participated in national and international exhibitions viz. Plastivision-2007, PPP Pakistan Exhibition-2007, ZAK Trade Fair & Exhibition, K-2007 and Bangladesh-2008. The Company made an outstanding impression at such exhibitions and received tremendous response and enquiry from the prospective customers.