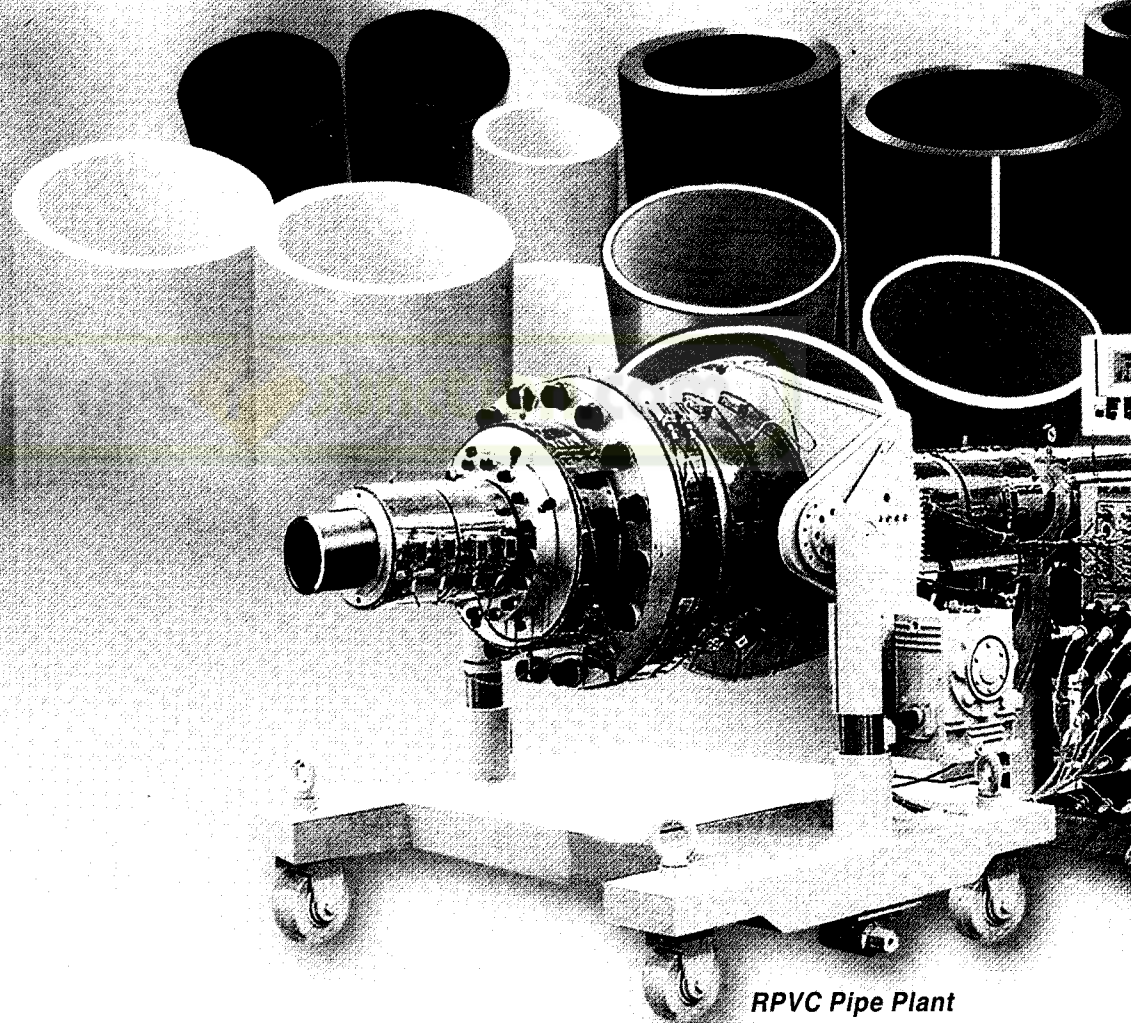


KABRA //
EXTRUSIONTECHNIK

*Leader of Hi-tech Pipe Extrusion lines
with world class technology*



RPVC Pipe Plant

26th ANNUAL REPORT 2008 - 09

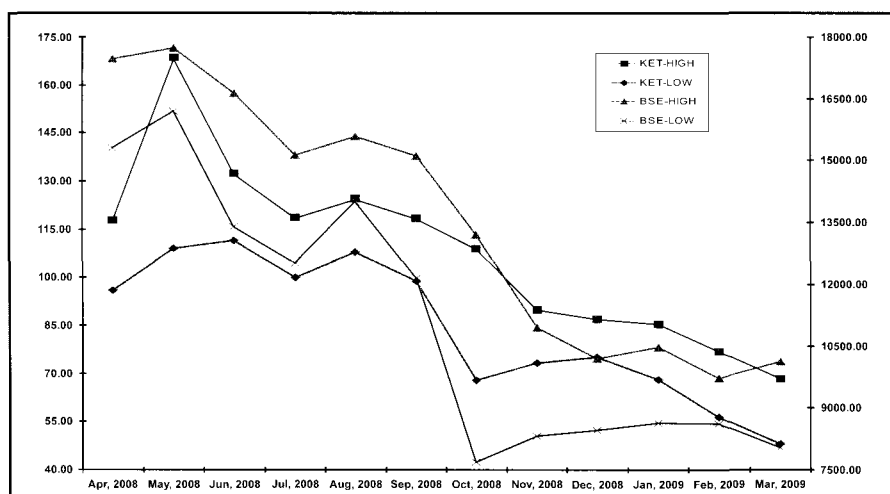
FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	2008-09	2007-08	2006-07	2005-06	2004-05
Operating Results					
Sales and Other Income	15763.61	15055.14	12870.30	10388.15	7398.96
Profit Before Depreciation, Interest & Tax	2026.56	2327.18	1393.62	1016.30	808.68
Less : Depreciation	365.80	337.36	304.34	151.29	133.21
Interest	53.16	69.13	49.14	37.71	12.18
Profit Before Tax	1607.60	1920.69	1040.14	827.30	663.29
Less : Provision for Taxation	370.00	425.00	255.00	210.00	185.00
Provision for Deferred Tax	67.72	31.77	58.95	(15.18)	20.17
Taxation of earlier years	—	12.80	—	—	—
Net Profit After Tax & Deferred Tax	1169.88	1451.12	726.19	632.48	458.12
Retained Earnings	610.02	891.26	306.30	268.72	212.03
Earning per share (EPS) (Rs.) (Computed on profit after tax and deferred tax)	14.67	18.19	9.11	9.22	6.68
Dividend (%)	60%	60%	45%	40%	35%
Assets Employed					
Fixed Assets (NET)	3975.90	4055.24	3767.44	2397.09	1781.51
Current Assets (NET)	2400.21	2446.78	2095.43	2593.19	2715.49
Capital Employed	8567.65	7600.84	6877.72	5256.12	4887.86
Financed By					
Share Capital	797.56	797.56	797.56	685.90	685.90
Reserves	6454.12	5844.11	4952.85	3697.46	3428.76
Total Shareholders Funds	7251.68	6641.67	5750.40	4383.36	4114.66
Borrowings	930.73	641.66	841.56	645.97	531.23
Debt : Equity	0.13 : 1	0.10 : 1	0.15 : 1	0.15 : 1	0.13 : 1
Others					
Book Value Per Share (Rs.)	90.92	83.27	72.10	64.00	60.00
Gross Fixed Assets	5959.69	5687.52	5077.77	3407.21	2654.49
Employees Cost	1262.09	1146.45	856.54	733.43	523.28
Number of Issued Shares	7975580	7975580	7975580	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

Technical 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.**13 AB, Samhita Warehousing Complex, 2nd Floor,
Behind Sakinaka Telephone Exchange, Andheri-Kurla
Road, Sakinaka, Andheri (E), Mumbai - 400072**REGISTERED OFFICE***Kolsite House, Off Veera Desai Road,
Andheri (West), Mumbai – 400 053**Tel.:022-26734822-24 Fax.: 022-26735041***WORKS***Kabra Industrial Estate,
Kachigam, Daman – 396 210***C O N T E N T S**

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26th Annual General Meeting

Date	: 6 th August, 2009
Day	: Thursday
Time	: 2:00 p.m.
Venue	: Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058

ANNUAL REPORT 2008-09**NOTICE**

NOTICE is hereby given that the **TWENTY-SIXTH ANNUAL GENERAL MEETING** of the Members of **KABRA EXTRUSIONTECHNIK LIMITED** will be held on Thursday, the 6th day of August, 2009 at 2.00 p. m. at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058, to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2009 and the Profit & 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, 2009;
3. To appoint a Director in place of Shri Haridas S. Sanwal, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Anand S. Kabra, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint 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 a **Special Resolution** :

“RESOLVED THAT pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act or any re-enactment or modifications thereof and all other applicable statutory provisions, if any, and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Shreevallabh G. Kabra as a Chairman & Managing Director of the Company, for a period of 5 (five) years w.e.f. 1st April, 2009 to 31st March, 2014 on the terms, conditions and stipulations including remuneration detailed in the Explanatory Statement annexed hereto (which shall form part hereof), with a liberty to the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include any Committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board of Directors and Shri Shreevallabh G. Kabra, subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII to the said Act, (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 to the extent as laid down in Section II & III of Part II of Schedule XIII as minimum remuneration.

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

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

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

“RESOLVED THAT pursuant to the provisions of Section 293 (1)(e) of the Companies Act, 1956 and the other applicable provisions, if any, the Board of Directors of the Company be and is hereby authorised to contribute, from time to time, in any financial year, to any charitable or other funds or for charities or other purposes not directly related to the business of the Company or the welfare of its employees, upto a sum of Rs. 10 lacs (Rupees Ten Lacs Only) or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956, during the three financial year immediately preceding, whichever is greater.”

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

Mumbai, 26th May, 2009

Y. D. Sanghavi
Company Secretary

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 Thursday, the 30th day of July, 2009 to Thursday, the 6th day of August, 2009 (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 Wednesday, the 29th day of July, 2009 as per the list to be furnished by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form and to the Members holding shares in physical mode as per Register of Members of the Company as on Thursday, the 6th day of August, 2009 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 30th July, 2009.
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 2001-2002 to 2007-08 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 2001-2002 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 2000-01 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 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****Item No. 6**

Shri Shreevallabh G. Kabra was holding position of Chairman & Managing Director since 1st April, 2004. The present proposal is to seek members' approval to his re-appointment & remuneration to be paid to him for the said office. During the preceding five (5) financial year, the sales and other income has increased from Rs. 74 crores to Rs. 158 crores & Net Profit after tax has gone up from Rs. 4.58 crores to Rs. 11.70 crores as at 31st March, 2009. In view of this growth, the Board of Directors of the Company at its meeting held on 26th May, 2009 recommended and approved re-appointment and payment of remuneration to Shri Shreevallabh G. Kabra as a Chairman & Managing Director of the Company w.e.f. 1st April, 2009 for a further period of five (5) 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.

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

1. Period of Appointment :

Five (5) years with effect from 1st April, 2009

2. Remuneration :

Salary : Rs. 2,00,000/- (Rupees Two Lacs 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.

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In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his 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 (3) 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 the rules of the Company.
Explanation: 'Family' means spouse, dependent children and dependent parents of the said appointee.
- 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 appointee 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 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.

The above appointee satisfies all the conditions set out in Part I of Schedule XIII to the Companies Act, 1956 for being eligible for the re-appointment.

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 above appointee.

Shri Shreevallabh 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 S. N. Kabra and Shri Anand S. Kabra are concerned or interested being relative of the said appointee.

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

The Board recommends above special resolution for your approval.

Item No. 7

Section 293 (1)(e) of the Companies Act, 1956, provides that the Board of Directors of a public Company shall not, except with the consent of the Company in a general meeting, contribute to charitable or other funds, not relating to the Company's business or welfare of its employees, in excess of Rs. 50,000 or 5% of its average net profits u/s 349 and 350 of the Companies Act, 1956 in the preceding financial years, whichever is higher.

The Board of Directors, therefore, recommend the passing of the Resolution as set out in the Notice.

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

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

Mumbai, 26th May, 2009

Y. D. Sanghavi
Company Secretary

DIRECTORS' REPORT

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

Your Directors are pleased to present the **TWENTYSIXTH ANNUAL REPORT** and the **AUDITED STATEMENT OF ACCOUNTS** for the year ended 31st March, 2009.

1. FINANCIAL RESULTS:

(Rs. in Lacs)

PARTICULARS

	2008-2009 (Current Year)	2007-2008 (Previous Year)
Sales Turnover and Other Income	15763.61	15055.14
Gross Profit before Interest & Depreciation	2026.56	2327.18
Less: Interest	53.16	69.13
Depreciation	365.80	337.36
Profit Before Tax	1607.60	1920.69
Less : Provision for Taxation	370.00	425.00
Provision for Deferred Tax Liabilities	67.72	31.77
Net Profit After Tax & Deferred Tax	1169.88	1463.92
Less : Taxation of Earlier Year	-	(12.80)
Profit After above Tax	1169.88	1451.12
Balance b/f from previous year	2960.72	2219.46
Amount available for appropriation	4130.60	3670.58
APPROPRIATIONS:		
Transferred to General Reserves	120.00	150.00
Provision for Proposed Dividend	478.53	478.53
Provision for Tax on Proposed Dividend	81.33	81.33
Surplus balance carried to Balance Sheet	3450.74	2960.72
	4130.60	3670.58

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, 2009 (Rs. 6.00 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. 15763.61 Lacs** as against the previous years' Operational and Other income of Rs.15055.14 Lacs. The profit before tax amounts to **Rs. 1607.60 Lacs** against the previous years' profit of Rs. 1920.69 Lacs. Net Profit of the Company after tax, deferred tax and tax provision of earlier year amounts to **Rs. 1169.88 Lacs** as against Rs. 1451.12 Lacs of the previous year.

4. EXPORTS :

Exports during the year is **Rs. 57.53** Crores, as against previous years' export of **Rs. 54.95** Crores.

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 Haridas S. Sanwal and Shri Anand S. Kabra, 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 Shreevallabh G. Kabra as a Chairman & Managing Director of the Company w.e.f. 1st April, 2009 for a further period of 5 (five) years.

During the year under review, the Board has lost its colleague Shri P. C. Parmar, who expired on 25th day of May, 2008. He was associated with the Company since inception and contributed his best for smooth operation and development of the

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Company. The Board took on record excellent contribution made by him during the tenure of his Directorship. The Members of the Board and Shareholders have expressed their regret at their respective meeting held after his demise.

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, 2009, 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, 2009, 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, 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.

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 2009-2010 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 :

Your Directors would like to express their appreciation for the assistance and co-operation received from the Shareholders, Bankers, Financial Institutions, 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

S. V. Kabra

Date : 26th May, 2009

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, 2009 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	72	B. A. (Hons)	Chairman & Managing Director	01-04-2004	41	24,98,501	--

- 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. 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.
4. His re-appointment is proposed at this annual general meeting.

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:

- a. 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.
- b. Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: **None.**
- c. 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.

- 120 mm HDPE Pipe Plant extruding 1000 mm OD (1 mtr) Pipe with production capacity of 1200 kgs/hr
- BEX-2-135-28 V/4 PVC Pipe Plant extruding twin pipes of 110 mm OD with production capacity of 1500 kgs/hr.
- UPVC Window Profile Tooling
- 1-75-30-B/4 LLDPE Tubing Extruder with Bimetallic Screw arc barrel and C/C touch screen panel.
- Complete downstream 2400 mm oscillating haul-off, automatic winder C/C and gravimetric system.

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 extrusion lines.

4. Expenditure on R & D : During the year, the Company has 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	2006	Valid for 10 years.
Manufacture of Pipe & Profile Extruders, Tooling of Extrusion lines for siding, fencing and decking including composite system	M/s. American Maplan Corporation, USA.	2006	

C. Foreign Exchange Earnings and Outgo:

	2008-2009 (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Foreign Exchange Earned	5585.55	5346.46
Foreign Exchange Used	374.61	253.68
For and on behalf of the Board		

Place : Mumbai

Date : 26th May, 2009
S. V. Kabra
 Chairman & Managing Director

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.

Your Company has been awarded with certificate of Export Excellence by the Engineering Export Promotion Council, India for seventh time 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. 57.53 Crores which is about 37% 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 2008-09.

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 machinery, critical components, R&D services and after sales services for global plastic machinery industry and the Company is well placed to capitalize on such 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 2008-09, the Company participated in national and international exhibitions viz. PlastIndia-2009 Arab Plast, Rebuild Iraq and ZAK Trade Fair. The Company at PlastIndia-2009, had showcased its innovatively designed high-tech HDPE & PVC Pipe Plants, developed for the first time in India. The Company made an outstanding impression at such exhibitions and received tremendous response and enquiry from the prospective customers.

Such participation has contributed to get market recognition to the innovative technology of your company and improve market share globally.

Measures are continuously being taken on all fronts to mitigate and control the risk assessed, besides the comprehensive insurance of assets of the Company.