



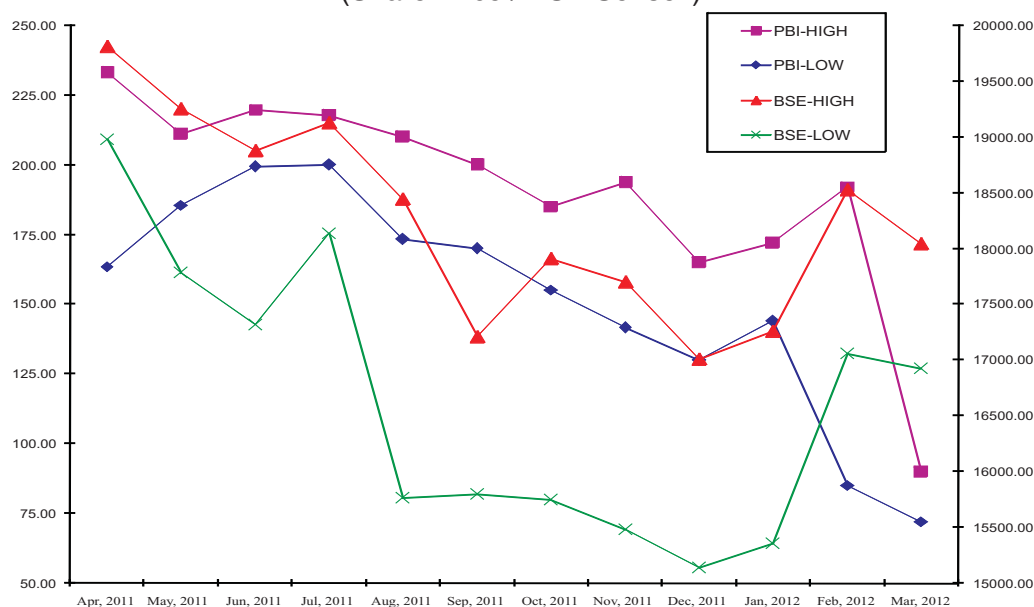
FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	2011-12	2010-11	2009-10	2008-09	2007-08
OPERATING RESULTS					
Sales and Other Income	34141.60	27737.72	21065.82	17094.64	16130.21
Profit before Depreciation, Interest & Tax	3246.41	3045.33	2016.47	2109.88	2284.76
Less : Depreciation	401.26	365.29	344.91	310.25	235.40
Finance cost	447.63	319.76	237.59	251.01	200.42
Profit before Tax (PBT)	2397.52	2360.28	1433.97	1548.63	1848.93
Profit after Tax (PAT)	1671.17	1854.38	1042.99	1177.34	1592.13
ASSETS EMPLOYED					
Fixed Assets	6146.83	5831.47	5870.38	5664.42	5002.49
Investments	371.40	398.74	585.55	456.55	762.01
Net Working Capital	9633.03	8457.20	5027.62	2912.13	3417.44
Total	16151.26	14687.41	11483.55	9033.10	9181.94
FINANCED BY					
Share Capital	649.73	649.73	649.73	649.73	649.73
Reserves	10025.06	8882.48	7556.68	6969.79	6324.55
Borrowings	4927.75	4742.83	2903.42	1077.99	1923.86
Deferred Tax Adjustment	548.72	412.37	373.71	335.59	283.80
Total	16151.26	14687.41	11483.55	9033.10	9181.94
OTHERS					
Face Value of Share (₹)	5	10	10	10	10
Number of Equity Shares	12994600	6497300	6497300	6497300	6497300
Debt : Equity	0.46	0.50	0.35	0.14	0.28
Book Value Per Share (₹)*	82.15	146.72	126.30	117.27	107.34
Earning Per Share (EPS) (₹)*	12.86	28.54	16.05	18.12	24.50
Dividend Per Share (₹)*	3.50	7.00	6.00	7.00	7.00
Return on Equity %	15.66	19.45	12.71	15.45	22.83

* Book value, EPS and Divident for F. Y. 2011-12 is not comparable with that of previous years since during the financial year Equity Share of ₹ 10/- each were sub-divided into two Equity Share of ₹ 5/- each.

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
(Independent Director)



Shri Pushp Raj Singhvi
(Independent Director)



Dr. Yatish B. Vasudeo
(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

Himanshu S. Mhatre

21st ANNUAL GENERAL MEETING

Date : 30th August, 2012
Time : 4.15 p.m.
Venue : Hotel Karl Residency, Andheri (West), Mumbai-58

REGISTERED OFFICE

30, Shah Indl. Estate, Kolsite House, 2nd Floor,
Off. Veera Desai Road, Andheri (West), Mumbai - 400 053
Tel. No. : +91-22-26736468/67205200
Fax : +91-22-26736808
Website : www.plastiblendsindia.com

CHAIRMAN'S SPEECH

The Backdrop

The World Bank expects the Indian economy to grow by 6.9% in the Financial Year 2012-13 notwithstanding problems like high fiscal deficit and sticky inflation. For the longer term, however they have pegged growth at 7.2% and 7.4% in fiscal years 2013-14 and 2014-15, respectively in the report titled 'Global Economic Prospects'. The global economy is projected to grow by 2.5% in 2012 and 3.1% in 2013, following a growth of 2.7% in 2011, a slight downward revision from previous forecasts.

Despite the uncertain economic outlook in India and worldover, we are optimistic about the long term prospects of the plastic industry. As per Plastindia Foundation the demand for plastics in India alone is expected to almost double over the next three years. Globally too, the Plastics Consumption is expected to reach 297.5 Million Tons by 2015, according to New Report by Global Industry Analysts, Inc.

The masterbatch industry is a direct beneficiary from the growth in plastic industry. The value of total masterbatch market is 14.8 Billion USD and the share of additive masterbatch market in this is about 3 Billion USD. Despite witnessing a temporary deceleration in growth in the years 2008 and 2009, world masterbatch market is expected to grow, on account of the resurgence of demand fundamentals, such as, improving income levels, growing propensity to spend, continued shift towards packaged products and increase in the demand for consumer goods, automobiles and electronic appliances among others. The Government of India is likely to announce huge investment in infrastructure, irrigation, agriculture water management, in the 12th Five year plan which as a whole will lead to increased demand for masterbatches used in processing plastics.

With the polymer consumption in India expected to grow at annual rate of 15% and the per capita consumption of plastics expected to double over the next five years, the outlook is very optimistic in terms of growth for masterbatches in the coming years and the business could grow at about 20% for the next few years. (Source : www.derivatives.capitaline.com)

The Performance

I am pleased with the way we have performed during the year, despite subdued economic growth. The Net Income stood at ₹ 34,112.47 lacs, a growth of 23.2% as compared to last year. The Indian polymer processing industry grew at the rate of 3-4% in the year 2011-12, which has been growing

at an average rate of 10-12% and masterbatch industry is growing at a rate of 15%. Exports continued to boost our topline as it grew by 46% in terms of value in 2011-12, while, in terms of volumes it registered an increase of 27% in 2011-12. On the domestic front too we have been able to maintain our performance as our sales grew by 16%.

Notably, the significant rise in exports and domestic sales have been on account of our continued thrust on marketing initiatives, participation in trade fairs, focused marketing approach for specific markets, developing high performance specialty masterbatches thereby creating a strong brand equity for our products.

During the year, EBIDTA stood at ₹ 3,217.28 lacs while Net Profit stood at ₹ 1,671.17 lacs, de-growing by 9.8% against the previous year.

Raw material price volatility and fluctuations impacted our operating performance as crude oil prices rose last year along with rupee depreciation. Further, we had to account for the rise in power cost by over 30% with retrospective effect from June 2011, the entire amount for which had to be debited in the third quarter of the financial year 2011-12. There was also a onetime cost of implementing SAP which has been accounted for in the third and fourth quarter of the financial year 2011-12.

As we are now getting past the cost curve, we are poised to benefit from the revenue curve ahead, once the demand situation improves. As SAP implementation has been completed we expect improved inventory and financial management arising out of efficiencies in various areas of operation.

We are diversifying our product mix by focusing on high performance and specialty masterbatches. In line with our focus on technological advancement and resultantly innovation, we have been able to introduce some new generation additives and masterbatches like anti-rodent, anti-microbial (bactiblock), nucleating and clarifying agents and high performance masterbatches such as UV Stabilizers.

These speciality and high performance additive masterbatches enhance the performance of the plastic products that are widely used in household appliance, kitchen wares, electronic goods, sports & leisure, construction, agricultural activities etc. with Indian population over 1.2 billion, the opportunity for these sectors to grow is immense besides the global markets.

The Growth Strategy

Sharp deceleration in the Indian economy has meant that the polymer consumption was nearly flat in the first half of the current fiscal on y-o-y basis. Going forward, as India's inflationary trend eases, we can expect a rebound in demand for polymers from many interest sensitive sectors like automobiles, real estate, packaging, consumer durables etc. So, while the demand for masterbatches is relatively sluggish

in the current fiscal thus far, the prospects remain bright for the medium to long term.

We will also continue to lay thrust on exports which provides us with immense opportunities as India accounts for 4% of global masterbatch demand.

Our participation in various trade fairs including the Plastindia Exhibition, K-2010 etc. yielded a very good response and thus aided our geographical expansion. This will be a key strategic area going forward as we continue to strengthen our marketing network.

While opportunities are abound, we would continue to focus on product and service innovation and improvement. In a market which is highly unorganized, it is our ability to invest in R&D and differentiate ourselves by offering innovative yet cost effective and value added offerings that makes us the market leader.

The recognition from the Department of Scientific & Industrial Research (DSIR) continues to propel our growth by enabling the development of newer, high performance, value added and low cost products in our portfolio. This will help us not only improve our business performance but also to strengthen our relationships with our existing and prospective clients.

Overall, our strategic efforts remain focused on saving costs, increased thrust on marketing and enhancing our product portfolio through continuous investments in R&D. As the macroeconomic parameters turn around, we will be ready to tap the next growth phase for our business.

We won the Plasticon "Gold Trophy Award" for Fastest Growing Enterprise Processing (Commodity Polymers) declared by Plastindia Foundation and Government of India has also awarded to us Star Export House status based on excellent export performance for the last three years. This has strengthened the conviction that our strategies are working.

Vote of Thanks

I extend my sincere thanks to all of you who have helped us achieve continued success and who will remain the vital force in shaping our history-our employees, consumers, customers, suppliers, business partners, bankers and stakeholders. I am also grateful to our Management Team for their persistent efforts towards redefining our growth strategy and to our Board of Directors for their continued guidance. We look forward to continued success and profitable growth.

S. V. Kabra
Chairman & Managing Director

INNOVATION

What we offer to our Clients

Some of the masterbatches developed by the company during the year encompass :

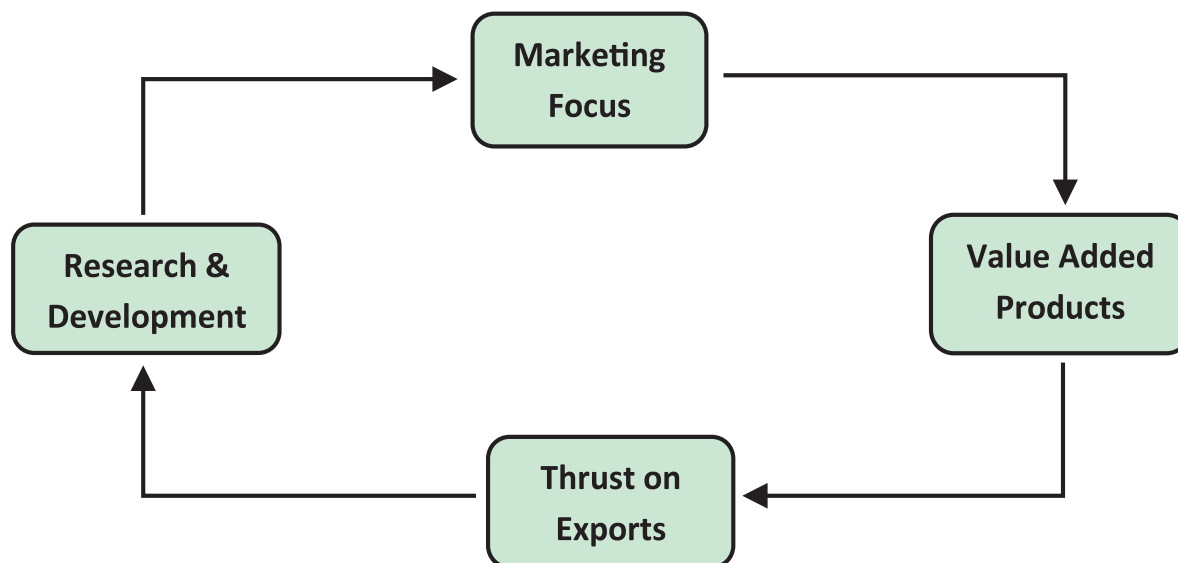
Product	Description	Key Characteristics	Applications
Polyclear & Polynuc	Latest generation clarifying and nucleating agents that have been specially formulated to ensure product enhancement even at low dosages.	- Improved Transparency - Reduced Cycle Time - Improves stiffness - Low dosage - Approved for food contact (FDA approved)	- Containers - Caps & Closures - Electronic Appliances - White Goods - Automotives
Polyultra	Range of high performance UV Stabilizers for wide range of applications	- High gas fade resistance - Pesticide Resistant grades - Anti-sulphur grades - Low interaction with organic pigments	- Greenhouse films, Shade Nets - Mulch Films, Tunnel Rolls - Playground slides - Water storage tanks - Crates, Chairs - PET Bottles
Antimicrobial Masterbatches	High performance, masterbatch that addresses threats posed by bacteria and microbes affecting humans in all their daily chores	- Non-toxic to Humans - Safe - Long Lasting - Registered by EPA - Approved by FDA	- Hospital bed posts, gowns, medical structure - Kitchen cutting board - Sports equipment & Sports Leisure wear - Public Seating - Household uses - Mobile Covers - Keyboards / Mouse - Fishing Ropes - Playground Equipments
Poly Rodent	An anti-rodent masterbatch which safeguards products by emitting an odour unpleasant to rodents.	- Odors offensive to rodent - Pungent & unpleasant taste - Non-toxic	- Fiber Optic Cable Ducts - Wires & Cables - HDPE/ PP Pipes, Woven Sacks - Garden Plastic Furniture
Polyfr	Flame retardant masterbatches when incorporated in plastics helps delay the onset of fire and its spread	- Low smoke emission - Low toxicity - Halogenated & Non-Halogenated flame retardant	- Office Equipments - Electronic Appliances - White Goods Appliances - PE Wires & Cables - Automotive Components

In addition to the above the Company also focuses on making significant improvements in some of the existing products. For POLYULTRA – Ultraviolet Stabilizers the company has introduced new grades of UV Stabilizers that find wide application in greenhouse films, mulch films, shade nets, tunnel films etc. These films are useful in increasing the crop productivity and quality and cater to the agriculture industry.

The growth of the polymer industry in India and the growth in the demand for plastics will fuel the demand for masterbatches in India. With the polymer consumption expected to grow in India and globally, companies like Plastiblends who focus on high performance specialty masterbatches in the organized segment are poised to benefit.



STRATEGY DRIVERS



Marketing Focus

Plastiblends India has been an active participant in various international and domestic trade fairs and exhibitions, which provide a platform to showcase its new generation products, create brand awareness and strengthen its brand loyalty.

K - 2010

An international Trade Fair held in Dusseldorf Germany is one of the most prestigious trade fair for the plastic industry in which Plastiblends had participated. As part of its strategy to expand into untapped markets, Plastiblends elicited numerous responses and active queries from visitors during the exhibition that was visited by industry players from across the world. Resultantly, the Company has been able to expand its dealer and channel networks across geographies based on the success received in K-2010

This event aided our marketing efforts of creating a niche presence in the overseas markets. It has also led to substantial improvement in our brand visibility and awareness. The success of this show will enable Plastiblends to participate in K-2013 on a much wider scale.

Plastindia 2012

Held in February 2012 in New Delhi, the company chose to participate in Plastindia 2012, an exhibition considered to be the third largest prestigious event providing a platform for the plastic industry showcasing their best. The company again garnered a very positive response from visitors, OEMs, dealers as well as customers from the domestic and overseas markets. Our continued thrust on the marketing front and participation in various trade fairs and exhibitions have elicited tremendous

response from visitors, dealers and their OEMs as well as our customers. These exhibitions have been one of the prime drivers for our export growth during 2011-12 as our presence in various geographies had been expanded due to increased channel partnerships.

Plastiblends also exhibited new generation masterbatches as – Bactiblock, Nucleating and Clarifying masterbatches, Anti Rodent masterbatches and other performance masterbatches such as UV, Antioxidant etc. The stall was well visited throughout and appreciated for the look.

In the financial year 2012-13, the Company plans to participate in many more international fairs and focus on exports markets. Besides this, focused marketing strategies adopted for specific markets with visible growth potential too have accelerated our penetration in the international markets. Our activities will be focussed on new geographies.

– Anand S. Kabra, Executive Director



Plastiblends stall at Plastindia 2012

21st Annual Report 2011–12

R&D Facilities

Research & Development is the key differentiating factor for Plastiblends that has enabled us to maintain our leadership status. The State of the Art R&D Unit of the Company has been recognized by the Department of Scientific & Industrial Research (DSIR), Government of India.

R&D helps the Company stay ahead of the competition by providing cost effective and technologically advanced solutions to growing needs of the customer as awareness levels and consequently demand for innovative products increases.

During the year some high performance additives like clarifying agents, advanced anti-oxidants and nano bio materials (nbm) for anti-microbial masterbatches were developed and showcased at various trade fairs and exhibitions in which we participated.

"Strategically, R&D enables us to provide our customers with specialty, high performance masterbatches which are not easy for the unorganized segment to provide. It gives us an edge in terms of protecting our margins, widening our product range to the client and building brand loyalty."

– S. N. Kabra, Vice-Chairman and Managing Director

Leadership Positioning in Domestic Industry

Masterbatches are usually complex mixtures of additives blended with polymers. This helps improve and enhance the performance of plastic products in terms of both the quality and durability.

India's plastic consumption is expected to grow from 7.5 million tonnes to 15 million tonnes by 2015 (Source : Plastindia Foundation) and will emerge as the third largest consumer of plastics in the world. This will result in increased demand for plastic processing industry in-turn leading to direct increase in the demand for masterbatches and additives. In 2010 the per capita consumption of plastics was 7.5 Kg, that was much lower than China's 34 Kg and USA's 105 Kg. The turnover of the polymer industry is estimated at ₹40,000 crore, with capital assets worth ₹85,000 crore. While, exports for this industry are valued at about ₹4,500 crore. (Source : <http://www.derivatives.capitaline.com>)

The Indian Masterbatch Industry has been growing at around 15% and has a total capacity of 3,75,000 tonnes per annum. Of this 25% comprised of organized sector while the balance 75% of the capacity comes from the unorganized sector.

The world market for masterbatches is estimated at about 3.9 million tonnes in volume terms and USD 14.8 billion in value. The Indian market thus is just 3.7% of the global market in terms of volume and 3% in terms of value. The market in Asia is 6.85 lacs tonnes valued at USD 1.8 billion. (<http://www.derivatives.capitaline.com>)

Agriculture, Packaging, Automobiles, Electronics, Telecom, Healthcare, Infrastructure, Transportation, Construction and Consumer Durables, are the key end-user industries and major drivers of growth in plastic consumption. With a wider population base the Indian consumption demand for plastics is



only set to grow from here, thereby creating demand for high performance masterbatches and additive masterbatches.

Packaging is a major market for masterbatches and finds wide applicability in different plastic products like drums, containers, transport and bottle crates, films, special films, caps and closures and bottles. Plastics in packaging consume 3.5 million tonnes of polymers today and by 2020 it is expected to increase to 9 million tonnes. (Source : Plastindia Foundation)

Automotive sector is expected to grow by 10-12 per cent in FY 2012-13 as per industry body SIAM (Source : <http://www.siamindia.com>). Masterbatches determine the exterior as well as interior aesthetic appeal and at the same time offer resistance against environmental damages. Resultantly, this is one of the most promising sectors that will drive up demand for masterbatches in which the Company operates.

Agriculture is a pre-dominant activity in India that provides a huge market for the masterbatch industry. Over the years there has been a visible trend of increased usage of plastic products to improve agricultural productivity and ensure crop efficiency, given the decline in share of Agriculture to Indian GDP. Hence, increased uses of greenhouse films, mulch films, shade nets, crop protection films, drip irrigation systems are expected to provide the much needed growth for high performance specialty masterbatches and additive masterbatches.

"In line with our vision of continuously innovating our processes and products we have been able to develop some of the latest high performing masterbatches for various industries. Currently we manufacture white, black, colour and other functional masterbatches, additives and compounds. Our R&D team's persistent effort is to undertake product innovation, diversification and also customization to suit the clients specifications."

– S. V. Kabra, Chairman and Managing Director

Export Thrust

Globally, the growth in the masterbatch industry is expected to be driven primarily by resurgence in demand fundamentals, strong consumer confidence, improving income levels

and standard of living and increased spending capacity of consumers. Additionally, shift towards packaged food and products, and rising demand from fast growing automobile, electrical goods and appliances among others will drive growth.

The Asian market has been one of the fastest growing and most dynamic markets for thermoplastic masterbatch in the world. Leading this fast paced growth will be companies from the Chinese and Indian markets that have witnessed fast track growth, driven by consumption demand primarily from the packaging industry, plastic products, cables and pipes.

Newly developed masterbatches have been customized to suit the needs of polymer processors functioning in industries like packaging including food packaging, agriculture, construction, electronics and electrical appliances, white goods, automobiles and many other industrial uses.

"With focused marketing and trade fair participation, we are targeting to enhance our geographical presence and client base in the coming months. Further with India expected to be a global hub for sourcing plastic products, machinery, critical components, the Company is well placed to capitalize on such opportunities."

- V. Sundaresan, V. P.- International Marketing and
- Ramesh Dumbre, V.P. Marketing



Plasticon "GOLD TROPHY AWARD" for Fastest Growing Enterprise Processing (Commodity Polymers) presented at the 6th Plasticon Awards 2012

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NOTICE

NOTICE is hereby given that the **TWENTYFIRST ANNUAL GENERAL MEETING** of the Members of **PLASTIBLENDS INDIA LIMITED** will be held on Thursday, the 30th day of August, 2012 at 4.15 p. m. at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai-400 058 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2012;
3. To appoint a Director in place of Shri S. K. Parab, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri H. S. Sanwal, 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.

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

Place: Mumbai
Date: 30th May, 2012

**Himanshu S. Mhatre
Company Secretary**

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting may appoint proxy to attend and on a poll vote, instead of himself / herself. A proxy need not be a member of the company. Proxies in order to be effective must be received by the company at the registered office of the company not later than forty-eight hours before the commencement of the meeting.**
2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representative to attend and vote at the meeting.
3. Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 23rd day of August, 2012 to Thursday the 30th day of August, 2012 (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 22nd day of August, 2012 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 30th day of August, 2012 after giving effect to all valid transfers in respect of which request were lodged on or before 22nd day of August, 2012.
5. (i) Those shareholders who have so far not claimed their dividend for the financial years 2004-05 to 2010-11 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 2004-2005 and thereafter which shall remain unclaimed / unpaid for a period of Seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education & Protection Fund (IEPF). Accordingly, during September, 2012, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31st March, 2005. Members are therefore requested to make claim thereof, before August, 2012 otherwise no claim shall lie in respect of such amount.
(iii) Pursuant to the said provisions unclaimed / unpaid dividend upto F.Y. 2003-04 have been transferred to Investor Education & Protection Fund.
6. Brief profile of the Directors retiring by rotation and being eligible for re-appointment at the ensuing Annual General Meeting is furnished in the section of Corporate Governance, forming part of this Annual Report.
7. Queries if any, should be sent at least 15 days before the Annual General Meeting to the Company Secretary at the Registered Office of the Company.
8. As a step towards the "Green initiative" of Government of India, Ministry of Corporate Affairs members are requested to register their e-mail ID's with the company for receiving Annual Reports, Notices, Circulars in electronic form. Documents e-mailed to shareholders will also be posted on the website of the Company www.plastiblendsindia.com.

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

Place: Mumbai
Date: 30th May, 2012

**Himanshu S. Mhatre
Company Secretary**