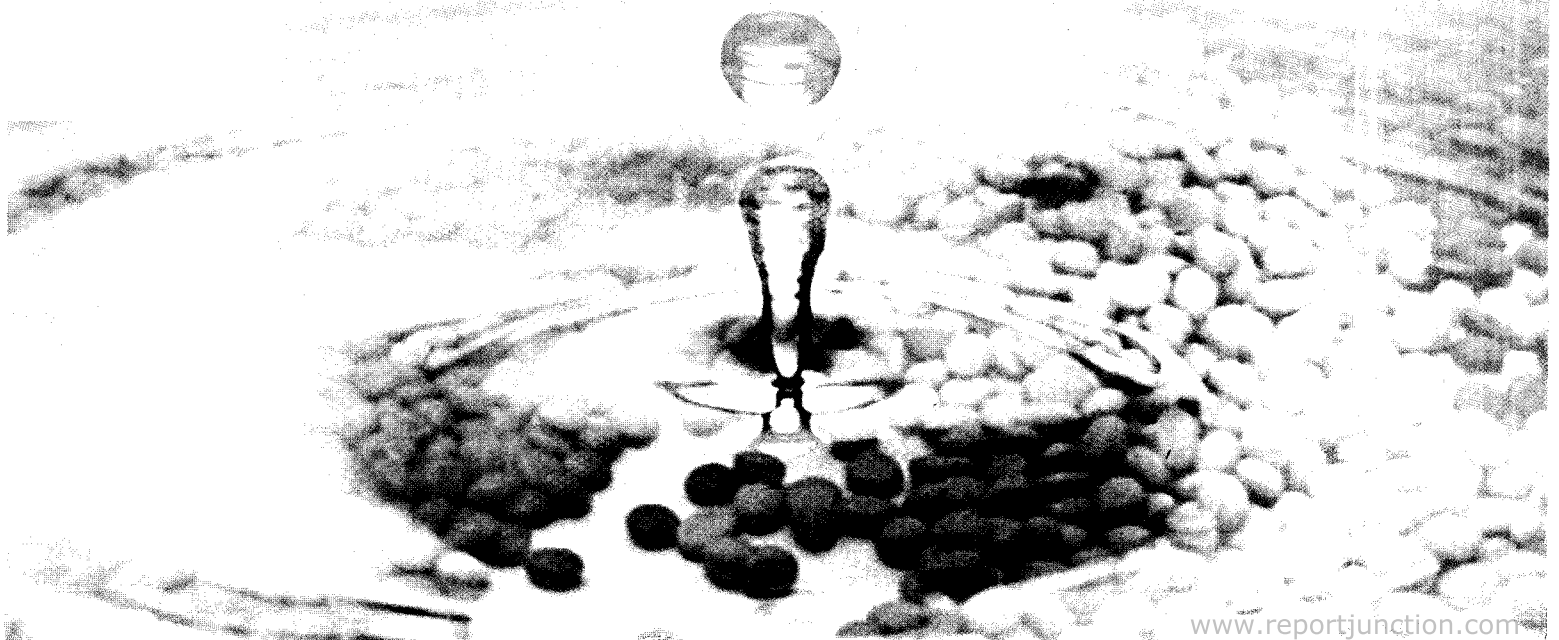


# Plastiblends

India Limited

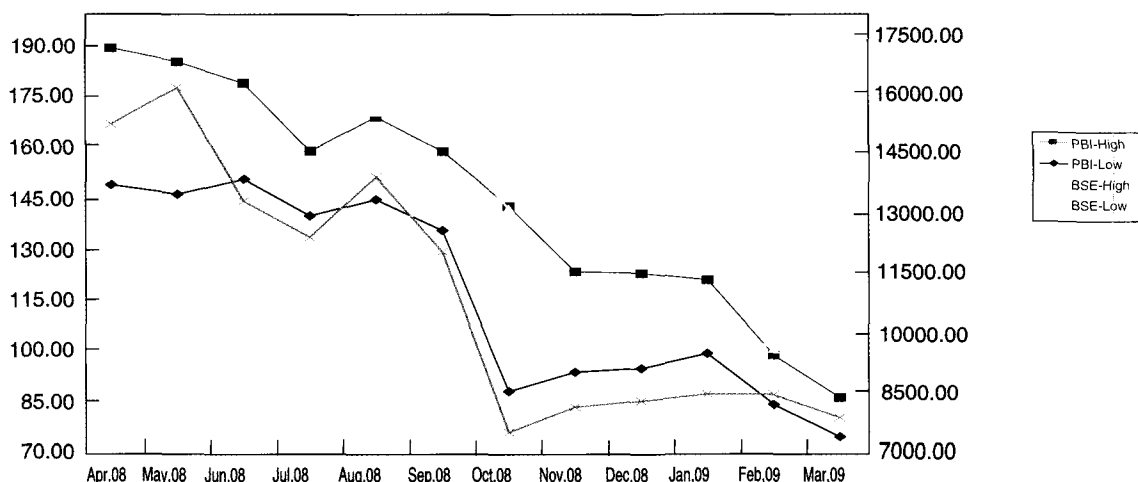
IMPARTING COLOURS TO PLASTICS



## FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

OPERATING RESULTS	2008-09	2007-08	2006-07	2005-06	2004-05
Sales and Other Income	17094.64	16130.21	12670.67	9814.73	9211.26
Profit before Depreciation, Interest & Tax	2109.87	2284.75	1583.31	1695.40	1498.54
Less : Depreciation	310.25	235.40	163.68	143.50	132.90
Interest	251.00	200.42	54.82	37.36	51.98
Profit Before Tax	1548.62	1848.93	1364.81	1514.54	1313.66
Less : Provision for Taxation - Current Year	320.00	200.00	175.00	200.00	225.00
Provision for Taxation - Earlier Year	—	0.17	—	1.70	1.14
Add : Provision no longer required	0.51	—	0.11	0.90	—
Net Profit After Tax	1229.13	1648.76	1189.92	1313.74	1087.52
Less : Provision for Deferred Taxation	51.80	56.63	(18.00)	(51.24)	46.67
Net Profit After Provision of Deferred Taxation	1177.33	1592.13	1207.92	1364.98	1040.85
Retained Earnings	645.23	1060.02	713.83	883.43	707.47
Earning per share (EPS) (Rs.)	18.12	24.50	18.59	21.01	16.02
Dividend (%)	70%	70%	65%	65%	45%
<b>FINANCIAL SUMMARY</b>					
<b>Assets Employed</b>					
Fixed Assets (NET)	5383.69	4694.39	2431.10	1862.35	1721.17
Working Capital (NET)	2441.79	1889.93	766.39	1080.39	1150.13
Capital Employed	9033.10	9181.94	7578.15	5756.77	5241.41
<b>FINANCED BY</b>					
Share Capital	649.73	649.73	649.73	649.73	649.73
Reserves	6969.79	6324.55	5264.53	4550.70	3667.27
Total Shareholders Funds	7619.52	6974.28	5914.26	5200.43	4317.00
Borrowings	1077.99	1923.86	1436.72	311.17	628.00
Deferred Tax Adjustments	335.59	283.79	227.17	245.17	296.41
Debt : Equity	0.14 : 1	0.27 : 1	0.24 : 1	0.06 : 1	0.14 : 1
<b>OTHERS</b>					
Book Value Per Share (Rs.)	117.27	107.34	91.03	80.04	66.44
Gross Fixed Assets	7159.60	6178.94	3683.26	2953.71	2681.21
Employees Cost	535.36	449.08	298.54	226.18	222.13

STOCK PERFORMANCE  
(Share Price / BSE Sensex)

**BOARD OF DIRECTORS**

Shri Shreevallabh G. Kabra  
(Chairman & Managing Director)

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

Shri Anand S. Kabra  
(Executive Director)

Shri Haridas S. Sanwal

Shri Amir E. Ladhabhoy

Shri Pushp Raj Singhvi

Dr. Yatish B. Vasudeo

Shri Sudarshan K. Parab  
(Additional Director w.e.f. 22.10.2008)

**COMPANY SECRETARY**

Ms. Phalguni M. Dagli

**REGISTERED OFFICE**

31, Shah Indl. Estate, Kolsite House, 2<sup>nd</sup> Floor,  
Off. Veera Desai Road, Andheri (West),  
Mumbai - 400 053  
Tel. No. : +91-22-26736468/66952694-97/67205200  
Fax : +91-22-26736808  
E-mail : pbi@kolsitegroup.com  
Website : www.plastiblendsindia.com

**WORKS**

**Daman**

Daman Industrial Estate,  
Kadaiya Village, Daman-396 210

**Roorkee**

Khasara No. 216, Village Raipur,  
Pargana : Bhagwanpur, Tehsil : Roorkee,  
Distt. Haridwar, Uttarakhand - 247667

**AUDITORS**

Kishor B. Phadke & Co.  
Chartered Accountants, Pune

**BANKERS**

State Bank of India  
HDFC Bank Ltd.

**SHARE TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd.,  
Unit 1, Luthra Ind. Premises, Safed Pool,  
Andheri-Kurla Road, Andheri (E),  
Mumbai - 400 072  
Tel. : 022-28515606, 28515644  
Fax : 022-28512885  
Email : sharexindia@vsnl.com

**CONTENTS**

Notice .....	02
Directors' Report.....	04
Management Discussion and Analysis .....	07
Report on Corporate Governance .....	09
Auditors' Report.....	16
Balance Sheet .....	18
Profit and Loss Account.....	19
Schedules.....	20
Balance Sheet Abstract.....	27
Cash Flow Statement .....	28

**18<sup>th</sup> Annual General Meeting**

**Date** : 6<sup>th</sup> August, 2009  
**Day** : Thursday  
**Time** : 4:30 p.m.  
**Venue** : Hotel Karl Residency, 36, Lallubhai Park Road,  
Next to Lallubhai Park, Andheri (West),  
Mumbai – 400 058

## NOTICE

**NOTICE** is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Members of **PLASTIBLENDS INDIA LIMITED** will be held on Thursday, the 6<sup>th</sup> day of August, 2009 at 4.30 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, 2009 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 31<sup>st</sup> March, 2009;
3. 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;
4. To appoint a Director in place of Shri Amir E. Ladhahoy, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint M/s. Kishor B. Phadke & 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** Shri Sudarshan K. Parab, who was appointed as an Additional Director of the Company on 22<sup>nd</sup> October, 2008 by the Board of Directors, subject to Section 260 of the Companies Act, 1956 and who holds office only up to the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
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 (3) financial year immediately preceding, whichever is greater.”

By Order of the Board

**Phalguni Dagli**

Company Secretary

Mumbai, 22<sup>nd</sup> May, 2009

### **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 30<sup>th</sup> day of July, 2009 to Thursday, the 6<sup>th</sup> 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 29<sup>th</sup> 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 6<sup>th</sup> 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 30<sup>th</sup> July, 2009.

5. (i) Those shareholders who have so far not claimed their dividend for the financial years 2001-02 to 2007-08 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 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.**
- (iii) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1996-97 to 2000-01 have been transferred to the said Fund.
6. Brief profile of the Directors retiring by rotation and being eligible for re-appointment and the Director proposed to be appointed at the ensuing Annual General Meeting is furnished in the section of Corporate Governance, forming part of this Annual Report.
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 Sudarshan K. Parab, aged 61 Years, qualified as B.Com, CAIIB was appointed as an Additional Director on 22<sup>nd</sup> October, 2008 by the Board of Directors of the Company. He has an experience of over 30 years in Professional Banking. He was associated with State Bank of India and Axis Bank Ltd. in various capacities and retired as Senior Vice President & Head – Corporate Banking Operations. During the tenure of his service, he has successfully set-up Corporate Banking Operations Department, Credit Audit Department and a New Branch of Axis Bank Ltd at Pune. During his service with State Bank of India, he has been a Credit Analyst for Large Corporate Accounts and has undertaken Project / Term Loan Appraisal for leading corporate groups. He developed the business of banks by marketing and serving to the various large corporates.

In terms of Section 260 of the Companies Act, 1956, he holds office only up to the date of the ensuing Annual General Meeting of the Company and is eligible to be appointed as a Director.

The Company has received a notice in writing under Section 257 of the Companies Act, 1956 along with the deposit of Rs. 500/- from a Member proposing his candidature in the interest of the Company.

The Board of Directors recommend this ordinary resolution for your approval.

Except Shri S. K. Parab, none of the other Directors is in any way concerned or interested in the resolution.

##### **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 three (3) financial years, whichever is greater.

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

**Phalguni Dagli**  
Company Secretary

Mumbai, 22<sup>nd</sup> May, 2009

## DIRECTORS' REPORT

To  
The Members of  
**Plastiblends India Limited.**

Your Directors have pleasure in presenting the **EIGHTEENTH ANNUAL REPORT** and the **Audited Financial Statements** for the financial year ended 31<sup>st</sup> March, 2009.

### FINANCIAL RESULTS:

#### PARTICULARS

	Year ended 31 <sup>st</sup> March 09 (Rs. in Lacs)	Year ended 31 <sup>st</sup> March 08 (Rs. in Lacs)
Sales and Other Income	<b>17094.64</b>	16130.21
Gross Profit before Interest & Depreciation	<b>2109.87</b>	2284.75
Less: Interest	<b>251.00</b>	200.42
Depreciation	<b>310.24</b>	235.40
<b>Profit Before Tax (PBT)</b>	<b>1548.63</b>	1848.93
Less: Provision for Taxation (including earlier year)	<b>320.00</b>	200.17
Add: Provision no longer required	<b>0.51</b>	--
<b>Profit After Tax (PAT)</b>	<b>1229.14</b>	1648.76
Less / Add : Provision for Deferred Tax (Liability)/Assets	<b>(51.80)</b>	(56.63)
<b>Net Profit after provision of Deferred Tax</b>	<b>1177.34</b>	1592.13
Add: Balance b/f from previous year	<b>5348.71</b>	4448.68
<b>Profit available for appropriation</b>	<b>6526.05</b>	6040.81
<b>APPROPRIATIONS:</b>		
Transferred to General Reserves	<b>125.00</b>	160.00
Provision for Proposed Dividend	<b>454.81</b>	454.81
Provision for Tax on Proposed Dividend	<b>77.30</b>	77.30
Surplus balance c/f to Balance Sheet	<b>5868.94</b>	5348.71
	<b>6526.05</b>	6040.81

### DIVIDEND :

Your Directors are pleased to recommend a dividend of **Rs. 7.00** per share of the face value of Rs.10/- each for the year ended 31<sup>st</sup> March, 2009 (Rs. 7.00 per share for the previous year) subject to the Members' approval. The dividend payment amounts to Rs. 454.81 lacs. In addition Rs. 77.30 lacs is payable towards tax on dividend.

### OPERATIONS AND CAPACITY EXPANSION :

During the year under review, your Company has achieved Operational and Other Income of **Rs. 17094.64 lacs** as against Operational and Other Income of Rs. 16130.21 lacs, registering an increase of about **5.98%** over the previous year. Profit after providing for taxes is **Rs. 1177.34 lacs** as against Rs. 1592.13 lacs during the previous year.

The Company has achieved production of 24230 tons for the year as compared to 27216 tons during the previous year. During the year under review the installed capacity at Daman plant has been enhanced from 36000 tons p.a. to 43000 tons p.a. Your Company has sold 24794 tons for the year under review as compared to 26786 tones during the previous year.

### EXPORTS :

Exports during the year under review were **Rs. 35.39 crores** as against Rs. 33.54 crores in the previous financial year and contributed **21%** to the net sales.

### DIRECTORS :

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Shri Anand S. Kabra and Shri Amir E. Ladhahoy, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offers themselves for re-appointment.

Further to broaden the composition of the Board, Shri Sudarshan K. Parab was appointed as an Additional Director of the Company and hold office upto date of ensuing Annual General Meeting. The Company has received a notice in writing u/s. 257 of the Companies Act, 1956 along with deposit of Rs. 500/- from a Member proposing his candidature for the office of a Director of your Company.

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

**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, 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 31<sup>st</sup> 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".

**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

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

**AUDITORS :**

M/s. Kishor B. Phadke & 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 appointment u/s.224 (1-B) of the Companies Act, 1956 and they are not disqualified under section 226(3) (e) of the said Act.

**LISTING FEES :**

The Company hereby confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for the financial year 2009-10 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 2009-10 as applicable and payable as per the SEBI circular in this regard.

**PARTICULARS OF EMPLOYEES:**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, Shri Anand S. Kabra, Executive Director is a sole employee covered in the statement which forms part of to this report as **ANNEXURE 'A'**.

**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'**.

**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  
Date: 22<sup>nd</sup> May, 2009

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

## ANNEXURE 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 31<sup>st</sup> 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
Shri Anand S. Kabra	35	BE (Mechanical) MBA in Family Business	Executive Director	1-08-2006	11	44,88,000	Executive Director of Kabra Extrusiontechnik Ltd.

- 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:

- Above appointment is contractual.
- 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.
- Other terms and conditions of employment are as per special resolution passed in the Annual General Meeting of the Company held on 11<sup>th</sup> August, 2006.
- Shri Anand S. Kabra is son of Shri S. V. Kabra, Chairman & Managing Director of the Company and accordingly a relative within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

### ANNEXURE 'B'

Information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and pursuant to Section 217 (1) (e) of the Companies Act, 1956:

#### A. CONSERVATION OF ENERGY:

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

#### B. TECHNOLOGY ABSORPTION: None

The Company has in-house full-fledged Research & Development Department equipped with a wide range of lab machines, equipments, instruments and testing facilities that enables to deliver a broad spectrum of new & customised solution for tailor made Masterbatches 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.

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

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

	<b>2008-2009</b> (Rs. in Lacs)	2007-2008 (Rs. in Lacs)
Foreign Exchange Earned	<b>3887.92</b>	3102.12
Foreign Exchange Used	<b>3731.32</b>	3243.10

For and on behalf of the Board

Place: Mumbai  
Date: 22<sup>nd</sup> May, 2009

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

The Company has been a Leader in the Organized Sector, manufacturing various types of Masterbatches and Compounds which are essential ingredients for the Plastic Processing Industry which is growing rapidly in India and has shown growth rate that is twice of the GDP growth rate. The growth rate of this industry will be maintained due to large consuming middle class population.

Masterbatches, where your Company is operating, are used to impart colour and various special properties to the products manufactured from plastics. Though the cost of Masterbatches in the final plastic product is very low, but its quality is very important for attaining the desired properties of the end product. In general, Masterbatch Industry can be broadly classified into Organized Sector and Small Scale Sector. Your Company has always focused on its core business of Masterbatches for the plastic industry and has been meeting the demands for world quality standards consistently for many years.

The Masterbatch segment has been achieving a good growth rate year after year and the total demand for 2009-10 is estimated at about 100000 tons for white, black, colours and additive Masterbatches. This is a high value added segment with total value of Rs. 1000 crores. In addition, there is a requirement for about 200000 tons for Antifibrillation Masterbatches which are required by Woven Sack Industry. This is a low value added segment with a total value of Rs.475 crores. This demand has gone up in the last 2 years because of continuous increase in polymer prices and consequently increases in percentage loading of Filler Masterbatches from an average of 5% to an average of 15-20%. The Woven Sack Industry where there is major consumption of Antifibrillation Masterbatches has been growing at the rate of 15% per annum.

The Masterbatch segment is growing at a compounded growth rate of about 15% per annum and the demand is likely to cross 600000 tons per annum in the next 5 years. Your Company has a market share of about 12% in Masterbatch segment and around 5-6% in Antifibrillation Masterbatch segment. The domestic market has significant growth potential as the per capita consumption is only 5 kgs against world average of 17 kgs. The per capita growth is expected to grow to 10.5 kgs by 2012.

Your Company produces a wide range of commodity and speciality Masterbatches and other Plastic Products which are compatible with Polyolefins like PE, PP, PET, PS, EVA etc. The Company is continuously doing research and development work at the modern R & D Plant in Daman and are coming out with new generation Masterbatches on regular basis.

The world is facing recession & financial crisis and its effect were also experienced by the Plastic Industry. However due to the large Indian population consumption of plastics in packaging sector where your Company is selling product has been least affected.

### II. OPPORTUNITIES AND THREATS

The threats faced by your Company are stiff competition both in domestic and global market, meeting the customers' high expectations, consistent quality and after sales services etc.

Your Company has maintained its leadership position, amid intense competition, due to its ability in identifying and meeting the customers' expectation in terms of high quality, prompt services & performance. The management expertise and their association with the plastic industry for last four decades have always been an added advantage to your Company.

During the year under review, exports of your Company is to the extent of 21 % of the total sales. This emphasizes the fact that in overseas also our products are well accepted and used inspite of acute global competition. The threats, which the Indian Plastics Industry foresees are slow down of Indian economy, myths and misconceptions about plastics and its impact on environment and competition from the foreign manufacturers.

Your Company being a part of the Indian Plastic Industry do get affected by such threats but has always come out with positive developments against such threats and has been successful in maintaining its leadership position.

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

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

### IV. BUSINESS OUTLOOK

Product obsolescence is a common feature in the Masterbatch and other Plastic Products Industry, hence product innovation is the master key to future growth. Focus on R & D has enabled the Company to introduce new products in this segment in addition to the manufacturing of more than 450 types of masterbatches. Apart from product obsolescence, packaging made by various companies is changing drastically to attract buyers and for extending self life. Higher consumption of packaged goods have made manufacturers to pack products at higher speed. New and modified packaging machines, esthetic appeal of packages has created need for speciality products which your Company is developing in R & D laboratory. The foodgrains segment has been opened up for packing in synthetic bags.