

Merging Ideas

PLASTIBLENDS INDIA LTD.
20th Annual Report 2010-11

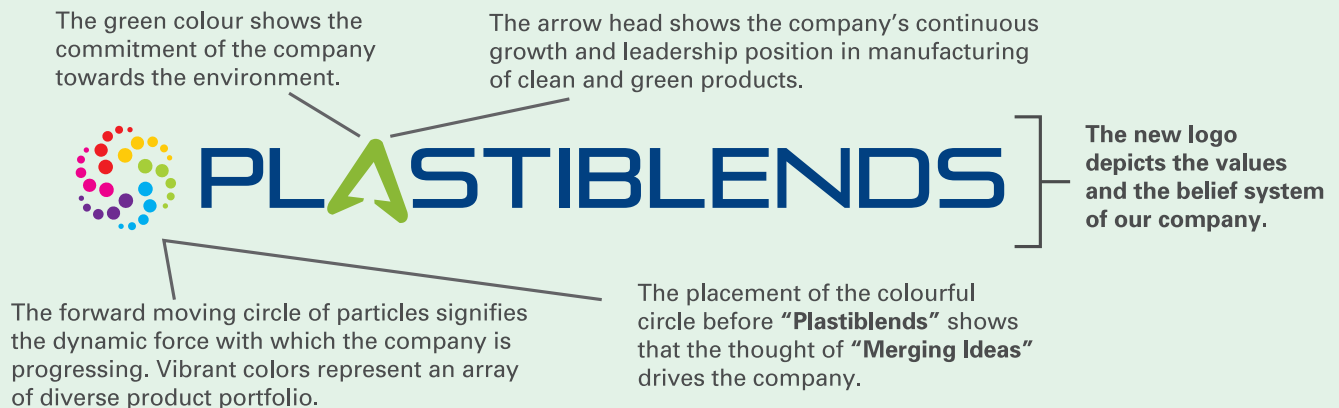
New Brand Identity

Dear Stakeholders,

After more than a decade of service to plastics industry, Plastiblends has positioned itself as a trusted industry partner. Today we are one of the fastest growing companies within our industry and number one manufacturer and exporter of Masterbatches in India. Thoroughly tested products in customer end applications are exported to over 30 countries across the globe.

It is our strategy to continue to develop technically advanced masterbatches and compounds meeting our customer expectations. Advanced and demanding products are developed and offered to the industry with successfully **"Merging Ideas"** of forward thinking plastics processors with our in-house technical team.

Polymer and allied manufacturing companies in India are at crossroads with opportunities to be global leaders. To assert our leadership position and to be a truly **"World Class Manufacturer"**, we are applying industry expertise to standardize all business aspects. As a part of this drive we proudly announce the launch of our new logo.



"Merging Ideas"

We take this opportunity to thank you for your valued patronage to [Plastiblends](#) which has helped us to grow. A lot remains.

Thanking You.
Yours sincerely,

Anand Kabra
Executive Director,
Plastiblends India Limited

Board Of Directors



Shri Shreevallabh G. Kabra
(Chairman & Managing Director)



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



Shri Pushp Raj Singhvi
(Independent Director)



Shri Anand S. Kabra
(Executive Director)



Dr. Yatish B. Vasudeo
(Independent Director)



Shri Haridas S. Sanwal
(Independent Director)



Shri Sudarshan K. Parab
(Independent Director)

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BANKERS
DBS Bank Ltd.
HDFC Bank Ltd.
State Bank of India
AUDITORS
A. G. Ogale & Co., Chartered Accountants
COMPANY SECRETARY
Phalguni H. Shah (upto 30-03-2011)
Himanshu S. Mhatre (w.e.f. 02-05-2011)
20 th ANNUAL GENERAL MEETING
Date : 30 th August, 2011
Time : 4:15 p.m.
Venue: Hotel Karl Residency, Andheri (West), Mumbai-58
REGISTERED OFFICE
30, Shah Indl. Estate, Kolsite House, 2 nd Floor,
Off. Veera Desai Road, Andheri (West), Mumbai - 400 053
Tel. No. : +91-22-26736468/67205200
Fax : +91-22-26736808
Website : www.plastiblendsindia.com

A Window To Plastiblends

The Guiding Principles Of Our Performance

Our Vision

Attain and Maintain leadership status in our chosen field of business

- Focusing all our actions towards Total Customer Satisfaction.
- Continuously striving to innovate our processes, products and services to generate value for money in all our efforts - both internal and external.
- Making total employee involvement, sincerity of purpose and commitment to objectives as the foundations of this vision.



Our Mission

Adding value

Our mission is a statement of what we stand for. It touches our interactions, activities and relationships with all our stakeholders. The way we do our business, our work culture, our quality perspectives, our obsession with innovative technologies and our commitment to our human resources are all singularly focused on enhancing and adding value.

Innovation, Quality, Technology, Perfection, Customization, Affordability

A perfect blend to maximize customer satisfaction by providing masterbatches which merge seamlessly with our customer's products.

Plastiblends India Limited, a part of the Kolsite Group of companies, is India's largest manufacturer and exporter of masterbatches, additives and compounds for the plastic processing industry. Headquartered in Mumbai, India, the company's state of the art manufacturing, product development and application facilities are located in Daman and Roorkee, Uttarakhand with a total annual manufacturing capacity of over 50,000 MT.

The company is a market leader in the domestic arena and has strong global footprints which traverse African, South American and Asian Markets.

Key Differentiators

- Largest Masterbatch manufacturer in India
- Commenced operations with installed capacity of 5,000 Mt p.a. in the year 1994 and is enhanced to 52,000 Mt p.a.
- State of the Art Manufacturing facilities with extremely well planned factory layout to ensure minimum material handling and minimum fatigue to manpower
- High level of automation with continuous up-gradation and dust free environment and implementation of ISO Standards, TQM, TPM methods.
- Highest Exports awards for last 6 years in a row.
- Export base of almost 30 countries
- Topline CAGR of 22% from 1994–2011
- Performance better than industry average of 15%
- Healthy growth contributed by Domestic and Exports sales
- USP – innovative and cost effective products, prompt customer service and timely supplies followed by total technical support



Our Human Resources & Talent

Note from the CMD's Desk



Dear Fellow Stakeholders

It pleases me to report another year of good performance by our company, and what is most gratifying is to see the results of a focused execution of our strategies. The macroeconomic headwinds too appear favourable as India is one of the faster growing economies amidst global uncertainties.

Plastiblends is the largest producer and exporter of masterbatches that adds colour and performance properties to plastics which touch our daily lives. While products supplied by Plastiblends are a small component of the production process, they are one of the key enabling ingredients that determine the key qualities of the final product.

Furthermore our products find applications in the manufacture of all kinds of plastic products such as films, pipes, moulded goods, household items, containers, furniture, automotive components catering to a vast array of industrial and consumer durable goods. During the year under review, our leadership position and superior products enabled us to benefit from the buoyancy in industrial demand.

Performance reflects Potential

The per capita consumption of plastic is presently about 7.5-8 kg, which is likely to double over the next five years. By 2020, India will over take China in automotive and white good segment and this is expected to drive plastic consumption to a great extent.

Against this positive backdrop, during the year 2010-11, our company registered a growth of 32% in topline at Rs. 27734.6 lacs and the Profit before Depreciation, Interest & Tax stood at Rs. 3029.81 lacs. Cost control measures, new products and advanced technologies led to higher efficiency as PBDIT grew by 50%. Superior performance at the operating level percolated to the bottomline which stood at Rs. 1854.38 lacs, reflecting a spurt of 78% as compared to the last financial year. Net profit margins improved by 170 basis points largely driven by reduction in material consumption ratio, higher production and sales and improvements in the product mix.

The EPS improved to Rs. 28.54 from Rs. 16.05 last year.

Growing through Differentiation

Each of the company's lines of business enjoy a successful presence in the global market place, and provide customised solutions to its customers. The result is a product portfolio that is strongly positioned in the industry allowing the company to bring innovative and cost effective products to the market faster, and more consistently.

The company's performance is aided by the state of the art production facilities situated in Daman (UT) and Roorkee in Uttarakhand which offer unique logistic advantages. The plants are adequately equipped with power back ups in case of power outages to carry on uninterrupted production. Our production capacities of 52,000 MTPA provide us with the leverage to offer products ex-stocks. In 2011-12, the company will add capacity of 10,000 MT at Daman thereby taking the total capacity to 62,000 MTPA. This helps our customers to reduce procurement lead times and lead to reduced inventory levels.

A strong network of 110 dealers globally enables the company to tap a large number of customers. However, beyond our strong distribution network and reach, it is the quality of our products which strengthens our customer relationships.

This is ensured through the highest level of quality control standards implemented at our facilities at Daman and Roorkee units which are comparable to the best in the world. **We are the first masterbatch manufacturing company in India which has been awarded the prestigious ISO 9001 : 2008 Certifications by TUV SUD AMERICA INC. for adhering to stringent quality standards.** Total Quality Management is followed at every level as per ISO norms as a part of continuous efforts to maintain the highest quality standards. All production batches are subject to processability tests for a wide range of critical performance properties. These tests are done on dedicated processing equipments in the laboratory simulating actual processing. **This infrastructure facility is supported by our Research & Development (R&D) facility which is recognized by Department of Scientific & Industrial Research (DSIR) as an "In house R&D Unit". This recognition enables the company to import high end and sophisticated equipments and ancillaries to produce niche products.** This enables us to act as per market needs and be prepared well in advance to meet the changing requirement of our customers. Resultantly we are able to remain ahead of competition. As part of our commitment to the Government for this recognition, at any given point in time atleast 5-6 new products are under various stages of development.

Our expanding presence in emerging markets positions us to benefit from robust economic growth that is driving increased demand for high-performance products. The company has a long history of product innovation and development driven by our deep domain expertise and understanding of the customer's requirements.

Based on our industry experience, we estimate the Masterbatch market size to be 1,50,000 MT at Rs.1,700 crores in India. Further the Filler masterbatch segment, to which we cater to, presents an opportunity of 2,00,000 MT estimated at Rs 650 crores. The masterbatch segment is likely to grow at 15 to 20% p.a. and with 12.5 Million Tons of plastic expected to be processed by 2013, the industry will need 2,28,000 MT masterbatches and 3,05,000 MT of filler masterbatches. Plastiblends, being the market leader, is poised to tap this growth potential and capture higher market share.

To make the most of the momentum in the plastics industry, our strategy is to focus our efforts on key profit drivers. **We intend focusing on new product development to increase the scope of solutions we offer to our clients and also to tap new clients.** An improvement in existing business lines to enhance and enrich our customers' experience as well as to elevate our operational efficiencies is an ongoing process. Finally, gradual volume improvements through capacity additions will enable us to achieve organic growth and geographical coverage. We intend improving our product mix to enhance the contribution of Color Masterbatches which give better value and along with this, additive masterbatches will also be a high focus area.

In terms of end user industry, we intend focusing on White goods and Automotive components as we see huge potential in these segments and increased use of plastics in appliances in white goods space and automobiles.

Raising a Salute

The results we have achieved thus far and the ambitions we harbour in terms of our strategic pursuits, is only on account of the outstanding efforts of all our stakeholders and I take this opportunity to thank our customers, vendors, bankers, business associates and our shareholders.

We look forward to your continuing support.

S.V. Kabra

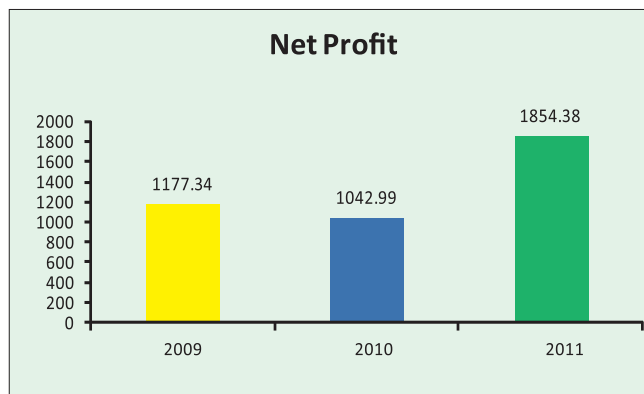
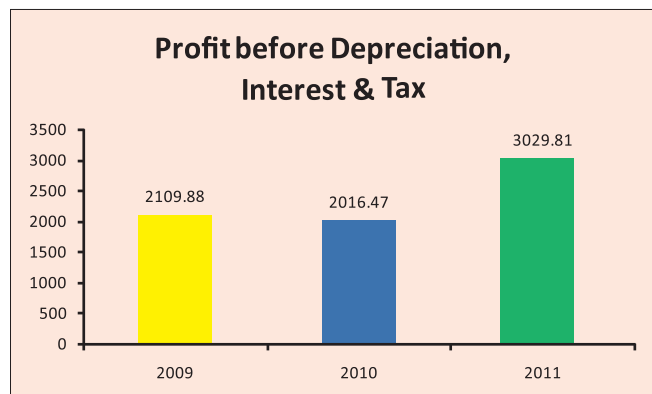
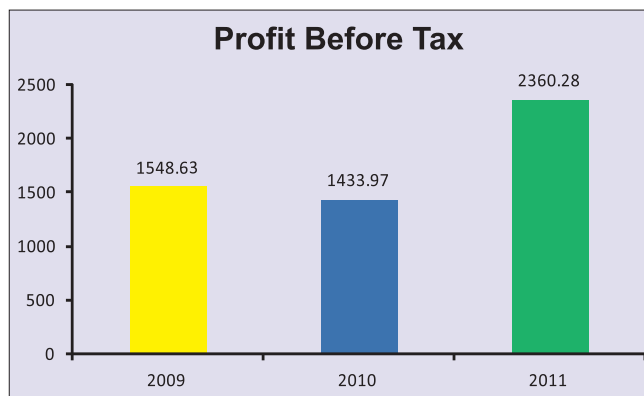
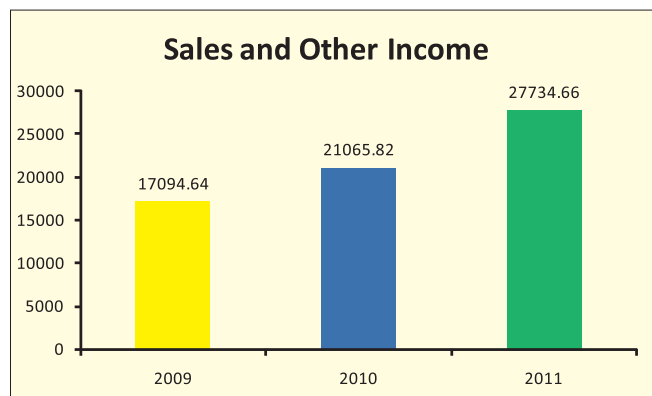
Chairman & Managing Director

Performance in Numbers

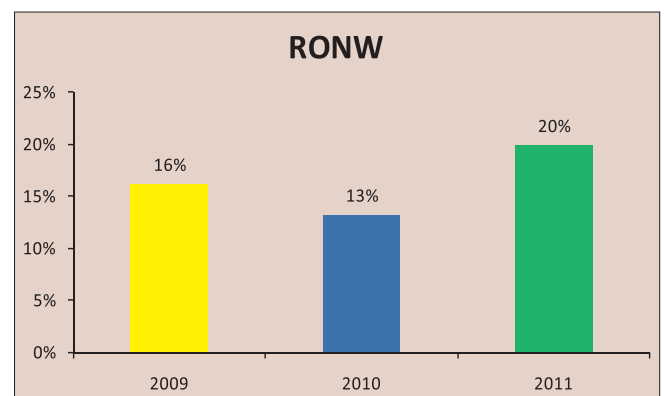
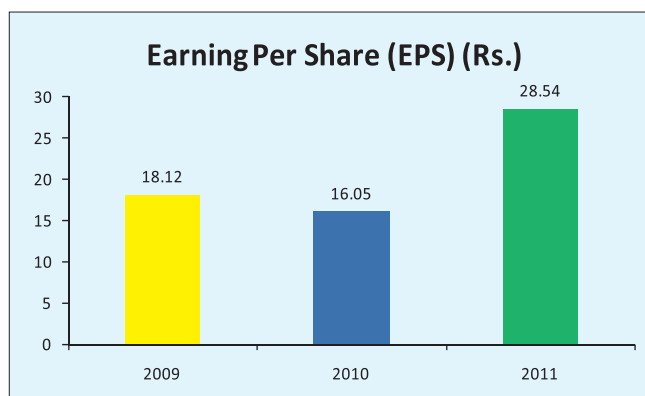
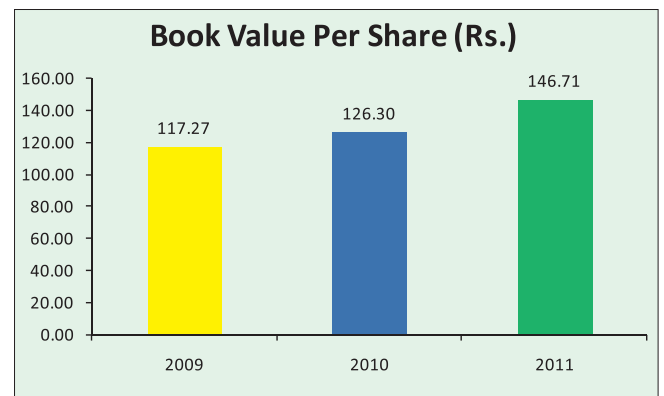
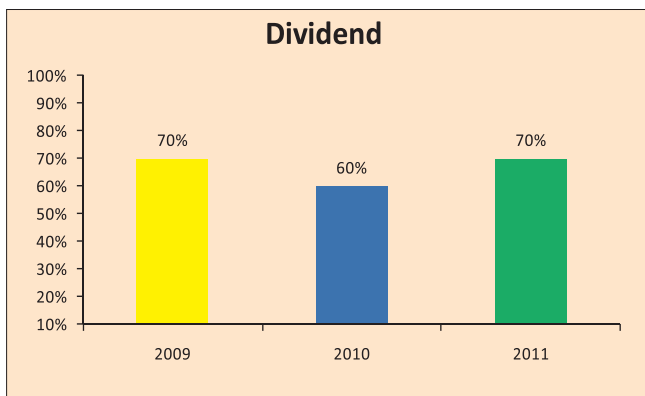
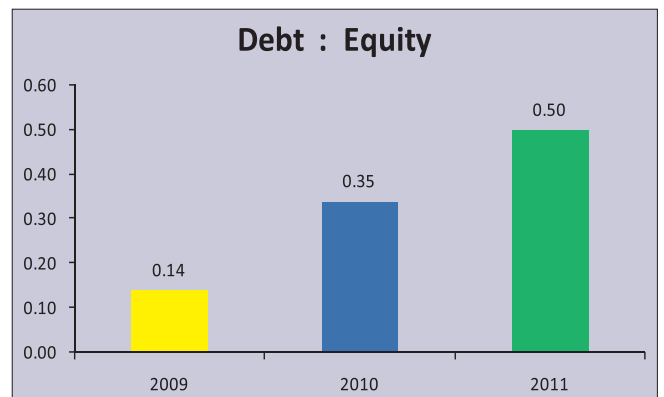
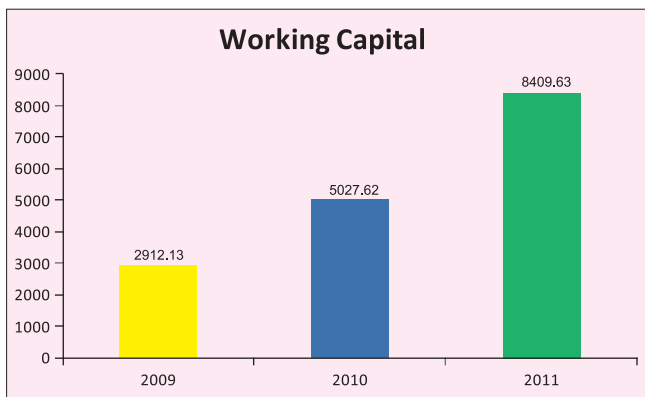
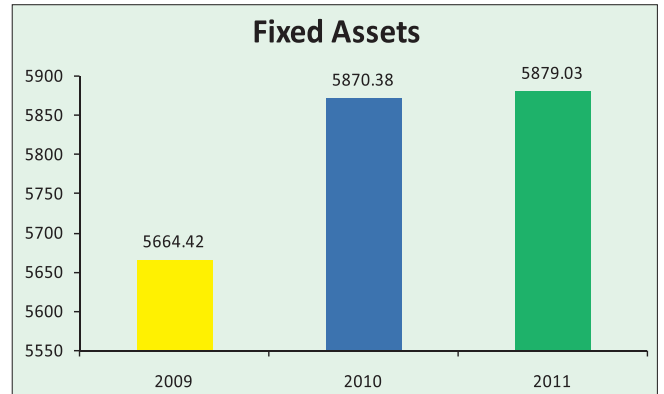
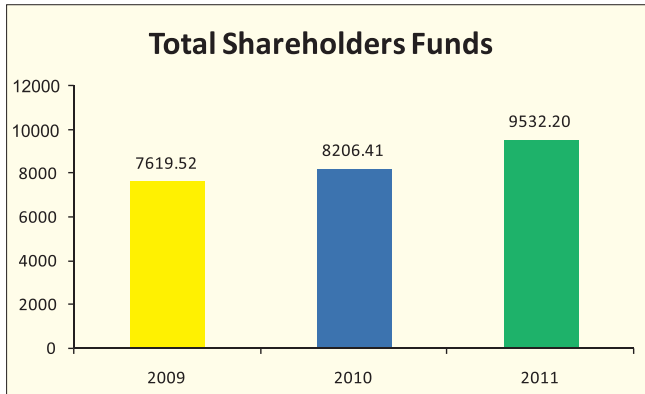
Rs. in Lacs

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
OPERATING RESULTS										
Sales and Other Income	27734.66	21065.82	17094.64	16130.21	12670.67	9814.74	9211.27	7646.91	6385.39	5741.89
Profit before Depreciation, Interest & Tax	3029.81	2016.47	2109.88	2284.76	1583.31	1695.41	1498.55	1551.32	1235.41	1105.71
Less : Depreciation	365.29	344.91	310.25	235.40	163.68	143.50	132.91	118.92	107.54	107.54
Interest	304.24	237.59	251.01	200.42	54.82	37.36	51.98	90.55	87.44	119.31
Profit before tax	2360.28	1433.97	1548.63	1848.93	1364.81	1514.55	1313.67	1341.85	1040.43	878.86
Net Profit after tax	1854.38	1042.99	1177.34	1592.13	1207.93	1364.98	1040.85	1061.81	818.97	537.29
ASSETS EMPLOYED										
Fixed Assets	5879.03	5870.38	5664.42	5002.49	1082.17	1870.94	1804.10	1676.79	1574.41	1486.20
Investments	398.74	585.55	456.55	762.01	1595.01	2495.02	1684.94	1515.01	1493.94	907.94
Net Working Capital	8409.63	5027.62	2912.13	3417.44	2203.11	1390.81	1752.38	1345.89	821.95	870.69
	14687.39	11483.55	9033.10	9181.94	4880.29	5756.78	5241.41	4537.69	3890.30	3264.83
FINANCED BY										
Share Capital	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73	649.73
Reserves	8882.47	7556.68	6969.79	6324.55	5264.53	4550.70	3667.27	2959.81	2227.83	1671.90
Borrowings	4742.83	2903.42	1077.99	1923.86	1436.72	311.17	628.00	678.41	790.45	742.37
Deferred Tax Adjustment	412.37	373.71	335.59	283.80	227.17	245.17	296.41	249.73	222.28	200.82
	14687.39	11483.55	9033.10	9181.94	7578.15	5756.78	5241.41	4537.69	3890.30	3264.83
OTHERS										
Debt : Equity	0.50	0.35	0.14	0.28	0.24	0.06	0.15	0.19	0.27	0.32
Book Value Per Share (Rs.)	146.71	126.30	117.27	107.34	91.03	80.04	66.44	55.55	44.29	35.73
Earning Per Share (EPS) (Rs.)	28.54	16.05	18.12	24.50	18.59	21.01	16.02	16.34	12.60	8.27
Dividend Per share (Rs.)	7.00	6.00	7.00	7.00	6.50	6.50	4.50	4.50	3.60	3.00
Return on Equity %	19.45	12.71	15.45	22.83	20.42	26.25	24.11	29.42	28.46	23.14

Rs. in Lacs



Rs. in Lacs



Business Model

– A Performance review

Plastiblends supplies Masterbatches for commodity items such as films, shopping bags, furniture, FMCG, food packaging and for industrial applications encompassing performance enhancers for automotive parts, machines, construction segment, and electronic equipments industry. The company's masterbatches merge seamlessly with plastics to enhance their quality in various ways.

Plastiblends supplies a vast range of offerings to its customers across industry verticals including White, Black, Colour and Functional Masterbatches, Additives and Compounds.

Plastiblends masterbatches colouring various Plastic Products

