



Merging Ideas

22<sup>nd</sup> Annual Report 2012-13  
PLASTIBLENDS INDIA LTD.

## FINANCIAL HIGHLIGHTS

(₹ in Lacs)

	2012-13	2011-12	2010-11	2009-10	2008-09
<b>Sales and Other Income</b>	<b>40933.49</b>	<b>34142.44</b>	<b>27737.72</b>	<b>21065.82</b>	<b>17094.64</b>
<b>Profit before Depreciation, Interest &amp; Tax</b>	<b>3277.90</b>	<b>3246.41</b>	<b>3045.33</b>	<b>2016.47</b>	<b>2109.88</b>
Less : Depreciation	408.05	401.26	365.29	344.91	310.25
Finance Cost	566.83	447.63	319.76	237.59	251.01
<b>Profit before Tax (PBT)</b>	<b>2303.02</b>	<b>2397.52</b>	<b>2360.28</b>	<b>1433.97</b>	<b>1548.63</b>
<b>Net Profit after Tax (PAT)</b>	<b>1536.49</b>	<b>1671.17</b>	<b>1854.38</b>	<b>1042.99</b>	<b>1177.34</b>
Share Capital	649.73	649.73	649.73	649.73	649.73
Reserves	11029.44	10025.06	8882.48	7556.68	6969.79
<b>Total shareholders funds</b>	<b>11679.17</b>	<b>10674.79</b>	<b>9532.21</b>	<b>8206.41</b>	<b>7619.52</b>
Number of Equity Shares	12994600	12994600	6497300	6497300	6497300
Face Value of Shares (₹)	5.00	5.00	10.00	10.00	10.00
Book Value Per Share (₹)	89.87	82.15	146.72	126.30	117.27
Earning Per Share (EPS) (₹)	11.82	12.86	28.54	16.05	18.12
Dividend Per Share (₹)	3.50	3.50	7.00	6.00	7.00

## 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)

## BANKERS

State Bank of India  
HDFC Bank Ltd.  
DBS Bank Ltd.  
HSBC Ltd.

## AUDITORS

**A. G. Ogale & Co.**  
Chartered Accountants, Pune

## COMPANY SECRETARY

Mr. Himanshu S. Mhatre

## 22<sup>ND</sup> ANNUAL GENERAL MEETING

Date : 27<sup>th</sup> August, 2013

Time : 4:15 p.m.

Venue : Hotel Karl Residency 36, Lallubhai Park  
Road, Next to Lallubhai Park,  
Andheri (West), Mumbai - 400 058

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## NOTICE

NOTICE is hereby given that the TWENTY SECOND ANNUAL GENERAL MEETING of the Members of PLASTIBLENDS INDIA LIMITED will be held on Tuesday, the 27<sup>th</sup> day of August, 2013 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 31<sup>st</sup> March, 2013 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 31<sup>st</sup> March, 2013;
3. To appoint a Director in place of Shri Pushp Raj Singhvi, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Dr. Yatish B. Vasudeo, 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 :

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

6. **"RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act or any re-enactment or modifications thereof and all other applicable statutory provisions, if any, and subject to such approvals as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment and payment of remuneration to Shri Satyanarayan G. Kabra as a Vice-Chairman & Managing Director of the Company, for a period of 5 (five) years w.e.f. 1<sup>st</sup> July, 2013 to 30<sup>th</sup> June, 2018 on the terms, conditions and stipulations including remuneration detailed in the Explanatory Statement annexed hereto (which shall form part hereof), with a liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include any Committee of the Board as and when constituted) to fix, increase, alter or vary from time to time, the terms and conditions of the said appointment and remuneration and/or monetary value of the perquisites as may be agreed upon by the Board of Directors and Shri Satyanarayan G. Kabra, subject to the same not exceeding at any point of time, the ceiling specified in Schedule XIII to the said Act, (including any Statutory Modifications or re-enactment thereof for the time being in force) or any amendment and/or modifications that may 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 as provided under Schedule XIII as a minimum remuneration.

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

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

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

**Himanshu S. Mhatre**  
Company Secretary

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

### 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 Tuesday, the 20<sup>th</sup> day of August, 2013 to Tuesday, the 27<sup>th</sup> day of August, 2013 (both days inclusive)

4. The dividend, as recommended by the Board, if sanctioned at the ensuing Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Monday, the 19<sup>th</sup> day of August, 2013 as per the list to be furnished by the National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) in respect of shares held in demat form and to the Members holding shares in physical mode as per Register of Members of the Company as on Tuesday, the 27<sup>th</sup> day of August, 2013 after giving effect to all valid transfers in respect of which request were lodged on or before 19<sup>th</sup> day of August, 2013.
5. (i) Those shareholders who have so far not claimed their dividend for the financial years 2005-06 to 2011-12 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 2005-2006 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, 2013, the Company would be transferring such unclaimed or unpaid dividend for the financial year ended 31<sup>st</sup> March, 2006. Members are therefore requested to make claim thereof, before August, 2013 otherwise no claim shall lie in respect of such amount.  
(iii) Pursuant to the said provisions unclaimed / unpaid dividend for the financial upto 2004-05 have been transferred to IEPF.
6. Dividend in respect of shares held in dematerialised form shall be credited to the beneficial owners bank account directly through NECS/ECS wherever NECS/ECS facility is available subject to availability of bank account number and 9 digits MICR code number. In case the said details have not been provided to the concerned Depository Participant or there is any change, the same may be intimated to the concerned Depository Participant immediately. Shareholders holding share in physical form and desirous of availing NECS/ECS facility, should provide the bank details/core banking account number & 9 digits MICR code number in NECS/ECS mandate proforma already sent by post to those shareholders who have not yet provided their bank details.
7. Queries if any, should be sent at least 15 days before the AGM to the Company Secretary at the Registered Office.

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

**Himanshu S. Mhatre**  
Company Secretary

### Brief resume of Directors proposed to be re-appointed / appointed

Name	Shri Pushp Raj Singhvi	Dr. Yatish Bhupendra Vasudeo	Shri Satyanarayan G. Kabra
Age	69 Years	60 Years	70 years
Qualification	B. Com, L.L.B.	M. Sc., Ph. D., L.P.R.I (London)	B. E. (Mechanical)
Experience	Over 45 years in marketing of Petrochemicals in India & Abroad	Over 25 years in Plastic Industry	Over 47 years in business and industry and founder promoter of Kolsite Group of Companies
Nature of Expertise	<ul style="list-style-type: none"> <li>Launching and establishing new products / polymers</li> <li>Establishing a multinational Company in India and is the Vice Chairman and Managing Director</li> </ul>	<ul style="list-style-type: none"> <li>Broad experience in Thermosets and Thermoplastics Research &amp; Development including Filled &amp; Reinforced compounds, Speciality Masterbatches, Quality Control, Application development &amp; Technical Services.</li> </ul>	<ul style="list-style-type: none"> <li>Management and Control of Business and Industrial Houses</li> </ul>
Names of Other Companies in which holds Directorship	<ul style="list-style-type: none"> <li>Borouge (India) Pvt. Ltd.</li> <li>Windsor Machines Ltd.</li> <li>Shaily Engineering Plastics Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>By Innovations Consultancy India Pvt. Ltd.</li> <li>Panoramic Investment Advisors Pvt. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Kabra Extrusiontechnik Ltd</li> <li>Smartech Global Solutions Ltd.</li> <li>Kabra Gloucester Engineering Ltd.</li> <li>Kolsite Packaging Systems Pvt. Ltd.</li> </ul>
Name of the other Companies in which holds committee position	<ul style="list-style-type: none"> <li>Windsor Machines Ltd.</li> <li>Shaily Engineering Plastics Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>



## ANNEXURE TO NOTICE

### Explanatory Statement under Section 173(2) of the Companies Act, 1956

#### Item No. 6

The Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2013, subject to the approval of the members in General Meeting, approved re-appointment and terms of remuneration of Shri Satyanaryan G. Kabra aged 70 years w.e.f. 1<sup>st</sup> July, 2013 for a term of 5 years as Vice-Chairman and Managing Director of the Company.

He is holding similar position in M/s. Kabra Extrusiontechnik 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:

- (i) **Basic Salary** : ₹ 2,00,000/- (Rupees Two Lacs Only) per month, with an annual increment to be decided by the Board at such percentage not exceeding 20% of the basic salary, subject to the same not exceeding at any point of time, the ceiling laid down under the provisions of the Companies Act, 1956 and Schedule thereto.  
In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary.
- (ii) **Accommodation (Furnished or otherwise) or House Rent Allowance** in lieu thereof subject to a ceiling of 50 % of above Salary.
- (iii) **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.
- (iv) **Leave Travel Reimbursement** : For self, spouse and family once in a year incurred in accordance with the rules specified by Company.
- (v) **Club Fees** : Subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vi) **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.
- (vii) **Provident Fund** : Company's contribution to Provident 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.
- (viii) **Gratuity** : As per rules of the Company.
- (ix) **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.
- (x) 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.

Shri Satyanarayan G. Kabra is concerned or interested in the resolution, since it relates to his own appointment.

Shri Shreevallabh G. Kabra is 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 above matter.

The Board recommends above resolution for your approval.

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

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

**Himanshu S. Mhatre**  
Company Secretary

## DIRECTORS' REPORT

To  
The Members of  
**Plastiblends India Limited**

Your Directors have pleasure in presenting the **TWENTY SECOND ANNUAL REPORT** and the **Audited Financial Statements** for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

(₹ in Lacs)

PARTICULARS	Year ended 31 <sup>st</sup> March 13	Year ended 31 <sup>st</sup> March 12
Sales and Other Income	<b>40,933.49</b>	34,142.44
Gross Profit before Interest and Depreciation	<b>3,277.90</b>	3,246.41
Less: Interest	<b>566.83</b>	447.63
Depreciation	<b>408.05</b>	401.26
<b>Profit Before Tax (PBT)</b>	<b>2,303.02</b>	2,397.52
Less: Provision for Taxation (including earlier years)	<b>550.50</b>	590.00
(Excess)/short Provision for earlier years	<b>0.16</b>	---
<b>Profit After Tax (PAT)</b>	<b>1,752.36</b>	1,807.52
Less: Provision for Deferred Tax Liability	<b>215.87</b>	136.35
<b>Net Profit after provision of Deferred Tax</b>	<b>1,536.49</b>	1,671.17
Add: Balance b/f from previous year	<b>7,649.21</b>	6,676.63
<b>Profit available for appropriation</b>	<b>9,185.70</b>	8,347.80
<b>Appropriations:</b>		
Transferred to General Reserves	<b>160.00</b>	170.00
Provision for Proposed Dividend	<b>454.81</b>	454.81
Provision for Tax on Proposed Dividend	<b>77.30</b>	73.78
Surplus balance c/f to Balance Sheet	<b>8,493.59</b>	7,649.21
	<b>9,185.70</b>	8,347.80

### DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 3.50/- per share of the face value of ₹ 5/- each for the year ended 31<sup>st</sup> March, 2013 (₹ 3.50/- per share on face value of ₹ 5/- per share for the previous year) subject to the Members' approval. The dividend payment amounts to ₹ 454.81 lacs. In addition ₹ 77.30 lacs is payable towards tax on dividend.

### OPERATIONS

During the year under review, your Company has achieved Operational and Other Income of ₹ 40,933.49 lacs as against ₹ 34,142.44 lacs during the previous year, registering an increase of about 19.89% over the previous year. Profit after providing for taxes is ₹ 1,536.49 lacs as against ₹ 1,671.17 lacs during the previous year, registering a decrease of about 8.06% over the previous year.

### EXPORTS

Exports during the year under review were ₹ 13,163.52 Lacs as against ₹ 9,991.81 Lacs in the previous financial year registering an increase of 31.74% over previous year and contributed 32.18% in the total sales. Company exports to various countries around the globe with strong presence in Middle East, Africa, SAARC & CIS Countries.

### 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 Pushp Raj Singhvi and Dr. Yatish B. Vasudeo, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible seek re-appointment.

Shri Satyanarayan G. Kabra, Vice-Chairman & Managing Director has been re-appointed by the Board of Directors subject to approval of the members.



## 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, 2013, 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, 2013 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, forming part of this report. The Board of Directors of the Company adopted the Code of Conduct and the same is posted on the Company's website. The Directors and Senior Management personnel have affirmed their compliance with the said code.

## 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.

In terms of section 233(B) of Companies Act, 1956 the Board of Directors have approved the appointment of R. A. Chincholkar & Co., Cost Accountants as cost auditors for F.Y. 2013-14, subject to approval of Central Government. The cost auditor has confirmed his eligibility and independence to the Company. The cost audit report for the financial year ended 31<sup>st</sup> March, 2013 will be filed with Ministry of Corporate Affairs as prescribed Statutorily.

## LISTING FEES

The Company confirms that the Annual Listing Fees due to BSE Ltd. and National Stock Exchange of India Ltd. for the financial year 2013-14 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 2013-14 as applicable and payable as per the SEBI circular in this regard.

## PARTICULARS OF EMPLOYEES

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 as amended, none of the employee draws salary in excess of ₹ 5,00,000/- per month, hence no disclosure is required to be made.

## 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 'A'.

## ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Shareholders, Bankers, Government Authorities, Export Promotion Council, Other Semi 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: 29<sup>th</sup> May, 2013

**S. V. Kabra**

Chairman & Managing Director

## ANNEXURE TO DIRECTORS' REPORT

### ANNEXURE 'A'

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

#### B. TECHNOLOGY ABSORPTION:

##### Research and Development

The Company has in-house full-fledged Research & Development Department equipped with a wide range of lab machines, equipments, instruments and testing facilities that enable to deliver a broad spectrum of new & customized solution for tailor made product and formulations like bio-degradable masterbatches and masterbatches for BOPP Films, PP Yarns, Fibres etc. 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. The manufacturing units are highly automatic and equipped with sophisticated laboratory facilities to conduct stringent tests.

We are proud to state that the In-house Research and Development facility of the Company has been registered with the Department of Scientific and Industrial Research and this is the first time any Company in masterbatch business that has this achievement.

During the year, the Company has incurred revenue expenditure of ₹ 82.67 Lacs on Research & Development initiatives.

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

(₹ in Lacs)

	2012-13	2011-12
Foreign Exchange Earned	<b>13,163.52</b>	9,991.81
Foreign Exchange Used	<b>13,663.98</b>	11,853.57

For and on behalf of the Board

Place: Mumbai  
Date: 29<sup>th</sup> May, 2013

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



## MANAGEMENT DISCUSSION AND ANALYSIS

### I. INDUSTRY STRUCTURE AND DEVELOPMENTS

Plastiblends India Limited is a part of Kolsite Group of Companies and a leading manufacturer of masterbatches. Plastiblends produces a wide variety of white, black, color, specialty and high performance masterbatches, additives and compounds. Masterbatches are one of the essential ingredients in plastics processing used for enhancing performance and appearance of plastics. Masterbatch industry can be categorized into organized sector, medium sector and small sector. Organised sector, in which the Company operates, provides the benefits of strong Research and Development support, high quality standards and strong distribution network. Small and medium sector manufacturing units are smaller manufacturing units spread throughout India serving market in their vicinity.

Plastiblends India Limited despite all the adverse economic conditions and volatile polymer market continues to grow in domestic and international markets. Company's aggressive marketing efforts in international markets to expand its presence in new territories/countries and its strong brand building efforts in domestic market helped it to grow at much higher rates than its peers in the same market segment. In domestic markets, Plastiblend's market share is growing steadily at the cost of competition due to focused efforts to promote value added products and efforts to reach maximum customers in each market segments. The major efforts are in the segments such as Agricultural end uses as films - mulch, shade nets, green house and specified drip irrigation pipes, Packaging - multilayer films for consumer goods packaging and Fibers - Nonwoven and PET fiber.

### II. OPPORTUNITIES AND THREATS

International industrial giants in automobiles, electronics, telecommunications, food processing, packing and healthcare have established large manufacturing bases in India. Joint ventures, foreign investments and access to technology from developed countries have opened new vistas to further facilitate the growth of the industry.

Infrastructure investments have ensured more than 10% growth rate for the sector. Moreover, the agricultural sector's focus on plasti-culture under micro-irrigation scheme will further boost demand for plastics.

Polymer consumption in India is poised to grow multifold, with the help of new developments in packaging applications, infrastructure growth, modernization of agriculture sector, improved healthcare facilities, improved lifestyle and disposable incomes, automobile demand and rural penetration.

Masterbatch industry will get a direct benefit by this growth in polymer consumption. Your Company with its strong R & D backup, consistent high quality and strong distribution network is well poised to tap this potential.

The domestic and international competition, unfavorable Government Policies towards plastics use, wide fluctuation in foreign currency rate and rising crude oil prices are some of the risks faced by the plastic masterbatch industry.

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

Your Company operates in one segment only - Masterbatches & compounds.

### IV. BUSINESS OUTLOOK

Global masterbatch market is expected to grow due to increasing shift towards packaged products and increasing demand for consumer goods, automobiles etc. With the growing consumption of polymer, masterbatch industry will be direct beneficiary and the outlook is very optimistic for masterbatch industry.

Your company will continue its focus on product and service innovation supported by dedicated R & D facility recognized by the Department of Scientific and Industrial Research (DSIR).

Company's participation in various trade fairs including the Argen Plas, Arab Plas, Jordan Plas etc has generated good response and is helping the company expand its geographical reach and strengthen the marketing network.

Company consistently strives to maintain global quality standards, which has helped it penetrate the export markets. Plastiblends has emerged as a leading player in the organized segment with overall market share of 12%.

High performance masterbatches with a thrust on exports is expected to be a major growth driver for the company going forward.