



Tradition of Customer Support

27th ANNUAL REPORT 2009-10



On the cusp of opportunities

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What you will find where

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27th ANNUAL GENERAL MEETING

Date : 6th August, 2010
Day : Friday
Time : 2.00 p.m.
Venue : Hotel Karl Residency, 36, Lallubhai
Park Road, Next to Lallubhai Park,
Andheri (West), Mumbai - 400 058

A CURTAIN RAISER

Humble Beginnings

Kabra Extrusiontechnik (KET) commenced its journey way back in 1963 with the establishment of Kolsite Group. The group commenced its operations at a small factory in Tardeo that had a total area of 800 square feet.

With the industry being a nascent one way back then, the plant was a low output one and not technologically advanced. The Kolsite Group however, being progressive, started manufacturing Blown Film Plants and then HDPE Monofilament plants.

Since then, the company has carried the legacy of being the introducers of various technologically advanced plastic extrusion plants and this innovative streak continues.

Turning Point

Till 1975, the company struggled along with the industry and that year proved to be a watershed year for the company as it realized the need for building a brand. By 1978, Kolsite had established a brand name which was synonymous with quality, prompt after sales services and innovation. This was achieved primarily on account of the management's indigenous know-how and inhouse R&D capabilities.

In 1977-78, World Bank sanctioned a loan to India to install PVC Pipes for water management for which twin screw extruders were necessary. This led to the signing of a technical collaboration in 1982 with Battenfeld Extrusionstechnik GmbH, Germany (World No.1 in manufacture of plastic processing machinery) and was a landmark event in more ways than one. It was an outcome of the management's vision and foresight, regards the continuous need for better technology. This move led to the birth of KET and catapulted it as the most successful company in Twin Screw PVC Pipe plants. The company, as we know it today, was incorporated in 1982.

By the end of 1985, a new factory with high-end machine tools was set up at Vapi, Gujarat and it assembled the first of its kind twin screw extrusion plant by importing all major key components. Seeing the high demand for its products, KET set up another factory in 1989 at Daman, which had locational advantage. The company transformed from merely assembling imported spare parts to a manufacturer of critical parts like barrels by setting up precision machine tools. This accentuated its cutting edge as import duty expense reduced drastically and made KET extremely competitive.

This was followed by adding new facilities at Daman to increase further the indigenous manufacture of other key precision components which were then imported. There has been no looking back thereafter, and the company has grown from strength to strength.

In 2006, KET signed a Technical Collaboration Agreement with American Maplan Corporation, a Battenfeld Group Company to further strengthen the technology for newer application.

Public Issue and Beyond

In 1989, the company went public and the IPO was oversubscribed 15 times. This was followed by a preferential allotment of equity shares in 1994 & 2006 & bonus in 2004 and consistent track record of paying dividend since public issue.

Today, the total manufacturing area of Kolsite group stands at 727500 square feet.

With a philosophy of 'The end of sales is the beginning of commitment' KET has pioneered the pipes extrusion in India. This along with the company's penchant for innovativeness, the zeal to supply zero defect machinery and prompt after sales service has been further strengthened by TQM initiatives . ISO 9001 certification by TUV Bayern, Germany in 1998-99 giving the company acceptance in International markets.

Four decades of excellence in customer satisfaction has seen the company emerge as a prominent turnkey extrusion service provider in the Indian markets as well as on the global arena.

The journey that commenced from a small factory in Tardeo, Mumbai has traversed a long distance and today, with its unique positioning, strong reputation and industry standings KET stands on the cusp of taking a quantum leap and exploiting the plethora of opportunities that the burgeoning Indian economy provides.

MANAGEMENT BANDWIDTH



S. V. Kabra - Chairman & Managing Director

S.V.Kabra brings to the table his vast industry experience spanning over 4 decades. He is the founder and driving force behind the company and is a Bachelor of Arts by qualification. With a hands-on managerial style, he has contributed immensely towards the improvement of manufacturing processes, new product developments and the technical collaborations. He has been the guiding light as the company metamorphosised itself into a formidable player in the plastic industry.



S. N. Kabra - Vice Chairman & Managing Director

S.N. Kabra holds a Bachelors degree in Mechanical Engineering and is responsible for the overall business development and strategy. The company benefits in terms of his conceptualization and execution skills in addition to his proven business acumen backed by his 42 years of industry experience.



Anand Kabra - Technical Director

Armed with a Bachelors in Mechanical Engineering, Anand Kabra has topped it with an MBA in Family Business. With over 11 years of experience in the industry, he contributes in the areas of Information Technology Systems, Material Management, Quality System & Standards, Project Execution and Plant Management.



Mahaveer Prasad Taparia

A Bachelors in Arts by qualification, Mahaveer Prasad Taparia has over 47 years of industry experience as the Promoter of Supreme Group of Companies. His valuable insights on business strategy have greatly benefited the company.



Haridas S. Sanwal

Haridas Sanwal is an M. Com, LL.M, F.C.S. F.C.I.S. (London) and F.C.C.S. (London). He has over 50 years of managerial and business experience. He has greatly contributed to the company in terms of corporate affairs and strategy in addition to providing insights into corporate law and taxation matters.



Yagnesh B. Desai

With over 40 years of experience in the Banking sector, Yagnesh Desai has held eminent positions with major financial institutions. The company immensely benefits from his expertise in the fields of banking and trade finance. He has a B. A. (Hons) and CAIIB degree.



Nihalchand Chunilal Chauhan

B.Com (Hons), LL.B and CAIIB by qualification Nihalchand Chunilal Chauhan has over 50 years of experience as a professional banker and consultant. His areas of experience range from Commercial and International Banking to Investments Policy and Portfolio Management.

NOTE FROM THE CMD'S DESK

" Take up one idea. Make that one idea your life - think of it, dream of it, live on that idea."

– Swami Vivekananda

Dear Stakeholders

With these inspirational words as motivation, Kabra Extrusiontechnik commenced its journey in 1963 with a clear vision of becoming the largest manufacturer of plastic extrusion machinery in India. As a part of the Kolsite group, we are currently a leading player in this segment.

We commenced by manufacturing machines of low outputs, but today, the company has transformed itself into one, that is a total solutions provider, manufacturing complete range of film plants along with pipe, profile and pelletising extrusion lines.

With a keen eye on the rapidly changing trends and requirements in Plastic industry, we entered into Joint Ventures with established players in this field to stay ahead of the competition. It must be noted here that we follow a unique model of Joint Venture partnerships. While we procure the technology from our foreign collaborators, we determine and modify the technology to suit our customers and markets. Thus, we established ourselves as a brand that provides optimal technology at the best price.

The last financial year was witness to economies across the globe, dwindling. The governments world over, announced stimulus packages to revive industries and resultantly the economies.

However, the Indian economy has grown and is still expected to grow at over 8% for the coming fiscal, which is higher than most economies across the world. Even against this backdrop, our company managed to post a 25% increase in sales which stood at Rs. 1973 million. Better cost control measures and constant efforts at increasing productivity led to expenses as a percentage of sales decline, thus enhancing our profitability. Further, a decrease in interest outflow boosted profitability at the net level and it rose by 84 % to Rs. 215 million.

The industry dynamics as we see it, augur well for the growth of our industry. India has a strong base in polymer manufacturing with large and established players who are increasing their capacities. On the other hand, India ranks among the lowest in terms of per capita plastic consumption. With increased urbanization and the Government's focus on irrigation and infrastructure development, we see plastic emerging as an indispensable aspect of contemporary lifestyle and this in turn will drive demand for our offerings.

The demand for conventional PVC Pipes is growing in double digits due to the thrust on irrigation activity as well as the new applications in construction and infrastructure segments. HDPE Pipes are gaining wider acceptance from water supply, telecom ducting and natural gas distribution. With an increase in modern retail formats and demand for better healthcare on the back of rising economic prosperity, the consumption of packaging films is also on an upswing.

Drip irrigation in particular is expected to be a major growth driver for our industry and the present market demand is about Rs. 2000 crores and expected to grow at 20-25% p.a. for the next few years. In association with Drip Research Technology Services (DRTS), USA, a world leader in drip irrigation, our company has got the most advanced LLDPE drip irrigation tube extrusion lines manufactured.

In terms of overall industry demand, to accommodate all additional resin processing, the product manufacturing industry, in India, will need to invest USD 10 billion in plant and equipment only (excluding the buildings) by 2016 as per industry sources. That works out to processors investing USD 3 million to USD 4 million per day for the next six years.

To benefit from this, our company has embarked upon an aggressive investment plan aggregating Rs. 85 crores over the next 24 to 36 months. This is not only to expand capacities but also to enhance the overall systems and processes in the company, thereby increasing our productivity.

A new unit has been envisaged at Dunetha in Daman where the company intends investing in imported and indigenous machinery to manufacture critical components such as screws, dies, extruders to expand the existing product lines. We are also looking at high-end, high output Mono and Multilayer film plants and Bag-on-roll equipments with advanced technology from Gloucester Engineering Company Inc, USA a leading manufacturer for the said plants.

Global statistical estimates suggest that, by 2010, North American per capita plastics consumption will reach 145 kg; per capita plastics consumption in Western Europe will reach 132 kg; Latin American per capita consumption of plastics will reach 31 kgs, while China's per capita plastics consumption will reach 22.8 kg and India will be at 7 kg which is only 5% of developed countries. This we believe will continue to drive the growth for extrusion machinery as the demand will be buoyed by increased plastic consumption.

Development of infrastructure in the Middle East has been a regional focus for international organizations like the World Bank and the IMF and we see good demand for plastic pipes and films and in turn extrusion machinery, in the region. Africa is another potent area which has been very receptive in accepting new technologies as the present industry scenario there is similar to that of India in the nineties. Besides, there has also been a marked increase in exports from India to these regions and holds tremendous potential, going forward. There is also great potential for our equipments in regions like South America and CIS Countries. Marketing initiatives are underway and we hope to see good results there from in the near future

Also, as environmental conservation awareness increases, our industry is becoming a lot more focused on energy conservation. Machines today have been designed to offer more output and thereby automatically bring down energy consumption. We are making serious efforts to tap this opportunity and simultaneously contribute to the environment.

Today, our brand name is synonymous with quality at the best cost. We are the preferred suppliers to many of our clients. So much so that, besides the existing lines of machinery, any new plants required by them is customized by us to meet their needs. The goodwill which we have generated over a period of time has enabled us to grow from strength to strength and remains the cornerstone of our success story over the years.

The milestones which we have achieved thus far, would not have been possible without the support and commitment of all our stakeholders, including our personnels, investors and associates and I take this opportunity to thank each one of them.

I conclude with a promise that we will strive to enhance the value proposition that we have always strived to provide our stakeholders and keep raising the performance bar.



Today
*our brand name
is synonymous
with quality
at the best cost*

S. V. Kabra
Chairman & Managing Director

BUSINESS REVIEW

Kabra Extrusionstechnik (KET), a part of the Kolsite group manufactures Plastic Extrusion machineries in India. It has over 4 decades of experience in plastic industry. KET has a joint venture with global leaders in plastics extrusion machinery viz. Battenfeld Extrusionstechnik, Germany and American Maplan Corporation, USA.

The company is engaged in the capital goods sector, manufacturing plastic extrusion machinery. It specializes in the manufacture of plants to produce a range of plastic pipes, from polyvinyl chloride (PVC), high-density polyethylene (HDPE), low-density polyethylene (LDPE), polypropylene (PP) and composite pipes. The Company's domestic production of extrusion machinery consists of plants for making pipes, films, tapes, sheet lines, profiles and pelletising. It also manufactures hi-tech HDPE pipe plants. KET offers Multi-Layer Blown Film Lines (MLF), which has applications in lamination, milk and edible oil packing industries.

Overall, the company's share in the market stands at 32 per cent while within the organized segment, the company's market share for pipes and profile machinery is more than 60%.

With increase in the demand for packaged food items, thrust on water management and irrigation the company intends to focus on two major sectors namely, films segment (mono layer and multi layer films upto five layers) and all kinds of pipes.

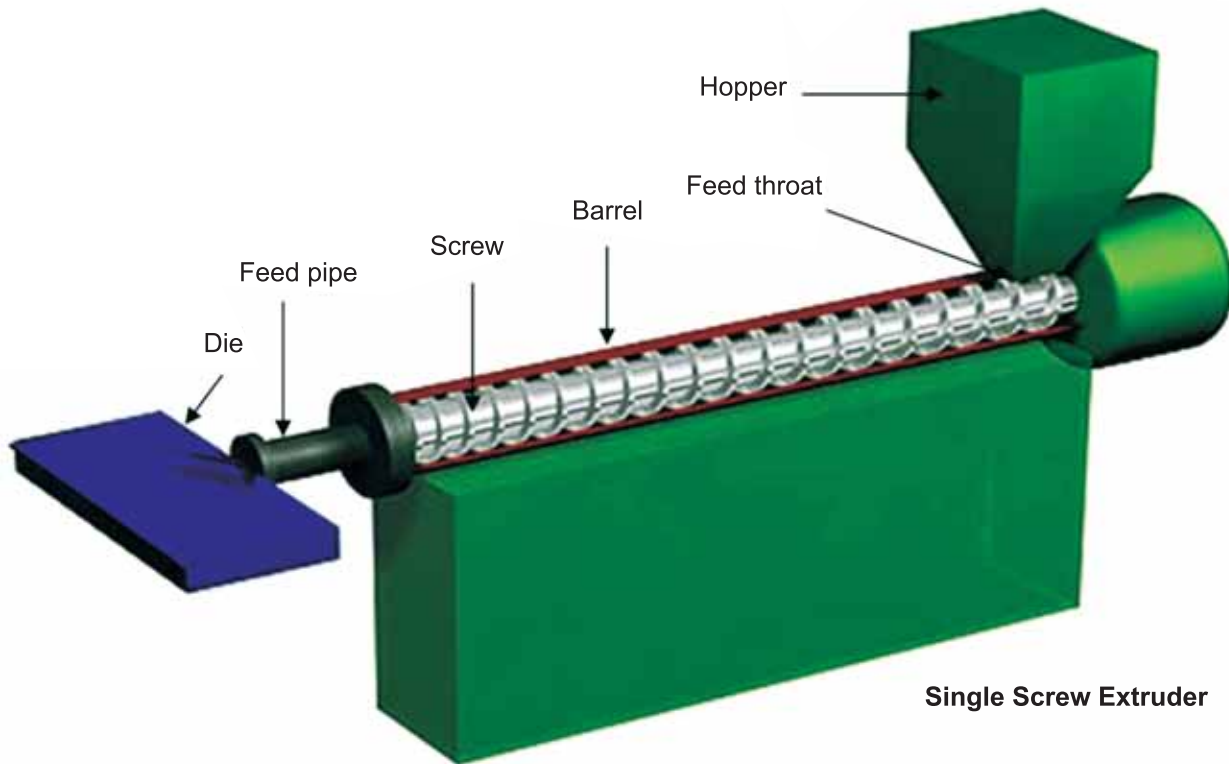
Profiles for windows and other application are the key growth areas for the future.

KET manufactures complete extrusion lines with optimally matched components, sophisticated automation concepts and tailor made solutions enabling the company's customers to consistently produce high quality end products. The company believes that this tradition will help it to optimize the opportunities presented by its leadership position in a highly dynamic environment.

Its key differentiator lies in the fact that it partners with leading technology providers to optimize technology in the most cost effective manner depending on the market it is catering to.

The Plastic Extrusion process:

In the plastic extrusion process, raw plastic in the form of beads is fed through a hopper into the barrel of the extruder. The Barrel is a metal cylinder which is covered with heaters to heat the polymer (Plastic beads). Inside the barrel is a screw which rotates to give a homogenous polymer melt.



Once inside the barrel, the plastic beads and any accompanying material, (like additives, colourants, etc.) move with the screw mechanism, the screw rotates, forcing the plastic material to advance through the barrel, which has very high temperatures ranging from 150 - 275 degree Celsius.

The temperature is matched with the melt temperature (melting point) of the polymer. Many plastic extrusion processes involve the use of three different heaters set to gradually increase the heat level inside. Precise control is maintained thereby reducing the potential for overheating and degrading (burning) of the polymer.

When the molten plastic reaches the front of the barrel, it moves away from the screw and journeys through a special screen designed to filter contaminants from the plastic.

The molten plastic then moves into a die which gives it the desired profile. After cooling, the product is spooled, coiled, or cut to length as per the application.

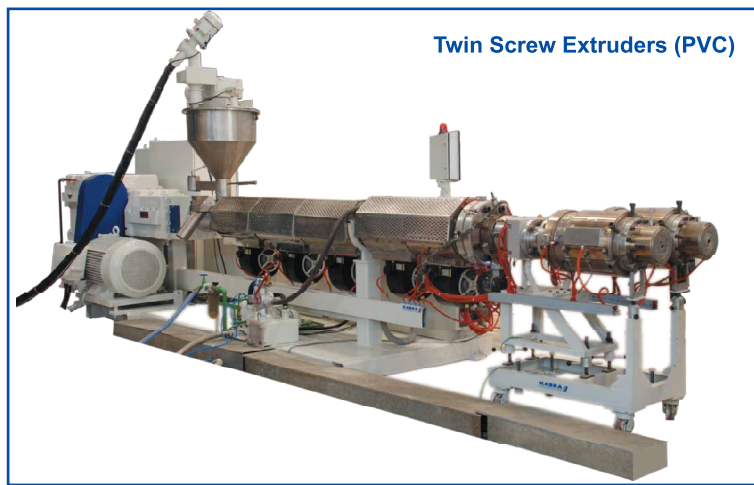
Product Profile

The company principally caters to two types of industries - Pipe and Films and has a wide array of products which are customized to meet customers' requirements.

KET manufactures **Hi-tech Pipe Extrusion Lines in collaboration with Battenfeld Cincinnati, Germany** formerly known as Battenfeld Extrusionstechnik, Germany. This collaboration gave India its first Twin Screw Extruder with high output and state of the art technology for the manufacture of PVC pipes. This was followed by the high output Twin Pipe Extrusion System & Single Pipe Extrusion System, for higher outputs for pipe diameters of 12-200mm and 12-610 mm respectively for output of 1500 kg/hr for each system. As the demand increases we will be able to supply plants of single pipe extrusion system with diameters of 12-710 mm with output of 2000 kg/hr.

This collaboration has grown strength to strength and was expanded to include the technology for 28D Series Next Generation Extrusion for pipes, profiles and pellets. This technology has several benefits in the form of enhanced productivity for our clients and many of these machines were introduced for the first time in India, which has been the tradition of the company.

KET has undertaken the development of Polyolefin Pipes which have their own advantages and applications. The consumption of polyolefin pipes has risen multifold and resultantly the demand for higher output machines have also spiralled. KET has installed plants for output of upto 1200 Kgs/ hr for pipe diameter upto 1000 mm.



Twin Screw Extruders (PVC)

Purpose

High quality PVC pipes for drinking water, irrigation, plumbing and industrial application.

Advantage

- Higher output,
- Energy efficient
- Good Price/ Performance ratio
- Latest German technology

Purpose

Production of pipes for drainage systems, Water , Gas, etc.

Advantage

- Superior end product quality
- Large diameter up to 1000 mm
- Latest German technology used.
- Quicker ROI



PE Large Diameter Pipe Plant



Single Screw Extruders
(PO- Pipes)

Purpose

High quality PO pipes of different sizes used in water supply, irrigation, gas distribution, teleduct, etc

Advantage

- Uniform end product
- Higher output
- Lower power consumption
- Lower investment per kilogram (Kg) of Output

Purpose

LLDPE tubes with a drip insert for irrigation application.

Advantage

- Developed with DRTS (USA) - Experts in the field
- Latest state of the art technology
- Higher outputs
- Exceptional Quality
- Highly customizable



LLDPE Drip Irrigation
Tube Extrusion Line



CPVC Pipe Plant

Purpose

High quality CPVC pipes for plumbing and industrial application, Hot and cold water distribution.

Advantage

- Superior end product quality
- Higher output
- Hybrid plant with American Maplan Technology.



**PVC
Compounding Mixer**

Purpose

It is used to mix PVC with various stabilizers and other ingredients for different applications

Advantage

- Homogenous Mix
- Easily controlled operations
- Available in ranges for various outputs
- Shorter mixing cycles

The company manufactures machines for extrusion of PP-R Pipes which are increasingly becoming popular with water utilities as they are corrosion resistant, smooth and resistant to bacterial growth leading to pollution free water quality.

Film Extrusion Lines

KET has been at the forefront for the flexible packaging industry by supplying plants with improved film properties and that to at optimal costs. The Multi Layer Blown Film Lines are with latest technologies like Internal Bubble Cooling (IBC), Oscillating Haul Off and Advanced Winding Solutions.

Purpose

Single layer films for Pick up bags, shopping bags, T-shirt bags, etc

Advantage

- Superior end product quality
- Lower conversion costs
- Quick return on investment
- Compact model space saving



Monolayer Film Plant



Multilayer Film Plant

Purpose

Multilayer films up to 5 layers for Stretch, cling film, hygiene packs, medical packs, pouches for milk, water, oil, etc

Advantage

- Consistent end product quality
- Good price/ performance ratio
- Energy efficient
- Customization possible
- Minimal gauge variation

INDUSTRY OVERVIEW..... THE OPPORTUNITY

Globally, the demand for plastics has been emanating from an array of industries that include agriculture, construction, infrastructure, healthcare, telecommunication and packaged foods.

With the ever-increasing demand for plastics at the global level, the demand for plastic machineries is also reflecting an upward spiral. This is underlined by the fact that in terms of tonnage, extrusion segment process comprises about 65% of commodity polymers.

The table below provides a snapshot of the growth in Extrusion sector over a period of time.

▶ EXTRUSION SECTOR GROWTH

Extrusion Machinery Addition (Nos.)							
	04-05	05-06	06-07	07-08	08-09	CARG 04-09	09-10
Monolayer Film	329	408	413	578	505	11.30 %	558
Multilayer Film	44	33	51	73	96	21.54 %	78
PO Pipes	36	45	37	86	84	23.60 %	112
RPVC Pipe	140	192	231	223	250	15.60 %	315
Profile	4	11	20	38	16	41.42 %	22

Capacity Addition - (KT)							
	04-05	05-06	06-07	07-08	08-09	CARG 04-09	09-10
Monolayer Film	74	83	78	104	90	5.01 %	104
Multilayer Film	46	42	60	80	96	20.19 %	82
PO Pipes	28	43	38	105	109	40.46 %	155
RPVC Pipe	139	216	236	267	302	21.41 %	405
Profile	2	3	9	16	5	25.74 %	7

Outlook on various Raw Materials

PVC

PVC demand weakened significantly in 2009 following the weak economic outlook and impact on sectors such as construction sector.

Before the economic crisis, the demand for PVC was driven by construction activity in developing economies as energy exporting regions such as Eastern Europe and the Middle East embarked on major infrastructure projects. The emerging middle class in many Asian Countries led to a vast expansion of housing and urban infrastructure, driving PVC consumption growth at double-digit rates in regions such as China.

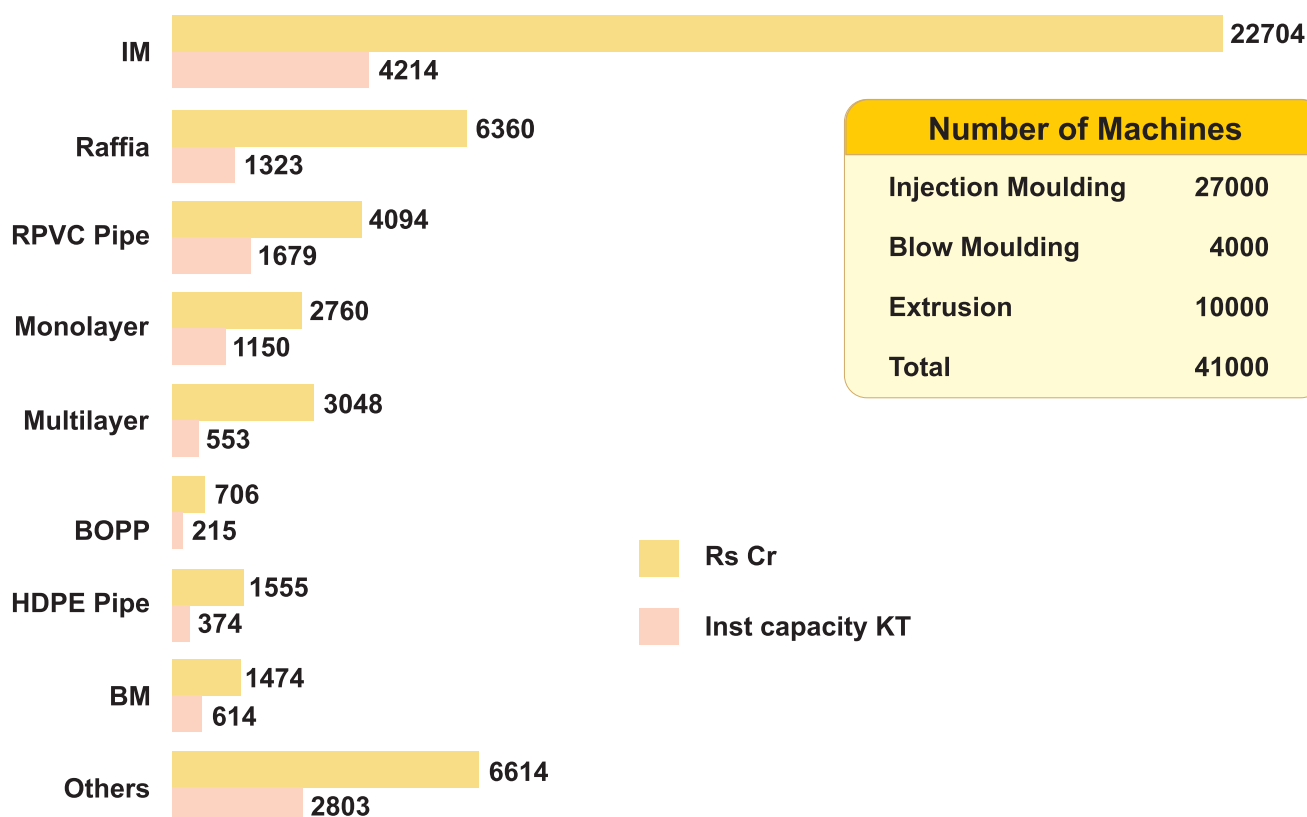
However the global economic slowdown affected the construction sector and building activity adversely in Europe and North America while demand from China too suffered. In 2009, the government's economic stimulus packages catalysed into expanded consumption activity and the same is expected to improve further in 2010 and 2011.

LDPE, HDPE & LLDPE

LDPE, HDPE and LLDPE also posted negative returns in 2009 on account of global recession. However with signs of recovery in the economies, the demand for these products and resultantly the plastic machineries is expected to improve significantly. Global HDPE demand grew by 1.1 percent in 2009 compared to 2008. HDPE growth in the period 2009-2015 is projected to be approximately 5.5 percent, of which Asia and the Middle East are forecast to contribute over 40 percent of total growth. LLDPE demand is estimated to grow by 6.2 percent per year over the period to 2015.

Plastic consumption to drive growth for Plastic Extrusion Machinery

Processwise Opportunities in 2009-14



Investment Opportunities of - 50,000 Cr

With a sound infrastructure in place, easy availability of a skilled team of efficient engineers, the assortments of plastic machines manufactured in India are in demand. Kabra Extrusion is well positioned to tap this opportunity given its established brand equity and long standing customer relationships.

In terms of total plastic consumption, India ranks 8th in the world. Despite this, the per capita consumption in India is just 7 kg as compared to the world average of around 45 kg. However, it is estimated that India is expected to be the 3rd largest consumer of plastics after US and China by the end of 2010.

On the domestic front, the plastic industry is also set to be riding high growth. In India, the extrusion market comprises of organized and unorganized players. The organized market constitutes about Rs. 500 crore and about Rs.1000 crore is contributed by the unorganized players, underlying the fact that the industry is extremely fragmented.

Pipes

Kabra Extrusion manufactures machinery used to produce a range of plastic pipes.

The demand for these machines is derived from the demand for PVC pipes which in turn is primarily driven by construction and irrigation segments. The economic slump caused a reduction in the construction activity in developing countries as well as the developed nations. However, stimulus packages announced by Governments world over have given a sigh of relief to the PVC industry and in turn the Pipe Extrusion Industry.

Further, the demand drivers for the pipe extrusion machines are likely to come from the Government's thrust on development in infrastructural growth, irrigation facilities and urban sanitation. Other sectors that would lead to an uptick in demand are real estate and telecommunication.

Drip irrigation systems deliver water and agrochemicals (e.g., fertilizers and pesticides) directly to the root zones of the irrigated plants at a rate best suited to meet the needs of the plants being irrigated. Thus, this system makes efficient use of water, especially when compared to conventional methods of irrigation.

The Government of India has been increasingly making allotments towards the Agriculture and Infrastructure development initiatives.

Year	Agriculture (Rs. Crores)	Infrastructure (Rs. Crores)
2009-10	3,25,000	1,00,000
2010-11	3,75,000	1,73,552*

**46% of total plan allocation*

India took 40 years to reach a total plastic consumption figure of 8 million tonnes (by 2009 - 10). While hereon, it is expected to double to 16 million tones in the next 5 years (by 2014 - 15).

The usage of PVC pipes in these areas has several benefits like cost effectiveness, longevity and flexibility and they are increasingly in demand for various industrial applications. Lightweight piping greatly reduces the system costs while simplifying the installation. For urban sanitation, Plastic pipes are easier to transport and more affordable than concrete sewer mains.

Globally, India has become the world's pipe manufacturing destination primarily due to low cost, high quality and its being geographically well placed. Resultantly, this would accelerate the growth of the pipe extrusion industry in India.

Plastic Films

According to a new study by Freedonia, the global demand for converted flexible packaging is forecasted to grow by 3.5 per cent a year to more than 19m tonnes in 2013. Plastic films, which account for nearly three-quarters of global converted flexible packaging demand, will continue to grow at the expense of paper and aluminum foil, predicts the report World Converted Flexible Packaging, by Freedonia, a research group. Plastic Films used in packaging has its own advantages like extension of product shelf lives in the food and beverage, pharmaceutical and personal care products. Further breathable properties, biodegradable films and high-barrier properties make them more usable.

The developing nations are expected to lead the growth in plastic packaging as they are characterized by more population growth, greater urbanization, rapid industrialization and expanding international trade.

Thus, the demand for plastic film extrusion machinery is expected to be buoyant.

KET on the cusp of opportunities

Infrastructure

The need for improved sanitation, water systems and a well developed drainage system is rising on account of urbanization and KET through its innovative approach has developed advanced offerings such as the Polyethylene and PVC Pipe lines.

Annually 1.4 million tonnes of resin is used for manufacturing PVC Pipes and the growth rate of the same is pegged at 25- 30%. This has significantly enhanced the scalability prospects for Kolsite-Battenfeld's Twin Screw PVC Pipe lines.

The other Polymers used in the pipe applications are from the Polyolefin branch of materials, such as Polyethylene (PE), Polypropylene (PP). They find wide application in the water, gas distribution, Industrial and mining industries. Owing to their superior resistance to corrosion, abrasion and chemical attack, the PE and PP pipelines are replacing the traditionally used steel and cement piping systems. KET in association with Corma-Canada is providing flexible piping systems with corrugated pipes for diameter up to 3000 mm for sewage and ducts application and is one of the few players in the industry offering this range. The Indian Polyolefin pipe consumption is 300000 Tons, growing at the rate of 10- 12%, annually. The small pipes are used for applications like tele-ducting, water-supply, irrigation and gas distribution and large diameter pipes are used in water supplies & industrial applications. KET's advanced technology and expertise enables it to offer state -of- the- art solutions for large diameter pipes.

Real Estate

India's Real Estate segment has seen tremendous growth accentuated by the rising urbanization and improvement in standard of living. The industry scope encompasses residential apartments, service apartments, guest houses, independent bungalows, commercial complexes and townships. Further, there has been significant emphasis on green constructions. KET has made significant progress in providing Profiles Extrusion Line for doors and windows with insulation which results in energy savings by using less fuel for heating homes and consuming less energy for cooling. KET - AMC (American Maplan) Extrusion lines for CPVC pipes for hot and cold water supply also mark an innovation as these plants enable the manufacture of piping systems with a longer life span and reduction in timelines for installations.

Agriculture

Water management in irrigation by using advanced technology has become the need of the hour for India's agriculture sector. The modern plastic techniques such as micro irrigation and other newer techniques have started gaining widespread acceptance. LLDPE Drip irrigation tubings are expected to play a major role, going forward as plastic is going to enhance the agriculture productivity, quality of produce with conservation and optimal use of water.

KET has a strong foothold here as the provider of high-end solutions for LLDPE drip irrigation tubing in association with DRTS, USA. The company is well positioned to tap the opportunity with strong political will demonstrated to save water and optimize its use for agricultural purposes.

Packaging

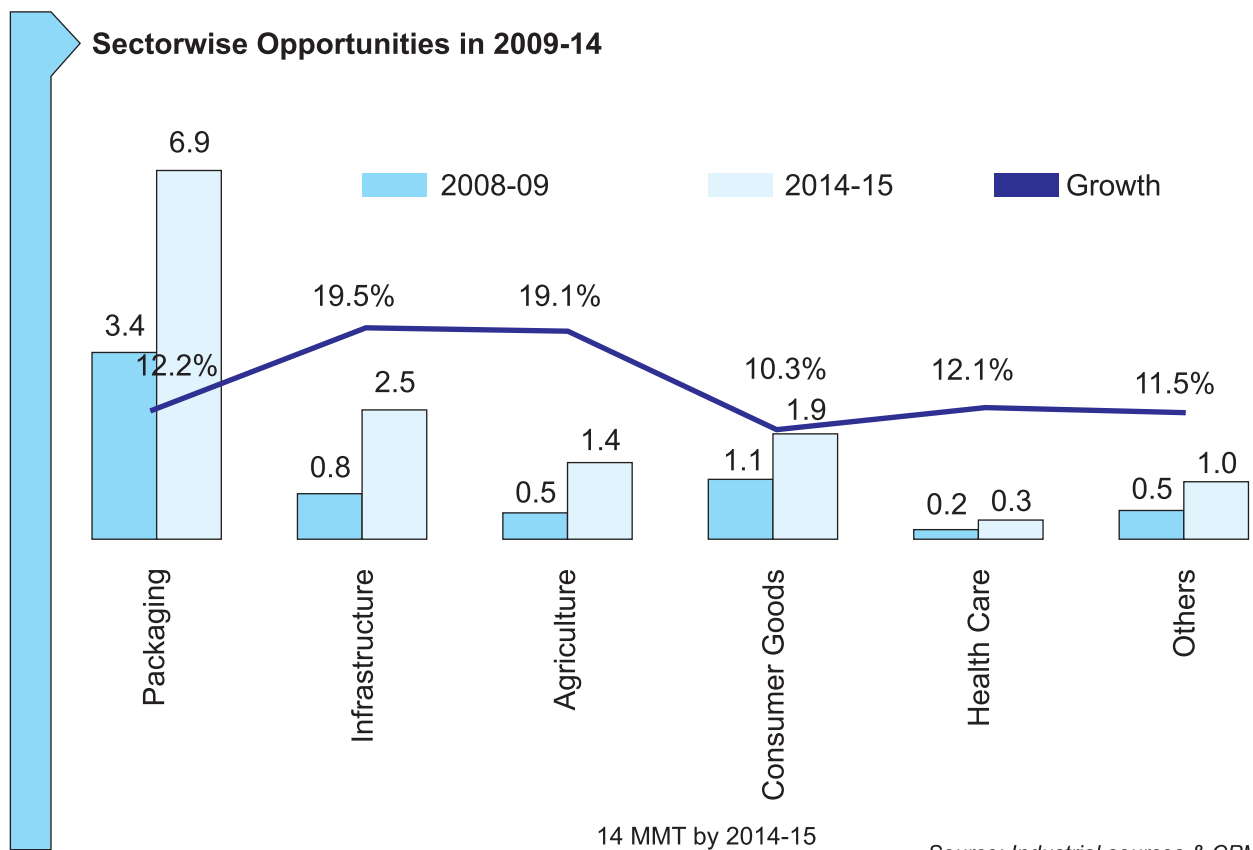
India is the 4th largest economy in-terms of purchasing power and this has increased the requirement of aesthetic and aseptic packaging.

This demand for packaging has risen sharply as India offers one of the huge consumer markets leading to the growth of the retail segment.

Plastic packaging has many advantages like light weight, high automation, easy raw material availability, flexibility in terms of pack sizes as compared to metals.

KET is focused on providing complete film extrusion solutions for the packaging industry. Ranging from Monolayer Film Plants along with technologically advanced multilayer film lines in collaboration with the world leader (North America's largest Plastic Extrusion Machinery manufacturer) Gloucester Engineering Inc, USA. Plant customization, higher output with minimum gauge variation, low conversion costs and faster return on investments for clients, makes KET the most preferred vendor for most of the industry players.

The following graph indicates the opportunity presented by various industry verticals.



WEALTH CREATION

Total Shareholder return is a measure of the gain delivered to the shareholders of the company. Returns are calculated not only in terms of dividend per share, but also in terms of capital appreciation in the underlying investment.

The Stock of KET has thus clearly outperformed the returns from the SENSEX.

As of 31st March 2010, an investment (at beginning of the FY10) worth Rs. 1,00,000 in the shares of KET would have become Rs. 3,35,250 (or a 235% gain). During the same period, gains from the key index, BSE Sensex, would have amounted to a mere 77%, indicating superior wealth creation by KET for its shareholders.



Price equalised to 100 for graphical presentation

Investment of Rs. 1,00,000/- made for 10000 Equity Shares of Rs. 10/- each to the maiden public offer-1989 and not disposed till date has appreciated as computed hereunder :

APPRECIATION BY WAY OF DIVIDEND

Financial Year	Dividend Declared in (%) (Rs.)		Dividend Amount (Rs.)
1989 - 1990 (for 284 days) (21-07-1989 to 31-03-1990)	14	1.40	10,900/-
1990-1991	15	1.50	15,000/-
1991-1992	18	1.80	18,000/-
1992-1993	25	2.50	25,000/-
1993-1994	28	2.80	28,000/-
1994-1995	32	3.20	32,000/-
1995-1996	40	4.00	40,000/-
1996-1997	30	3.00	30,000/-
1997-1998	20	2.00	20,000/-
1998-1999	20	2.00	20,000/-
1999-2000	24	2.40	24,000/-
2000-2001	30	3.00	30,000/-
2001-2002	35	3.50	35,000/-
2002-2003	35	3.50	35,000/-
2003-2004 (Bonus Shares Allotted 1:1) [Rs. 1,00,000/- invested is now Rs. 2,00,000/- i.e. 20000 shares]	35	3.50	70,000/-
2004-2005	35	3.50	70,000/-
2005-2006	40	4.00	80,000/-
2006-2007	45	4.50	90,000/-
2007-2008	60	6.00	1,20,000/-
2008-2009	60	6.00	1,20,000/-
2009-2010 (on Sub-divided Share)	70	3.50	1,40,000/-
Total Dividend			10,52,900/-

Shares held (Before Bonus)	Amount Invested (IPO Price)	Bonus Shares Allotted	Total Shares held (Post Bonus)
10000	Rs. 1,00,000/-	10000	20000

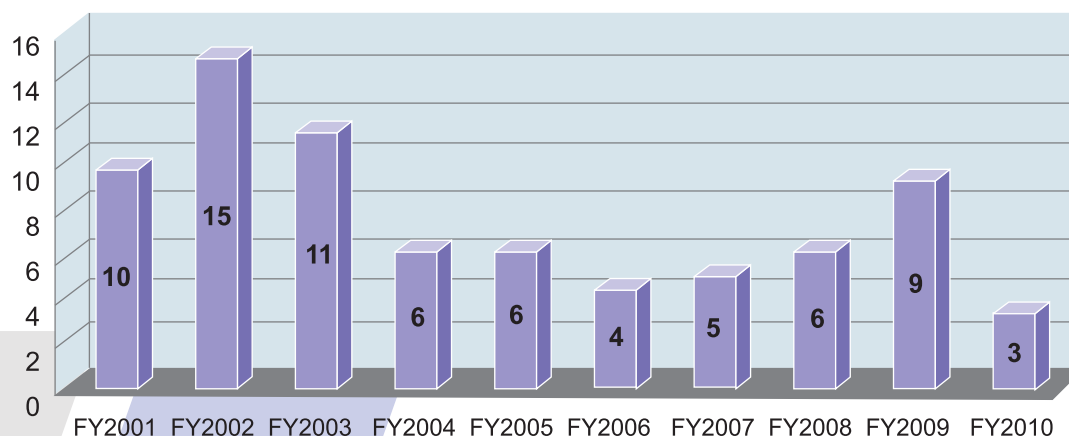
Appreciation by current Market Rate (Before Sub-division i.e. as on 14th May, 2010)

The Closing Market Price on BSE as on 14th May, 2010 was Rs. 275.40 i.e. for 20000 Shares amounts to Rs. 55,08,000/-

An amount of Rs. 1,00,000/- invested in 1989 (during IPO) yielded / appreciated to Rs. 65,60,900/- (Gain on original investment : Rs. 64,60,900/-)

FINANCIAL HIGHLIGHTS

	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
OPERATING RESULTS									
Sales and Other Income	19730.48	15763.61	15055.14	12870.30	10388.15	7398.96	8594.50	4281.60	5186.63
Profit before Depreciation, Interest & Tax	3493.15	2052.75	2327.18	1393.62	1016.30	808.68	1164.62	551.53	716.08
Less : Depreciation	338.95	365.80	337.36	304.34	151.29	133.21	122.58	97.11	94.31
Interest	71.41	79.35	69.13	49.14	37.71	12.18	16.73	13.98	23.79
Profit before tax	3082.79	1607.60	1920.69	1040.14	827.30	663.29	1025.31	440.44	597.97
Less : Provision for Taxation	900.00	370.00	425.00	255.00	210.00	185.00	205.00	130.00	140.00
Provision for Deferred Tax	36.42	67.72	31.77	58.95	(15.18)	20.17	49.42	37.49	104.49
Taxation of earlier years	-	-	12.80	-	-	-	-	13.57	-
Net Profit after tax & deferred tax	2146.37	1169.88	1451.12	726.19	632.48	458.12	770.89	334.36	353.49
Retained earnings	1493.20	610.02	891.26	306.30	268.72	212.03	500.06	214.33	233.46
Earning per share (EPS) (Rs) [Computed on profit after tax and deferred tax]	26.91	14.67	18.19	9.10	9.22	6.68	11.24	9.75	10.31
Dividend	70%	60%	60%	45%	40%	35%	35%	35%	35%
ASSETS EMPLOYED									
Fixed Assets (NET)	4778.41	4125.90	4055.24	3767.44	2397.09	1781.51	1896.92	1708.90	1459.03
Current Assets (NET)	641.17	2250.21	2446.78	2095.43	2593.19	2715.49	1491.06	1579.03	1216.46
Capital Employed	9974.38	8567.65	7600.84	6877.72	5256.12	4887.86	4355.19	3978.33	3589.36
FINANCED BY									
Share Capital	797.56	797.56	797.56	797.56	685.90	685.90	685.90	342.95	342.95
Reserves	7947.33	6454.12	5844.11	4952.85	3697.46	3428.76	3216.73	3059.62	2860.66
Total Shareholders Funds	8744.89	7251.68	6641.67	5750.40	4383.36	4114.66	3902.63	3402.57	3203.61
Borrowings	807.83	930.73	641.66	841.56	645.97	531.23	230.75	403.38	175.88
Debt : Equity	0.09:1	0.13 : 1	0.10 : 1	0.15 : 1	0.15 : 1	0.13 : 1	0.06 : 1	0.12 : 1	0.05 : 1
OTHERS									
Book Value Per Share (Rs.)	109.64	90.92	83.27	72.10	64.00	60.00	56.90	99.21	93.41
Gross Fixed Assets	7062.30	6109.69	5687.52	5077.77	3407.21	2654.49	2669.17	2371.21	2033.81
Employees Cost	1383.25	1262.09	1146.45	856.54	733.43	523.28	448.47	394.92	377.76
Number of Issued Shares	7975580	7975580	7975580	7975580	6859000	6859000	6859000	3429500	3429500

Dividend Yield %


(Rs. in Lakhs)

2000-01	1999-2000	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
4932.79	3854.42	3014.58	3089.21	2641.90	3478.18	2779.96	2057.31	1565.48	1069.69	764.51
623.84	449.13	306.74	283.31	434.17	716.14	603.40	418.13	323.70	230.87	148.44
86.89	71.54	64.55	63.52	60.03	56.86	32.21	26.19	24.38	23.58	20.35
16.79	14.50	18.14	35.94	42.36	31.38	9.60	24.02	26.78	27.13	26.83
520.16	363.09	224.05	183.85	331.78	627.89	561.59	367.91	272.54	180.16	101.27
140.00	60.00	35.00	20.00	73.00	120.00	185.00	135.00	88.00	51.00	15.00
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
380.16	303.09	189.05	163.85	258.78	507.89	376.59	232.91	184.54	129.16	86.27
277.27	220.78	120.46	95.26	155.90	370.75	272.25	154.22	113.77	79.37	46.22
11.08	8.84	5.50	4.78	7.55	14.18	10.98	8.72	6.91	4.83	3.23
30%	24%	20%	20%	30%	40%	32%	28%	25%	18%	15%
1288.62	1262.05	1110.24	1124.80	1162.66	1193.81	1063.67	532.62	493.49	433.52	431.89
1297.64	1315.32	1359.53	1238.95	1384.48	877.57	670.45	320.85	195.23	265.69	150.40
3330.05	3033.23	2675.61	2590.86	2757.40	2310.16	1947.95	978.95	807.39	705.61	588.71
342.95	342.95	342.95	342.95	342.95	342.95	342.95	267.00	266.88	266.87	266.76
2732.58	2465.81	2254.07	2141.16	2069.19	1923.59	1552.83	500.88	346.31	232.54	153.17
3075.53	2808.76	2597.02	2484.11	2412.14	2266.54	1895.78	767.88	613.19	499.41	419.93
254.51	224.47	78.58	106.75	345.25	43.62	52.16	211.06	194.19	206.20	168.78
0.08 : 1	0.08:1	0.03:1	0.04:1	0.14:1	0.02:1	0.03:1	0.27:1	0.32:1	0.41:1	0.40:1
89.68	81.90	75.73	72.43	70.33	66.09	55.28	28.76	22.97	18.70	15.73
1774.71	1667.17	1447.36	1399.42	1376.20	1374.66	1209.60	646.43	585.08	501.84	476.67
304.46	242.51	186.08	156.98	148.77	126.14	102.95	86.85	71.96	58.20	49.84
3429500	3429500	3429500	3429500	3429500	3429500	3429500	2670000	2670000	2668750	2667650

The company has rewarded its shareholders with regular dividends year on year.

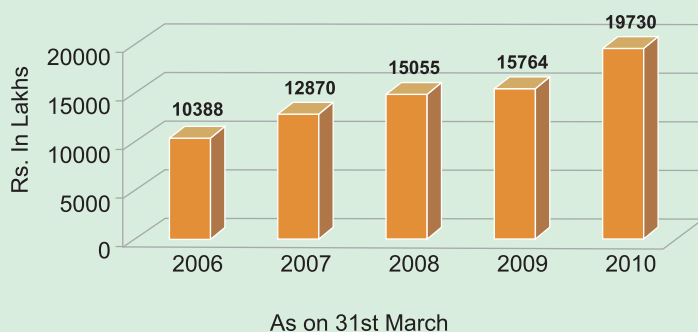
History of dividend yield

Financial Year	Dividend Yield %	Equity Dividend (Rs Cr.)
1991	4.5	0.4
1992	1.1	0.5
1993	4.6	0.7
1994	2.0	0.8
1995	2.8	1.1
1996	4.1	1.4
1997	7.1	1.0
1998	7.8	0.7
1999	11.2	0.7
2000	8.2	0.8

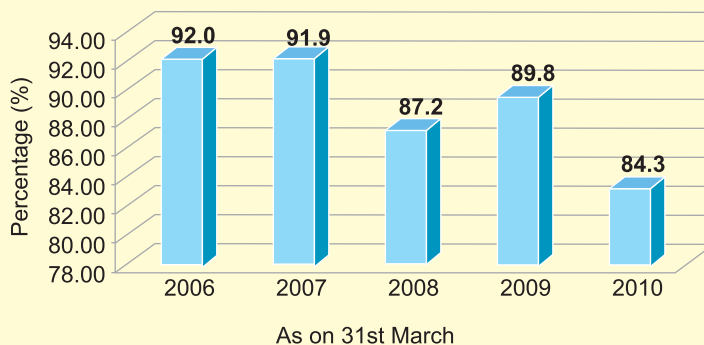
Financial Year	Dividend Yield %	Equity Dividend (Rs Cr.)
2001	9.7	1.0
2002	14.7	1.2
2003	11.5	1.2
2004	6.2	2.4
2005	6.2	2.4
2006	4.2	3.2
2007	5.0	3.6
2008	6.1	4.8
2009	9.3	4.8
2010	3.3	5.6

GRAPHICAL PRESENTATION

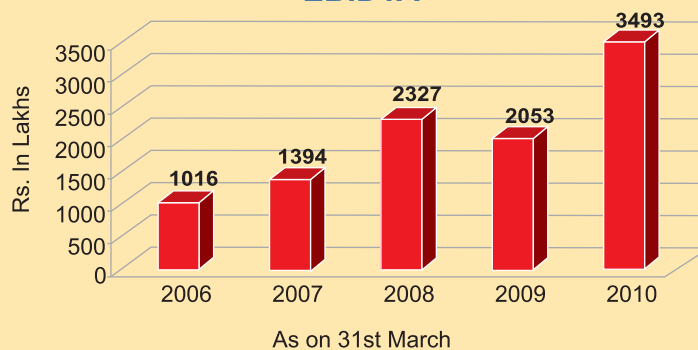
Sales and Other Income



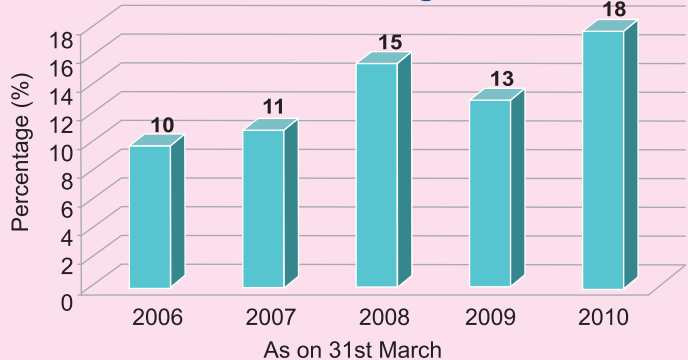
Expenditure as % of Sales & Other Income

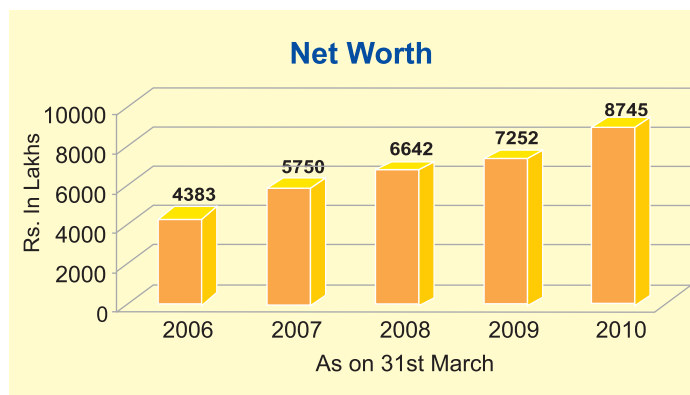
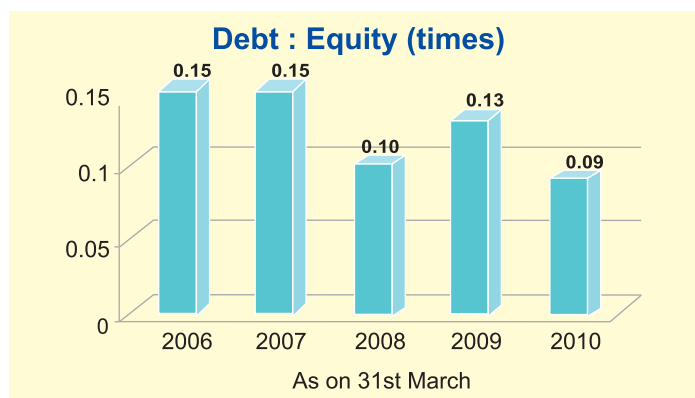
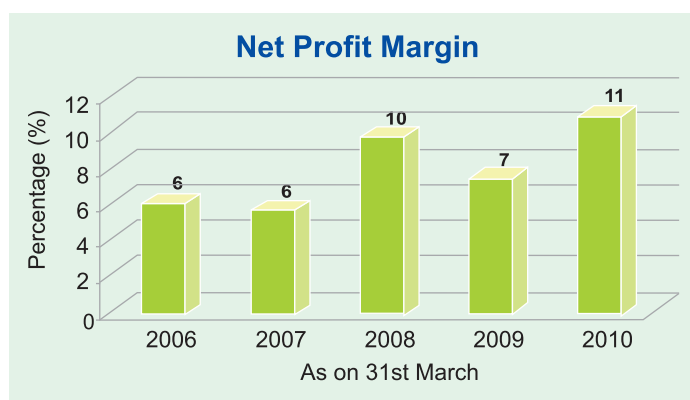
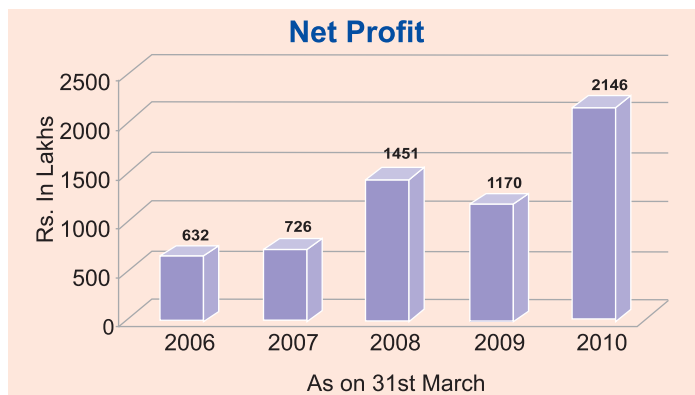


EBIDTA



EBIDTA Margin





SUCCESS DRIVERS

The Vice Chairman & Managing Director Shri S. N. Kabra and Technical Director, Shri Anand Kabra, share their views on the growth prospects of the Company in a freewheeling interview.

Q. Where do you see growth emanating for your company in the future?

A. Since ours is an industry where demand is dependent on the use of various plastic products, the increase in demand for these products is expected to drive our future growth. Broadly, we manufacture machines for the production of plastic pipes and films. Plastic Pipes are finding applications across industries such as irrigation, construction, telecom and urban sanitation etc. With the boom in real estate and the government's focus on irrigation and infrastructure developments in a big way the consumption level of PVC Pipes will go up substantially as it has features such as longevity, flexibility and cost effectiveness. Films are finding increasing use in food and liquid packaging with increased urbanization and healthcare requirements.

Our growth again, is not restricted to India, but the global demand and superiority of plastic products enhances the scope of our business. Made in India plastic extrusion machinery are available at competitive rates and hence in great demand.

Q. What distinguishes your offerings in the Indian and the International markets? How do you propose to tackle competition?

A. KET provides more economical plants and an optimal output for our customers. KET is ahead of the competition both in terms of technology as well as costs due to our foreign collaboration and complete knowledge of our customer requirements. Being in constant touch with our customers to understand their requirements, we remain a step ahead of competition with our innovative and customer centric approach. Our technology matches the highest international standards and the strong after sales support results in a win-win situation for both, our clients and us.

Q. How do you see the revenue model shaping up in the near future in terms of domestic sales and exports?

A. While India continues to be our core focus segment; we see substantial potential in our existing foreign markets such as in the Middle East and in African countries. In the future, we intend to improve our market share in the Latin American, South East Asian and CIS Countries, all of which have huge potential. Marketing efforts are already underway and we hope to start reaping benefits of the same soon. That apart, in terms of nature of the products, we continue to witness good growth in both the pipes and films extrusion segments. **At present 40% of our revenues are from exports.**

Q. What is the company's marketing strategy?

A. Our company is well known for its know how and understanding of the pulse of the market in which it operates. We are constantly in touch with our clients to understand their needs and make customized machines to suit their increasing needs. It is a constant endeavour to provide innovative and advanced technologies for the existing line of products that we offer. Further, we participate in industry fairs to showcase our products and meet as many prospective clients as possible.

Q. The industry in which you operate is plagued by the unorganized segment and so how do you differentiate yourself?

A. While it is true that the unorganized segment caters to requirements of many small processing companies, it must be noted that Extrusion Machinery is a very crucial equipment. Our machinery determines the quality of the final output of our clients and they typically do not prefer experimenting with different suppliers once they are satisfied with a supplier. Not only that, our machines also result in enhancing the productivity of the output in terms of lower power and control wastage.

We have many firsts to our credit and over the years, we have developed third and fourth generation machines, thereby increasing the output and reducing power consumption for our clients which impacts their business positively. Further, we are capable of investing in newer technology along with R&D units and laboratory facilities for technological upgradations which the unorganized players would find difficult to replicate.

Thus our long standing experience in the industry, our technical collaborations and domain expertise of the markets we cater to is what we believe differentiates us. Notably, over 70 % of our business is repeat business and that underlines the brand loyalty that we enjoy amongst our customers.

Q. What is the USP of your company's business model ?

A. Our prompt After Sale Customer Service is the most unique feature of our business offerings. This, coupled by an indigenous know-how through our own R&D has helped us introduce new products on a consistent basis catering to our customer's requirements.

Also, our Joint Ventures are not just limited to technology transfer. Rather, our role is more that of a partner. While they give us the technology, we bring in the know how as to which technology is suitable for varied customer markets. We adapt foreign technologies to the Indian and the International Markets. We provide the optimum solution at the best price without compromising on the quality of the core machine. In simple words, one can say that we customise machines to our market, while the core machine remains the same. These are always going to be customer-centric machines and the expertise to deliver the same, provides us with the cutting edge.

Q. Kindly elaborate on the quality policy of the company.

A. Quality control, consistency and upgradation are an integral aspect of KET's growth strategy and our efforts are to supply zero defect machinery. We have undertaken several TQM initiatives and are ISO 9001 certified by TUV Bayern, Germany which enables us to meet international standards.

Q. Plastic is increasingly seen as an environmentally hazardous material. What is your view on the same ?

A. While the industry has been facing resistance from environmentalists, plastic is indisputably one of the most indispensable materials today and forms a very intricate part of everyone's lifestyle. We believe that the solution lies in improving plastic disposal habits. Several initiatives have been taken by us along with our industry participants to create awareness and educate people on the correct way to dispose plastic so as to minimize environmental hazards. India has a strong structure in place with recycling facilities and with greater awareness we are confident of the environmental risk being mitigated.

THE LEGACY OF INNOVATION

A glimpse of the many 'firsts' that KET has introduced in the plastic extrusion industry in India.

Sr. No	Year	First Development / Innovation
1	1970	Torque Motor Bobbin Winder for tapes
2	1973	Nylon Monofilament Plant
3	1974	PP Tape plant
4	1976	PPTQ Film plant
5	1976	PP composite plant for Tape, Monofilament, Box Strapping
6	1976	75 mm HDPE Monofilament plant 200 stands, 60 kgs/hr
7	1980	Two layer film plant with rotating die
8	1980	HM-HDPE blown film plant with rotating die
9	1981	High speed bag makers with bottom sealing and side sealing
10	1983	Agglomerator for LDPE/HDPE film
11	1984	PP/HDPE Silt film plant with "T" die system
12	1984	Continuous Screen Changer
13	1985	Nylon Box Strapping Plant
14	1986	90-mm Twin Screw RPVC pipe plant for output 450 kgs/hr
15	1986	LLDPE Blown Film Plant with stationary and rotating die
16	1987	Twin die PVC pipe plant
17	1987	3-layer film plant with rotating die
18	1989	Twin Screw ABS compounding plant
19	1989	High output PP Blown film plant with rotating die
20	1989	120 mm ABS Palletizing plant
21	1989	Vest type Bag maker with bunching
22	1989	107-Twin Screw RPVC pipe plant output 600 kgs /hr
23	1990	Polyurethane Tube plant
24	1991	Twin screw LDPE/HDPE/PP compounding plant with L/D 29:1
25	1992	55 mm 3 layer plant with output 140 kgs /hr
26	1992	Double wall corrugated pipe plant
27	1992	High speed extrusion coating plant for paper etc.
28	1992	120 mm HPDE pipe plant for pipe diameter 400 mm
29	1993	Waste washing and Recycling line
30	1993	Cascade 2 stage extruder 150 mm /120 mm
31	1993	150 mm dia Extruder with L/D 30:1
32	1995	120 mm HDPE pipe plant for pipe diameter 630 mm, output 500 Kgs/hr
33	1996	60/75- High output PE pipe lines

34	1996	High output HDPE pipe plant with 45mm extruder, L/D 30:1, output upto 140 kgs/hr
35	1998	65 mm Twin Screw pipe plant for output of 250 kgs/hr
36	1999	90 mm Twin Screw pipe plant for output of 550 kgs/hr
37	2000	PE / Silicon Co-Ex Telecom pipe
38	2000	Next Generation PE / Silicon Co-Ex Telecom pipe for output of 450 kgs/hr with Battenfeld technology
39	2000	Next Generation PP/HDPE Tape plant with Computer control
40	2001	Next Generation BEX-2-52-25V RPVC pipe plant for output of 170 kgs/hr
41	2001	Next Generation 45mm / 30: 1 Co-Ex HDPE pipe plant with Disc Calibration system for Telecom ducts
42	2001	Next Generation BEX-2-68-28V/3 RPVC pipe plant for output of 350 kgs/hr
43	2002	India's FIRST fully Automatic winder to produce Ready Marketable Rolls for Multilayer Films. Designed to handle all types of films including thin and tacky films. Wound roll diameter up to 1000mm /700 kg
44	2003	Next Generation BEX-2-92-28V RPVC pipe & palletizing plant with output 700kg/hr. Higher L/D ratio ensures higher extruder throughput. Uniform and superior dispersion of fillers and additive. Better return on investments.
45	2003	State-of-the-art tape stretching line for processing PP/HDPE materials for multiple applications like woven sacks, tarpaulin, etc.
46	2004	Kolsite Three-Layer Film plant with IBC Technology - output 350kg/hr. IBC technology ensures to produce multilayer films at much higher output levels with excellent functional and optical quality with optimum thickness randomization
47	2005	Kolsite battenfeld Next Generation 60 mm single screw extrusion line for production of PP-R pipes Higher L/D ratio of 30D and specially designed barrier screw offer higher output and good melt quality
48	2005	Co-ex Diehead for outer layer in PP-R pipe extrusion
49	2005	Kolsite Battenfeld 90mm single screw extrusion line for production of HDPE pipe with maximum output of 700 Kgs/hr
50	2006	Kolsite Battenfeld BEX-2-110-28V PVC Pipe extrusion line with maximum output of 950 kgs/hr
51	2006	Triple walled PVC Foamcore pipe Diehead to produce three layer PVC pipe with Foamcare The Die Head can be retrofitted along with a Co-extruder to produce three layer RPVC Foam Core pipe
52	2007	Advanced 65 mm HM-HDPE Monolayer Blown film plant with horizontal gauge randomizing system with 360 degree oscillation for HM-HDPE Film Capability of high output of 130-140kgs / hr. in HM film(1000mmx10mm)
53	2007	PVC Pipe extruder BEX-2-110-28V/4 with Double Spider Die Head RD 3 with output of 1 tonne/hr(950-1050 kgs/hr)
54	2008	Innovative Bimetallic Screws for enhanced extrusion performance
55	2009	120mm HDPE Pipe plant extruding 1000 mm OD pipe . Output: 1100-1200kgs /hr
56	2009	BEX-2-135-28 V/4 PVC pipe plant extruding Twin PVC pipes. Output:1300-1500 kgs/hr
57	2010	Kolsite Battenfeld 60 mm Inline Drip Irrigation Tubing Plant-75Mt/Min

DIRECTORS' REPORT

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

Your Directors are pleased to present the **TWENTY-SEVENTH ANNUAL REPORT** and the **AUDITED STATEMENT OF ACCOUNTS** for the year ended 31st March, 2010.

1. FINANCIAL RESULTS:

	(Rs. in Lacs)
PARTICULARS	
	2009-2010 (Current Year)
	2008-2009 (Previous Year)
Sales Turnover and Other Income	19730.48
Gross Profit before Interest & Depreciation	3493.15
Less: Interest	71.41
Depreciation	338.95
Profit Before Tax	3082.79
Less : Provision for Taxation	900.00
Provision for Deferred Tax Liabilities	36.42
Net Profit After Tax & Deferred Tax	2146.37
Balance b/f from previous year	3450.74
Amount available for appropriation	5597.11
APPROPRIATIONS	
Transferred to General Reserves	1400.00
Provision for Proposed Dividend	558.29
Provision for Tax on Proposed Dividend	94.88
Surplus balance carried to Balance Sheet	3543.94
	5597.11

2. DIVIDEND :

Your Directors are pleased to recommend a dividend of **Rs. 3.50** per share of Rs.5/- each for the year ended 31st March, 2010 (Rs. 6.00 per share of Rs. 10/- each for the previous year) subject to the members' approval.

3. OPERATION AND OUTLOOK :

The Company has achieved the Operational and Other Income for the year under review at **Rs. 19730.48 lacs** as against the previous years' Operational and Other income of Rs.15763.61 lacs an increase of **25.16%**. The profit before tax amounts to **Rs. 3082.79 lacs** against the previous years' profit of Rs. 1607.60 lacs an increase of **91.76%**. Net Profit of the Company after tax, deferred tax and tax provision of earlier year amounts to **Rs. 2146.37 lacs** as against Rs. 1169.88 lacs of the previous year an increase of **83.47%**.

4. EXPORTS :

Exports during the year is **Rs. 78.44 crores**, as against previous years' export of Rs. 57.53 crores an increase of **36.35%** and is **40.27%** of total sales turnover.

5. DIRECTORS:

In accordance with the Articles of Association of the Company and in view of provisions of Section 255 of the Companies Act, 1956, Shri Mahaveer Prasad Taparia and Shri Yagnesh B. Desai, Directors of the Company are retiring by rotation at the ensuing Annual General Meeting and being eligible, seek their re-appointment.

6. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that :

- (i) in the preparation of annual accounts for the year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) they have selected such appropriate accounting policies and applied them consistently, and made judgements and estimates that were reasonable and prudent so as to give the true and fair view of the state of affairs of the Company as at 31st March, 2010, and of the profits of the Company for the said financial year;

- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the said accounts on a "going concern basis".

7. STOCK-SPLIT :

Members of the Company at an Extra-Ordinary General Meeting held on 5th May, 2010 have approved the Stock Split i.e. sub-division of each fully paid equity share of face value of Rs. 10/- into two equity shares of face value of Rs. 5/- each and accordingly the Authorised Share Capital of Rs. 10,00,00,000/- (Rupees Ten Crores) divided into 10000000 (One Crore) Equity Shares of Rs. 10/- each have been divided into 20000000 (Two Crores) Equity Shares of Rs. 5/- each and existing 7975580 fully paid equity shares of Rs. 10/- each comprising the Issued, Subscribed and Paid-up Equity Share Capital of the Company have been divided into 15951160 fully paid equity shares of Rs. 5/- each.

National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL), the Depositories have assigned **New ISIN : INE900B01029** for fully paid equity shares of Rs. 5/- each.

Record Date for the purpose was fixed on 18th May, 2010. New Shares were credited into the account of beneficiaries in case of shares held in demat form on 19th May, 2010. New Share Certificates were posted to those shareholders holding shares in physical mode. Existing certificates in relation to fully paid equity shares of the face value of Rs. 10/- each accordingly stands cancelled and of no effect from the said record date.

Consequent to stock-split, Clause V of Memorandum of Association and Article 3 of the Articles of Association of the Company also have been altered suitably to reflect the sub-division.

8. AUDITORS :

The Auditors M/s. A. G. Ogale & Co., Chartered Accountants, retire at the ensuing Annual General Meeting (AGM). However, they have not offered themselves for re-appointment at the said AGM.

In view of Special Notice received from a Member under Section 225(1) of the Companies Act, 1956 (the Act) and as recommended by the Audit Committee, it is proposed to appoint Messrs. Kirtane & Pandit, Chartered Accountants as the Statutory Auditors in place of retiring Auditors.

Messrs. Kirtane & Pandit, a renowned firm of Chartered Accountants has 16 Partners and conduct audit of many reputed companies, banks and have specialized knowledge in audit, taxation and other corporate matters.

They have furnished a certificate of their eligibility for appointment u/s.224 (1-B) of the Act. They are not disqualified in any manner in terms of Section 226(3) of the Act. The Shareholders are requested to consider their appointment in place of retiring auditors. The Board of Directors place on its record, the contribution made and support extended from time to time by the retiring Auditors.

9. LISTING FEES :

The Company confirms that the Annual Listing Fees due to Bombay Stock Exchange Ltd., Mumbai and National Stock Exchange of India Ltd., Mumbai for the financial year 2010-11 have been paid.

10. CORPORATE GOVERNANCE :

A separate section on Corporate Governance is included in this Annual Report as required under Listing Agreement.

11. EMPLOYEES RELATIONS :

Employees relations continued to be cordial throughout the year. The Directors appreciate the efforts put in by the employees at all the levels. As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, Shri S. V. Kabra, Chairman & Managing Director is the sole employee covered in the statement given hereunder as **ANNEXURE A**.

12. 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**.

13. ACKNOWLEDGEMENT :

Your Directors would like to express their appreciation for the assistance and co-operation received from the Shareholders, Bankers, Government Authorities, Stock Exchanges, Customers, 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

S. V. Kabra

Chairman & Managing Director

Place : Mumbai

Date : 26th May, 2010

ANNEXURES TO DIRECTORS' REPORT

ANNEXURE 'A'

Statement pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, for the year ended 31st March, 2010 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	Age (years)	Qualifications	Designation	Date of Joining	Experience (years)	Gross Rem. (Rs)	Last employment
S. V. Kabra	73	B. A. (Hons)	CMD	01-04-2004	42	42,92,424.00	--

b. Employed for the part of the year under review and were in receipt of remuneration in aggregate of not less than Rs.2,00,000/- p.m.: None.

Notes : 1. Above appointment is contractual; 2. Remuneration includes salary, house rent allowance and other allowances, Company's contribution to Provident Fund, Superannuation Fund, Leave Travel and Medical reimbursement, but excludes contribution to Group Gratuity Scheme; 3. Shri S. V. Kabra is a relative of Shri S. N. Kabra & Shri Anand S. Kabra within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act

ANNEXURE 'B'

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. Conservation of Energy:

- Energy Conservation Measures taken: Continuous efforts are being made by the production team for conservation of energy. Heating time for trials, testing etc. is strictly monitored and certain savings are expected, but total impact of this cannot be measured.
- Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: None.
- Impact of measures at (a) & (b) above, for reduction of energy consumption and consequent impact on the cost of production of goods: With the implementation of measures indicated in (a) above, it is expected that there would be a corresponding favourable impact on the energy cost per unit of production.

B. Technology Absorption:

1. Specific areas in which R & D carried out by the Company :

Following extrusion lines have been developed.

- Up-gradation of lab model 32 mm 36:1 co-rotating twin screw extruder to 32 mm 48:1.
- 1-120-30B6 Extruder + 1000 mm Die + 1400 mm Downstream with ExtruTouch 9010 plus
- 60 mm Inline Drip Irrigation Tubing Plant – 75 Mt / Min
- Twin Conical Extruder DSK-62 + CPVC Die Head RK1.5 plus dies with 110 Downstream
- Monolayer Film Plant 40 HM, 30:1, 60 kg/hr for ultra-thin HM film
- 3 Layer 60/90/60, 2200 mm Nip Film Plant with IBC & ExtruTouch 9010 plus.

2. **Benefits derived as a result of the above R & D :** Product range of the Company has been widened and the customers benefited by unique advantages of highest out-put per unit power consumption, lowest investment with regards to output, space saving by compact design, control by automation / electronic device and ease of operation.

3. **Future plan of action :** Your Company is making continuous effort to develop wide range of extrusion lines.

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

5. Technology imported during the last 5 years :

Technology Imported	Imported From	Year of Import	Status
Manufacture of Pipe Extrusion, Profile Extruders, Film & Sheet Extrusion and Planetary Roller Extruders.	M/s. Battenfeld Extrusionstechnik GmbH, Germany	2006	Valid for 10 years from April, 2006
Manufacture of Pipe & Profile Extruders, Tooling of Extrusion lines for siding, fencing and decking including composite system	M/s. American Maplan Corporation, USA.	2006	

C. Foreign Exchange Earnings and Outgo:

	2009-2010 (Rs. in Lacs)	2008-2009 (Rs. in Lacs)
Foreign Exchange Earned	7785.54	5585.55
Foreign Exchange Used	256.47	348.33

Place : Mumbai
Date : 26th May, 2010

For and on behalf of the Board
S. V. Kabra
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND ITS DEVELOPMENTS :

The Company is engaged in capital goods sector, manufacturing Plastic Extrusion Machinery, specialising in manufacture of plants to produce a wide range of Plastic Pipes i.e. PVC, HDPE, LDPE, PP, Composite Pipes etc. PVC pipes sector has almost 40% share of total PVC resin business. Pipe extrusion machinery is the largest market and the Company has about 65% share in this segment. The extrusion machinery industry, being linked to plastic consumption, has significant growth potential.

PVC pipes consumption has been recording high double digit volume growth. Traditionally, pipes were used in agriculture and irrigation but are now increasingly used for drinking water and sewage applications. The boom in housing, construction and infrastructure sectors would ensure growth momentum for PVC pipes.

HDPE pipes segment is an upcoming growth area with applications in telecom ducting, water supply, irrigation, fuel gas distribution, etc. The company has been manufacturing hi-tech HDPE pipe plants which has significant growth potential in India. Flexible packaging industry has been growing with focus on Multi-Layer Blown Films (MLF). Applications in lamination, milk and edible oil packing currently contribute 85% of the total market and the boom in organized retailing coupled with rural market penetration is fuelling the demand for MLF.

2. OPPORTUNITIES AND THREATS :

Recognising Company's capabilities in building global products at competitive costs, the range of plants being exported is steadily increasing.

Your Company has been awarded with certificate of Export Excellence by the Engineering Export Promotion Council, India for seventh time from financial year 1995-96. As recognition of sustained and excellent export performance, Government of India has accorded "**STAR EXPORT HOUSE**" status to the Company. Exports of the Company during the year under review were **Rs. 78.44** Crores which is about 40.27% of the Annual Sales Turnover.

Technological obsolescence, market conditions, growing competition including imports are considered to be the threats.

3. SEGMENT-WISE PERFORMANCE :

Your Company is operating only in one segment i.e. Plastic Extrusion Machinery and Allied Equipments.

4. OUTLOOK :

Your Company's business being global in nature, the outlook for margins and profitability also depends upon overall global economic outlook and demand supply scenario.

The Company's in-house R&D having decades of engineering experience and advanced designing software has enabled it to regularly introduce latest products.

The continuous inflow of latest technology is available from the technical collaborator Battenfeld Extrusionstechnik GmbH, Germany and American Maplan Corporation, USA for manufacturing wider range of extrusion lines. In-house R&D with their support and engineering experience has upgraded and expanded wide range of extrusion lines during the financial year 2009-10.

Customer relationship is very strong resulting into nearly cent percent repeat business. At the same time, there is no excessive dependence on any single customer.

India has the potential to become a sourcing base for machinery, critical components, R&D services and after sales services for global plastic machinery industry and the Company is well placed to capitalize on such opportunity.

Considering its leadership, large potential in domestic as well as export markets and continuous technological innovation, the Company is confident of recording an even better performance going forward.

5. RISKS AND CONCERNS :

Technology obsolescence, market conditions, growing competition including imports are major risks perceived by the Company that may have adverse effect on Company's business and its margin in future.

The Company participates in national and international exhibitions to showcase the technological innovations of the Company and it has benefited the company to get better market recognition and improve market share globally.

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

Being aware of risks and in order to mitigate the same, the Company has focused on innovation of new models of plants, adherence to stringent quality standards, increasing market share globally and maintain competitive cost structure.

The Company strives to adapt and respond to the technological advances offered by the competitors and the technological requirements of the customers to maintain its competitive position.

Significant source of strength for your Company has been its business culture that recognises technology driven innovation as the best foundation for a sustainable business. This recognition and the consequent commitments, has contributed to discover, develop, design and deliver the Company's plant, which are clearly differentiated from its competitors and its process, that consistently deliver more with less expenditure to win customers confidence.

The Company continuously focuses on safety of environment and is increasing its awareness amongst the employees of the Company. Measures are being taken continuously to control cost on all fronts.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

Management feels that the internal controls in place are sufficient considering the complexity, size and nature of operations of the Company. Internal Audit Team consists of well experienced Members, who constantly reviews various aspects of control systems and conducts audit under well laid out audit programmes to ensure effectiveness of the controls. The said internal audit team continuously reviews the control system and undertakes audit of special areas in-depth.

7. FINANCIAL & OPERATIONAL PERFORMANCE :

Sr. No.	Particulars	2009-2010 (Rs.in lacs)	2008-2009 (Rs.in lacs)	% Changes
1.	Income from Operations (Net of Excise)	19480.58	15349.93	26.91
2.	Other Income	249.90	413.68	(39.59)
3.	Net Profit after Interest, Depreciation, Tax and Deferred Tax	2146.38	1169.88	83.47

Your Company has a low debt equity ratio and is well placed to take care of its borrowings made by way of credit facilities and term loan.

The Company's credit terms and recovery mechanism are effective enough to check the financial defaults by any of the customers. No financial defaults of whatsoever nature were reported during the year under review.

8. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :

Industrial relations during the year were cordial and peaceful without any disruption of manufacturing activities. Programmes and conferences aiming at leadership development and know-how upgradation with advancing technology on all fronts were conducted during the year.

Manpower as on 31st March, 2010 including Workers, Staffs and Executives : 340

9. CAUTIONARY STATEMENT :

Actual performance may differ from projections made, as the Company's operations are subject to various economic conditions, government regulations and other incidental factors.

For and on behalf of the Board

Place : Mumbai

Date : 26th May, 2010

S. V. Kabra

Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

A compliance report on Corporate Governance is included in this Annual Report as required by Clause – 49 of the Listing Agreement with the Stock Exchange.

1. Company's Philosophy on Code of Governance :

The basic philosophy of Corporate Governance of the Company is to achieve business excellence and dedicate itself to increasing long-term shareholders value, keeping in view the need and interest of all its stakeholders' viz. customers, shareholders, employees, regulatory bodies, vendors, bankers etc.

2. Board of Directors :

• Composition and size of the Board :

The present strength of the Board is Seven (7) Directors. The Board comprises of three (3) Executive and Four (4) Non-Executive Directors representing the optimum combination of professionalism, knowledge and business experience. The members of the Board are acknowledged as leading industrialist and professionals in their respective fields. The Board is headed by Shri S.V. Kabra, Executive Chairman.

The Non-Executive Directors bring independent judgement in the Board's deliberations and decisions and constitute more than half of the total number of Directors.

• Board Meeting and Attendance :

Four (4) Board Meetings were held during the financial year 2009-10 on 26th May, 2009, 28th July, 2009, 28th October, 2009 and 30th January, 2010.

The information as required under Annexure I to Clause 49 of the Listing Agreement was made available to the Board.

Details of Composition, Status, Attendance at the Board Meetings and the Last Annual General Meeting, Number of other directorship and other committee position held :

Sr. No.	Name of the Director	Position / Status	Attendance at		As on 31 st March, 2010		
			Board Meeting	Last AGM held on 06/08/09	Number of External Directorship held #	Number of Membership / Chairmanship in Board Committee across all the Company	
						Member	Chairman
1.	Shri S. V. Kabra \$	Executive Not Independent	04	Yes	06	02	-
2.	Shri S. N. Kabra \$	Executive Not Independent	04	Yes	06	-	-
3.	Shri A.S. Kabra €	Executive Not Independent	03	Yes	05	-	-
4.	Shri H. S. Sanwal	Non-Executive Independent	04	Yes	07	-	04 *
5.	Shri M. P. Taparia	Non-Executive Independent	04	Yes	09	01	
6.	Shri Y.B. Desai	Non-Executive Independent	04	Yes	02	03	1
7.	Shri N.C. Chauhan	Non-Executive Independent	04	Yes	03	01	-

\$ Shri S. V. Kabra and Shri S. N. Kabra are Promoters and are relatives within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

€ Shri A.S. Kabra is a relative of Shri S.V. Kabra within the meaning of Section 6 of the Companies Act, 1956 and Schedule 1-A appended to the said Act.

Includes directorship held in Private Limited Companies and Companies formed under Section 25 of the Companies Act, 1956.

* A Committee Member holding Chairmanship of the Audit & Shareholders' Grievance Committee

None of the Director on the Board is a Member on more than ten (10) committees and a Chairman of more than five (5) committees across all the Companies in which they are Directors and the necessary disclosures in this regard have been made by them.

3. Audit Committee :

Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified for Audit Committee under Clause 49 of the Listing Agreement as amended:

- Overseeing of the Company's financial reporting process and disclosure of financial information and financial/risk management policies.
- Review of Quarterly and Annual Financial Statements ensuring compliance with regulatory guidelines before submission to the Board of Directors.
- Review of the adequacy of Internal Control Systems and discussion on significant Internal Audit findings including internal control and weakness, if any.
- Recommend appointment, removal of statutory auditors & payment of fees to them.
- Review Management Discussion & Analysis of financial condition and results of operation.
- Review areas of operation of internal audit team & their performance.
- Review the Statement of significant related party transaction.
- Review and approve appointment of CFO ie whole time finance director or any other person heading and discharge the finance function

Committee Composition :

The Committee comprise of three (3) Directors who are eminent professionals having expertise knowledge in the field of Finance, Accounts, Corporate Law and Business Management.

Name of Members	Status	Qualification	Position in Committee	Meetings Attended
Shri H. S. Sanwal	Non-Executive Independent	M.Com, L.L.M., F.C.S., F.C.I.S. (London), F.C.C.S. (London)	Chairman	04
Shri Y. B. Desai	Non-Executive Independent	B.A.(Hons), CAIIB	Member	04
Shri N. C. Chauhan	Non-Executive Independent	B.Com (Hons), L.L.B., CAIIB.	Member	04

Meeting and Attendance:

- The Audit Committee meetings were held four (4) times during the financial year 2009-10 on 26th May, 2009, 28th July, 2009, 28th October, 2009 and 30th January, 2010.
- The Chairman of the Audit Committee Shri H. S. Sanwal, was present at the Annual General Meeting held on 6th August, 2009 to answer the Shareholders' Queries.
- Quorum of the Committee is two (2) Independent Directors as Members.
- The internal auditor, head of finance and statutory auditors are permanent invitees at the meeting. The Company Secretary acts as a Secretary to the Committee.
- Minutes of each Audit Committee Meeting are placed before and discussed in the Board Meeting held subsequently.

4. Remuneration Committee, Policy and Details of remuneration to all the Directors :

Non-Executive Directors were paid sitting fees of Rs.10,000/- for each meeting of the Board, Audit Committee and Shareholders'/ Investors' Grievances Committee thereof attended by them during the financial year 2009-2010.

Non-Executive Directors were not paid any remuneration except sitting fees. The Company has no Stock Option Scheme for any of its Directors. In view of above, the Board has not felt the need for a separate Remuneration Committee.

Remuneration paid to Shri S. V. Kabra, Shri S. N. Kabra, Managing Directors and Shri A. S. Kabra, Technical Director are as under:

Name of the Director	Basic Salary	Contribution to P.F. & F.P.F.	Other Perquisites	Total
Shri S. V. Kabra	24,00,000	2,94,492	15,97,932	42,92,424
Shri S. N. Kabra	9,00,000	1,14,492	6,12,046	16,26,538
Shri A. S. Kabra	9,00,000	1,14,492	5,85,000	15,99,492
Total	42,00,000	5,23,476	27,94,978	75,18,454

5. Shareholders'/Investors' Grievance Committee :

Shareholders'/ Investors' Grievance Committee, specifically looks into redressing of Shareholders' and Investors' Complaints regarding transfer of shares, non-receipt of Dividend warrants and Annual Reports.

Name of the Non-Executive Director heading the Committee : Shri Haridas S. Sanwal

Name and Designation of the Compliance Officer dealing with grievance of shareholders & investors : Shri Y. D. Sanghavi

Nature & Status of Shareholders Correspondence:

The Company has received 63 letters during the period from 1st April, 2009 to 31st March, 2010 as described herein below :

Sr. No.	Nature of Correspondence	Received	Disposed
1.	Non-receipt of dividend warrants already posted / Revalidation of Dividend Warrants	33	33
2.	SEBI & Stock Exchange Letters	01	01
3.	Change of Address	14	14
4.	Change , noting, cancellation of Bank Mandate	04	04
5.	Noting Stop Transfer	05	05
6.	Transmission / Name Deletion	04	04
7.	Non-receipt of Transferred Shares & Others	02	02
	Total	63	63

Your Company is making all attempts to ensure that grievances are expeditiously redressed to the full satisfaction of the Shareholders. All valid share transfers have been processed in time and as on date no complaint of any of the above matter is pending, except the disputed cases.

6. General Body Meetings :

Particulars of the venue and time where last three (3) Annual General Meeting were held:

Financial Year Ended	AGM Date	Venue	Time
31-03-2007	17-08-2007	Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058	2:30 P. M.
31-03-2008	15-07-2008	- do -	2:00 P. M.
31-03-2009	06-08-2009	- do -	2:00 P. M.

Postal Ballot:

- No resolution was passed through postal ballot under the provision of Section 192A of the Companies Act, 1956, and the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.
- At the ensuing Annual General Meeting also, no resolution is proposed to be passed through postal ballot.
- The postal ballot exercise shall be conducted from time to time in terms of the provisions referred above in respect of matters where applicable.

7. Disclosures :

- The Company do enter into transactions with concerns in which some of the Directors of the Company are deemed to be concerned / interested. However, these transactions are in the ordinary course of the Company's business. Directors have regularly made full disclosures to the Board of Directors regarding the nature of their interest in such concerns. Full particulars of the contract entered with such concerns in which Directors are directly or indirectly concerned or interested are recorded in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Meeting of Directors, for the noting and approval by the Board.

Particulars of the Related Party Transactions have been disclosed in Note No.13 of the accounts.

- (ii) Details of non-compliance by the Company, Penalties/Strictures imposed on the Company by Stock Exchange(s) or Securities Exchange Board of India (SEBI) or any other statutory authority or any matters related to Capital Markets.

There are no penalties or strictures imposed on the company by the Stock Exchanges or SEBI or any statutory authorities relating to the above.

There were no instances of non-compliance of any matter related to the capital market during the last three (3) years.

8. Means of Communication :

- Half yearly results are not sent to each shareholder as the same are published in leading English & Marathi newspapers.
- Quarterly, Half Yearly and Annual Financial Results of the Company are sent to the Stock Exchange immediately after they have been approved by the Board. These Results are published in the prominent newspapers viz. The Economic Times (English) & Maharashtra Times (Marathi) respectively.
- As per the requirement of Clause 52 of the Listing Agreement, all the data related to Quarterly, Annual Financial Results, Shareholding Pattern etc. are uploaded on www.corpfiling.co.in
- Management Discussion and Analysis Report forms the part of the Annual Report.

9. General Shareholders Information:

Annual General Meeting –

Day, Date & Time	: Friday, 6 th August, 2010 at 2.00 pm.
Venue	: Hotel Karl Residency, 36, Lallubhai Park Road, Andheri (West), Mumbai – 400 058
Date of Book Closure	: Tuesday, 3 rd August, 2010 to Friday, 6 th August, 2010 (both days inclusive)
Dividend Payment Date	: On or after 12 th August, 2010, but within the statutory time limit

Reporting of Unaudited / Audited Financial Results : In respect of Financial Year 2010-2011 from 1st April, 2010 to 31st March, 2011

(a) First Quarter Results	: Before 14 th August, 2010
(b) Second Quarter Results with half yearly results	: Before 14 th November, 2010
(c) Third Quarter Results	: Before 14 th February, 2011
(d) Fourth Quarter Results or Audited Results for the year ended 31 st March, 2011.	: Before 15 th May, 2011 or Audited Results by 31 st May, 2011
(e) Annual General Meeting (For the year 2010-2011)	: By July/August, 2011 for the Financial Year ending 31 st March, 2011.

LISTING ON STOCK EXCHANGE

Name	Address	Stock Code
Bombay Stock Exchange Ltd. (BSE)	Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001	524109
National Stock Exchange of India Ltd (NSE)	Exchange Plaza, Plot no. C/1, G- Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	KABRAEXTRU

Annual Listing Fees for the Financial Year 2010-2011 have been paid to the above Stock Exchanges.

The Company has made payment of Custodian Charges for the financial year 2010-2011 to National Securities Depository Ltd., and Central Depository Services (India) Ltd. as mandated by SEBI.

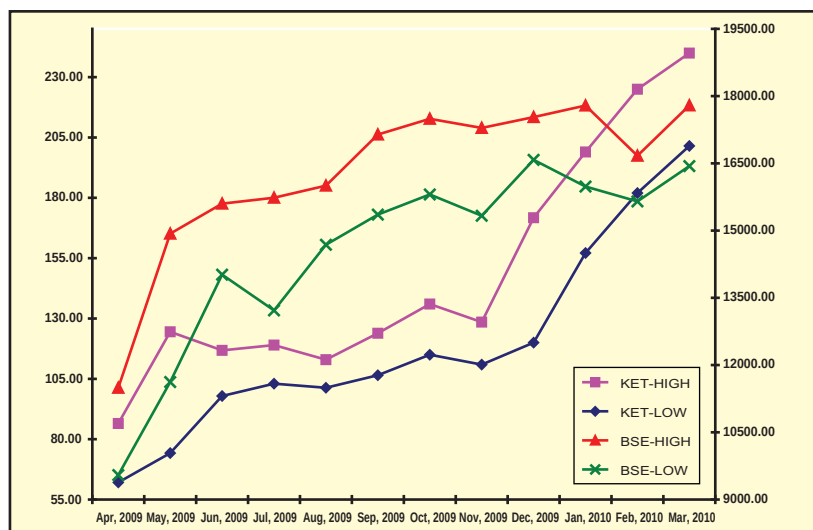
Stock Market Data: Monthly High/Low price of the Equity Shares of the Company during the financial year 2009-2010 with the volume traded.

Month	Bombay Stock Exchange Ltd			National Stock Exchange of India Ltd		
	High (Rs.)	Low (Rs.)	Volume	High (Rs.)	Low (Rs.)	Volume
April, 2009	86.50	62.10	32876	88.00	63.05	10807
May, 2009	124.50	74.25	239591	125.00	70.40	343796
June, 2009	116.80	97.90	50220	122.00	90.00	61010
July, 2009	119.00	103.00	118234	120.00	101.00	174833
August, 2009	112.95	101.30	83289	112.75	102.00	89298
September, 2009	123.90	106.50	338756	124.00	105.00	367630
October, 2009	136.00	115.00	277856	135.70	113.00	366930
November, 2009	128.50	110.90	89980	131.25	109.00	81859
December, 2009	171.75	120.00	430300	172.00	120.05	422897
January, 2010	199.00	157.15	263442	199.50	157.25	214527
February, 2010	225.00	182.00	2064663	226.00	183.00	2139899
March, 2010	239.95	201.50	1010249	239.00	206.00	1245320

Performance of share price of your Company in comparison to BSE Sensex for the Financial Year is presented here in below:

STOCK PERFORMANCE

Share Price / BSE Sensex



Dematerialisation of Shares & Liquidity	Over 82.11% of the equity shares have been dematerialized till 31 st March, 2010
Registrar & Transfer Agent	M/s. Sharepro Services (India) Pvt. Ltd., a SEBI Registered Transfer Agent are attending to all the work related to Share Registry in terms of both Physical and Electronic Mode.
Address of the Transfer Agent	Plot No. 13AB, Samhita Warehousing Complex, Near Sakinaka Telephone Exchange, Sakinaka, Andheri (East), Mumbai - 400072
Tel. Nos. & Email	Tel.: 022-67720300 / 400 Fax.: 022-28591568 / 28508927 Email: sharepro@shareproservices.com
Share Transfer System	Trading in Company's Shares on the Stock Exchange takes place in electronic form. However physical shares lodged for transfer and other related requests are processed by the said Transfer Agent and the same are approved by the Company.

Distribution of Shareholding as on 31st March, 2010:

No. of Equity Shares	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Upto - 500	4318	88.61	648656	8.13
501-1000	284	5.83	231462	2.90
1001-2000	129	2.65	205474	2.58
2001-3000	33	0.68	83974	1.05
3001-4000	24	0.49	86674	1.09
4001-5000	19	0.39	92128	1.16
5001-10000	24	0.49	180652	2.26
10001 & Above	42	0.86	6446560	80.83
TOTAL	4873	100.00	7975580	100.00

Secretarial Audit Report:

Secretarial Audit is carried out every quarter and the report thereon were placed before the Board of Directors and submitted to the Stock Exchanges. The audit interalia confirms that the total listed and paid-up share capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

Shareholding in Physical and Electronic mode as on 31st March, 2010

Mode of Holding	Number of Shareholders	% of Shareholders	Number of Shares	% of Shares
Physical	1042	21.38	1426933	17.89
Electronic	3831	78.62	6548647	82.11
TOTAL	4873	100.00	7975580	100.00

Category of Shareholders as on 31st March, 2010

Sr. No.	Category	No. of Shares held	% of Shareholding
1.	Promoters	4447712	55.77
2.	Public Financial Institutions, Banks & Insurance Companies	1750	0.02
3.	Private Corporate Bodies	167395	2.10
4.	NRIs / OCBs	1244352	15.60
5.	Indian Public & Others	2114371	26.51
	TOTAL	7975580	100.00

Share held by Non-Executive Directors as on 31st March, 2010:

Sr. No.	Name of the Non-Executive Directors	No. of Shares held
1.	Shri H. S. Sanwal	1475

Shri M. P. Taparia, Shri Y. B. Desai and Shri N. C. Chauhan are not holding any Equity Share of the Company.

- Details of use of Public Funds obtained in last three years : No funds have been raised from public in last three (3) years
- Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, its date of conversion and likely impact on Equity : There are no outstanding instruments and hence there will be no dilution of the equity
- Plant Location : Kabra Industrial Estate, Kachigam, Daman – 396210

Information for Shareholders :

Details of Dividends paid & their respective due dates for transfer of unclaimed dividend to Investors Education & Protection Fund are as under:

Date of Declaration	Financial Year	Rate	Transfer to IEPF
1 st August, 2003	2002-2003	35%	September, 2010
30 th July, 2004	2003-2004	35%	August, 2011
30 th August, 2005	2004-2005	35%	September, 2012
11 th August, 2006	2005-2006	40%	September, 2013
17 th August, 2007	2006-2007	45%	September, 2014
15 th July, 2008	2007-2008	60%	August, 2015
6 th August, 2009	2008-2009	60%	September, 2016

Address for Correspondence: Members holding shares in physical form are requested to lodge their application for share transfer, transmission and request for changes, if any, in their addresses, bank account and mandate etc. to M/s. Sharepro Services (India) Pvt. Ltd., Plot No. 13AB, Samhita Warehousing Complex, 2nd Floor, Near Sakinaka Telephone Exchange, Sakinaka, Andheri (East), Mumbai – 400 072, and all the members should write to the Company at Kolsite House, Off. Veera Desai Road, Andheri (West) Mumbai – 400 053 for their query on Annual Report and Dividend.

Designated email id for investors : ket_sd@kolsitegroup.com

Company identification number : L28900MH1982PLC028535 and

New ISIN upon Stock Split : INE900B01029

Declaration on Compliance of the Company's Code of Conduct :

The Company has framed a Code of Conduct for the Members of the Board of Directors and the Senior Management personnels of the Company pursuant to Clause 49 of the Listing Agreement with Stock Exchanges to further strengthen corporate governance practice in the Company. They have affirmed compliance with the said code.

Place : Mumbai

Date : 26th May, 2010

Compliance of Conditions of Corporate Governance

This section of the report together with the information given under Management Discussion and Analysis and brief resume of Directors proposed to be re-appointed constitute a detailed Compliance Report on Corporate Governance.

The Company has complied with mandatory requirements of Corporate Governance. The Board would review implementation of Non-Mandatory requirements.

Auditors' Certificate regarding compliance of conditions of Corporate Governance is annexed to this report.

Place : Mumbai

Date : 26th May, 2010

For and on behalf of the Board

S. V. Kabra

Chairman & Managing Director

For and on behalf of the Board

S. V. Kabra

Chairman & Managing Director

AUDITORS' CERTIFICATE

To, The Members of Kabra Extrusientechnik Limited

We have examined the compliance of conditions of Corporate Governance by Kabra Extrusientechnik Limited, for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer & Shareholders / Investors Grievance Committee. We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR A.G. OGALE & CO.

Chartered Accountants

A.G. OGALE

Partner

Membership No. 034540

Date: 26th May, 2010

Place: Mumbai

AUDITORS' REPORT

To,
The Members,
Kabra Extrusiontechnik Ltd
Mumbai,

We have audited the attached Balance Sheet of Kabra Extrusiontechnik Limited, Mumbai- 400 053 as at 31st March, 2010 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and also Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditor's Report) Order 2003, issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the para 4 & 5 of the said order.
2. Further to our comments in the annexure referred to in para 1 above, we report that,
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the Books of the Company.
 - c. The Balance Sheet and the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
 - d. In our opinion, the Profit & Loss Account and Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the Directors as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and
 - f. In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with notes thereon give the information required under the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) In the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended as on that date.

FOR A.G. OGALE & CO.
Chartered Accountants

A.G. OGALE
Partner
Membership No. 034540

Date: 26th May, 2010
Place: Mumbai

ANNEXURE TO THE AUDITORS' REPORT

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification. In our opinion the frequency of physical verification of fixed Assets is reasonable.
- (c) During the year, the company has not disposed off a major part of the fixed assets.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us the procedures of physical verification of inventory followed by the management are reasonable and adequate, considering the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks & book stocks were not material & the same have been properly dealt with in books of accounts.
- (iii) (a) The company has taken loan from the one party covered in the register maintained under section 301 of the Companies Act, 1956. The amount involved during the year was Rs.2,45,00,000/- and the year-end balance was Rs. NIL. The maximum balance outstanding was Rs. 2,46,19,315/- to a company covered in the register maintained

under section 301 of Companies Act, 1956. The company has granted inter corporate deposit. The amount involved during the year was Rs.4,00,00,000/- and the year-end balance was Rs. 4,00,00,000/-. The maximum balance outstanding was Rs.4,00,00,000/-.

- (b) In our opinion, the rate of interest and other terms and conditions on which loans/inter corporate deposits have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- (d) There is no overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed asset and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5,00,000/- in respect of each party during the year are either been made at prices which are reasonable having regard to prevailing market prices at the relevant time or the prices at which transactions for similar goods or services have been made with other parties or as compared to the prices quoted by others, or such comparisons could not be made since there are no other suppliers of similar items.
- (vi) The Company has not accepted any deposit from the public.
- (vii) In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) The Central Government has not prescribed for maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the company.
- (ix) (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax / VAT, Wealth Tax, Custom Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no arrears of statutory dues which have remained outstanding as at 31st March 2010 for a period of more than six months from the date they became payable.
- (b) As set out in note no. 6(b) of schedule 18, dues of Service Tax & Excise Duty have not been deposited on account of various disputes.
- (x) There are no accumulated losses of the company. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information & explanation given to us, term loans were applied for the purpose for which loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term Investment and vice versa
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us during the period covered by audit report, the company had not issued debentures.
- (xx) The company has not made public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of audit.

FOR A.G. OGALE & CO.
Chartered Accountants

A.G. OGALE
Partner

Membership No. 034540

Date: 26th May, 2010
Place: Mumbai

BALANCE SHEET AS AT 31st MARCH, 2010

	Schedule	As at 31.03.2010 RUPEES	As at 31.03.2009 RUPEES
SOURCES OF FUNDS			
SHARE HOLDER'S FUNDS			
Share Capital	1	7,97,55,800	7,97,55,800
Reserves & Surplus	2	79,47,32,780	64,54,12,480
		87,44,88,580	72,51,68,280
LOAN FUNDS			
Secured Loan	3	8,07,83,064	9,30,73,036
Deferred Tax Liabilities	4	4,21,66,497	3,85,24,230
		99,74,38,141	85,67,65,546
APPLICATIONS OF FUNDS			
Fixed Assets (Gross Block)	5	70,62,29,847	61,09,69,367
Less: Depreciation		22,83,88,968	19,83,79,569
Net Block		47,78,40,879	41,25,89,798
INVESTMENTS	6	45,54,80,345	21,91,55,043
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	41,07,33,191	40,26,49,075
Sundry Debtors	8	10,65,15,848	12,34,86,871
Cash & Bank Balance	9	83,25,393	1,56,33,106
Loans & Advances	10	5,13,65,913	5,15,09,001
		57,69,40,345	59,32,78,053
LESS : CURRENT LIABILITIES & PROVISIONS			
Liabilities	11	35,88,87,935	24,26,82,414
Provisions	12	15,39,35,493	12,55,74,934
		51,28,23,428	36,82,57,348
NET CURRENT ASSETS		6,41,16,917	22,50,20,705
		99,74,38,141	85,67,65,546
NOTES TO ACCOUNTS	18		

The Schedules referred to above and Notes to accounts annexed hereto form an integral part of the Balance Sheet and Profit and Loss Accounts.

As per our report of even date

For and on behalf of the Board

For A.G.OGALE & CO.
Chartered Accountants

S. V. KABRA
(Chairman & Mg. Director)

S. N. KABRA
(Vice Chairman & Mg. Director)

A.G.OGALE
Partner
Membership No. : 34540

A. S. KABRA
(Technical Director)

H. S. SANWAL
(Director)

Y. D. SANGHAVI
(Company Secretary)

M. P. TAPARIA
(Director)

N. C. CHAUHAN
(Director)

Mumbai, 26th May 2010

Mumbai, 26th May 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule	As at 31.03.2010 RUPEES	As at 31.03.2009 RUPEES
INCOME			
Sales & Other Income	13	1,97,30,48,231	1,57,63,61,355
Increase / (Decrease) in stock in progress and Stock of finished goods		(2,29,12,004)	(39,48,727)
		<u>1,95,01,36,227</u>	<u>1,57,24,12,628</u>
EXPENDITURE			
Raw Materials Consumed	14	1,26,68,59,547	1,04,08,72,976
Manufacturing & Other Expenses	15	19,56,35,710	20,00,54,424
Employees Emoluments & Staff welfare	16	13,83,25,283	12,62,09,271
Interest	17	71,41,279	79,34,945
Depreciation	5	3,38,94,633	3,65,80,586
		<u>1,64,18,56,452</u>	<u>1,41,16,52,202</u>
Profit for the year		30,82,79,775	16,07,60,426
Provision for Tax (Current Year)		9,00,00,000	3,70,00,000
Profit after Current Tax		21,82,79,775	12,37,60,426
Provision for Deferred tax -(Liabilities)		(36,42,267)	(67,72,619)
Net Profit after above Tax		21,46,37,508	11,69,87,807
Add: Balance b/f from previous year		34,50,73,881	29,60,72,252
Amount available for appropriation		55,97,11,389	41,30,60,060
APPROPRIATIONS			
Transfer to General Reserve		14,00,00,000	1,20,00,000
Proposed Dividend		5,58,29,060	4,78,53,480
Provision for tax on Dividend		94,88,149	81,32,699
Balance Carried Forward		35,43,94,180	34,50,73,881
		<u>55,97,11,389</u>	<u>41,30,60,060</u>
NOTES TO ACCOUNTS	18		

The Schedules referred to above and Notes to accounts annexed hereto form an integral part of the Balance Sheet and Profit and Loss Accounts.

As per our report of even date

For and on behalf of the Board

For A.G.OGALE & CO.
Chartered Accountants

S. V. KABRA
(Chairman & Mg. Director)

S. N. KABRA
(Vice Chairman & Mg. Director)

A.G.OGALE
Partner
Membership No. : 34540

A. S. KABRA
(Technical Director)

H. S. SANWAL
(Director)

Y. D. SANGHAVI
(Company Secretary)

M. P.TAPARIA
(Director)

N. C. CHAUHAN
Director)

Mumbai, 26th May 2010

Mumbai, 26th May 2010

SCHEDULE FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	As at 31.03.2010 RUPEES	As at 31.03.2009 RUPEES
SCHEDULE - 1 : SHARE CAPITAL		
AUTHORISED :		
Equity Share Capital		
10000000 Equity shares of Rs.10/- each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, subscribed & paid -up 7975580 Equity Shares [of the above shares 3614500 Equity Shares of Rs. 10/- each were allotted as fully paid up bonus shares by capitalisation of Securities Premium Account.] (Refer Note No. 17)	7,97,55,800	7,97,55,800
	7,97,55,800	7,97,55,800
SCHEDULE - 2 : RESERVES & SURPLUS		
a) Capital Reserves	12,69,300	12,69,300
Cash subsidy received from Gujarat State		
b) Capital Redemption Reserves	5,50,000	5,50,000
c) Securities Premium Account	13,85,84,300	13,85,84,300
d) Premium on forfeited shares	35,000	35,000
e) General Reserve	15,99,00,000	14,79,00,000
Add: Transferred during the year	14,00,00,000	1,20,00,000
	29,99,00,000	15,99,00,000
f) Profit & Loss Account	35,43,94,180	34,50,73,880
	79,47,32,780	64,54,12,480
SCHEDULE - 3 : SECURED LOANS		
a) Cash Credit from State Bank of India	3,75,75,332	4,32,24,259
Secured by first charge by hypothecation on entire stock of raw materials, packing materials, stock-in-process, finished goods, book debts and first charge by equitable mortgage by deposit of title deeds of Fixed Assets of the Company situated at Kabra Industrial Estate, Kachigam, Daman.		
b) Term Loan from State Bank of India	4,32,07,731	4,98,48,777
Secured mainly by first charge on the Fixed Assets of the Company including assets acquired out of the term loan.		
	8,07,83,064	9,30,73,036
SCHEDULE - 4 : DEFERRED TAX		
Earlier Year Liabilities	3,85,24,230	3,17,51,611
Add : Current year Liabilities	36,42,267	67,72,619
	4,21,66,497	3,85,24,230

SCHEDULE - 5 : FIXED ASSETS

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS AT	ADDITION	DEDUCTION	COST AS AT	UP TO	FOR THE	DEDUCTION	UP TO	AS AT	AS AT
	01.04.2009			31.03.2010	31.03.2009	YEAR		31.03.2010	31.03.2010	31.03.2009
Tangible Assets										
Free Hold land	1,23,09,443	-	-	1,23,09,443	-	-	-	-	1,23,09,443	1,23,09,443
Buildings	10,37,04,695	21,75,393	3,20,298	10,55,59,790	2,53,88,041	31,87,674	74,663	2,85,01,052	7,70,58,738	7,83,16,654
Furniture & Fixtures	2,72,97,011	23,26,285	-	2,96,23,296	1,03,70,476	15,44,569	-	1,19,15,045	1,77,08,251	1,69,26,535
Plant & Machinery	32,15,73,711	2,87,59,500	53,59,325	34,49,73,886	12,41,22,611	1,65,12,810	38,10,570	13,68,24,851	20,81,49,035	19,74,51,100
Vehicles	1,19,34,766	-	-	1,19,34,766	34,30,755	9,60,351	-	43,91,106	75,43,660	85,04,011
Work In Progress	1,72,57,454	8,49,36,380	1,72,57,454	8,49,36,380	-	-	-	-	8,49,36,380	1,72,57,454
Intangible Assets										
Technical know-how Fess	11,68,92,288	-	-	11,68,92,288	3,50,67,687	1,16,89,229	-	4,67,56,916	7,01,35,372	8,18,24,601
TOTAL	61,09,69,368	11,81,97,558	2,29,37,077	70,62,29,849	19,83,79,570	3,38,94,633	38,85,233	22,83,88,970	47,78,40,879	41,25,89,798
PREVIOUS YEAR	56,87,51,641	4,55,14,446	32,96,719	61,09,69,368	16,32,27,195	3,65,80,585	14,28,210	19,83,79,570	41,25,89,798	40,55,24,446

	As at 31.03.2010	As at 31.03.2009
	RUPEES	RUPEES
SCHEDULE - 6 : INVESTMENTS (All Long Term)		
1) TRADE INVESTMENTS		
2) OTHER INVESTMENTS		
a) Governments Securities	-	-
b) Investments in Shares, Units, Debentures or Bonds.		
I) Quoted Investments fully paid up (Valued at Cost)		
a) 1196100 Equity shares of Rs.10/- each of Plastiblends India Ltd. (Market Value Rs. 16,61,98,095/-) (Previous year 1196100 shares Market value Rs.10,16,68,500/-)	1,60,80,726	1,60,80,726
b) Birla Sun Life Dynamic Bond Fund -Retail-Monthly Dividend Reinvestment (1084632.2860 Units @Rs.10.3975 each) (Re- Purchase Price Rs.1,12,94,059/-)	1,12,38,367	-
c) HDFC High Interest Fund - Short Term Plan Dividend - Reinvest (1529620.1030 units @ Rs. 10.6123) (Re - Purchase Price Rs.1,62,18,868/-)	1,62,32,765	-
d) ICICI Prudential Interval Fund II Qly-Interval Plan F - Retail Dividend (1986195.9380 Units @ Rs.10.0695) (Re - Purchase Price Rs.2,00,04,370/-)	2,00,00,000	-
e) Reliance Regular Saving Fund-Debt Plan- Growth Option (1675375.1410 Units @ Rs. 12.0294) (Re - Purchase Price Rs.2,11,83,108/-)	2,01,53,758	-
f) SBI - SHF-Ultra Short Term Fund-Inst Plan - Daily Dividend (20313554.7780 Units @ Rs. 10.0060) (Re - Purchase Price Rs.20,32,57,429/-)	20,32,57,429	-
g) Templeton India Short Term Income Retail Plan - Growth (6546.4950 Units @ Rs. 1756.6652) (Re- Purchase Price Rs.1,21,04,012/-)	1,15,00,000	-
h) UTI Fixed Income Interval Fund - Monthly Interval Plan - 1 Institutional - Dividend (4996802.0470 units @ Rs. 10.0064) (Re - Purchase Price Rs.5,00,00,000/-)	5,00,00,000	-
i) Debentures of Deutsche Investments (India) Pvt. Ltd. (A Subsidiary of Deutsche Bank) (Re - Purchase Price Rs. 2,06,61,800/-)	2,06,61,800	-
j) Blended Debt Plus Hybrid Option (Series - XIII)	-	1,53,00,000
k) Reliance Fixed Horizon Fund VIII - Series V Inst Growth Plan (1000000 units @ Rs.10/-)	-	1,00,00,000
l) Principal PNB Fixed Maturity Plan (FMP-47) 385 Days Series VII Institutional Growth Plan (1000000 units @ Rs.10/-)	-	1,00,00,000
m) LIC MF Fixed Maturity Plan - Series 42 - 13 months (1000000 units @ Rs.10/-)	-	1,00,00,000
n) HDFC FMP 370 D (VIII) (1) - Wholesale Plan Growth (1020000 units @ Rs.10/-)	-	1,02,00,000

	As at 31.03.2010	As at 31.03.2009
	RUPEES	RUPEES
o) Birla Sun Life Dynamic Bond fund - Retail - Growth (706124.928 @ Rs.14.1618) (Re - Purchase Price Rs.1,09,49,950/-)	1,00,00,000	1,00,00,000
p) Benchmark Barclays Investment & Loans (India) Ltd- Series-65 (Re - Purchase Price Rs.1,02,00,000/-)	1,02,00,000	1,02,00,000
q) Reliance Income Fund-Retail Plan-Growth Option (332531.931 units @ Rs.30.0723)	-	1,00,00,000
r) Bhavishya Nirman Bond (1132 Bonds @ Rs.8750/-) (Re - Purchase Price Rs.99,05,000/-)	99,05,000	99,05,000
s) L1471D SBI SHF Ultra Short Term Fund - Inst Plan- Daily Dividend (5509127.1101 units @ Rs.10.0050)	-	5,51,18,817
t) Debentures - Citi Corp. Finance (India) Ltd. (150 debentures @ Rs.1,01,000/-) (Re - Purchase Price Rs.1,51,50,000/-)	1,51,50,000	1,51,50,000
u) HDFC High Interest Fund - Growth (515917.783 units @ Rs.29.0744)	-	1,50,00,000
v) Kotak Equity Arbitrage Fund - Dividend (3845005.231 units @ Rs.10.6892) (Re - Purchase Price Rs.4,06,05,947/-)	4,11,00,000	2,01,00,000
II) Unquoted Investments fully paid up (Valued at Cost)		
a) 5 Shares of Mohid Park Co-op Hsg. Soc.Ltd. of Rs.50/- each	250	250
b) 210000 Equity shares of Rs.10/- each of Smartech Global Solution Ltd.	-	21,00,000
c) 5 Shares of Royal Twin Co-op Hsg.Soc.Ltd. of Rs.50/- each.	250	250
	45,54,80,345	21,91,55,043
Book Value (Quoted)	45,54,79,845	21,70,54,543
Book Value (Unquoted)	500	21,00,500
	45,54,80,345	21,91,55,043
Market Value (Quoted)	60,77,32,638	30,55,94,911

SCHEDULE - 7 : INVENTORIES

(At cost or market value whichever is less, as valued and certified by management)

Raw Materials	26,11,18,597	23,01,22,477
Work In Progress	14,96,14,594	17,25,26,598
	41,07,33,191	40,26,49,075

SCHEDULE - 8 : SUNDRY DEBTORS

(Unsecured considered good by management)

Debts outstanding for more than six month (Including Rs.Nil Previous year Rs.9,51,921/-) due from concern in which Directors are interested	1,77,07,070	2,25,13,576
Other debts (Including Rs.1,12,77,478/- Previous year Rs.4,57,23,044/-) due from concern in which Directors are interested	8,88,08,778	10,09,73,295
	10,65,15,848	12,34,86,871

	As at 31.03.2010	As at 31.03.2009
	RUPEES	RUPEES
SCHEDULE - 9 : CASH & BANK BALANCES		
Cash on Hand	84,798	1,90,765
Balance with scheduled Banks :		
i) In Current Accounts	52,41,393	51,26,503
ii) Margin on Bank Guarantees	14,83,126	86,40,631
iii) Bank Margin on L.C.	15,16,076	16,75,207
	83,25,393	1,56,33,106
SCHEDULE - 10 : LOANS & ADVANCES		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for value to be received	1,03,27,053	1,54,44,112
Deposits	19,53,005	28,33,098
Basic Excise Duty	27,999	42,999
Advance to Suppliers	3,35,57,856	2,73,99,476
Inter Corporate Deposit	55,00,000	57,89,315
	5,13,65,913	5,15,09,000
SCHEDULE - 11 : CURRENT LIABILITIES		
Sundry Creditors	14,05,93,663	10,39,12,113
Advance Against Sales Order	21,04,77,289	13,29,80,712
Other Liabilities	56,65,817	39,83,783
Unclaimed Dividend	21,51,166	18,05,806
	35,88,87,935	24,26,82,414
SCHEDULE - 12 : PROVISIONS		
Provision for Taxation (Net)	2,08,58,549	1,03,80,360
Proposed Dividend	5,58,29,060	4,78,53,480
Tax on Dividend	94,88,149	81,32,699
Other Provisions	6,77,59,735	5,92,08,394
	15,39,35,493	12,55,74,933
SCHEDULE - 13 : SALES & OTHER INCOME	Year ended	Year ended
Sales (Gross)	2,04,48,04,415	1,65,07,71,579
Less : Excise Duty	9,67,46,620	11,57,78,688
Net Sales	1,94,80,57,795	1,53,49,92,891
Interest	24,60,514	52,84,686
Dividend Income	1,38,48,423	91,12,941
Other Income	86,81,499	2,69,70,836
	1,97,30,48,231	1,57,63,61,354
SECHEDULE - 14 : RAW MATERIALS CONSUMED		
Opening Stock	23,01,22,477	21,54,07,938
Add : Purchases	1,29,78,55,667	1,05,55,87,515
	1,52,79,78,144	1,27,09,95,453
Less : Closing Stock	26,11,18,597	23,01,22,477
	1,26,68,59,547	1,04,08,72,976

	As at 31.03.2010	As at 31.03.2009
	RUPEES	RUPEES
SCHEDULE - 15 : MANUFACTURING & OTHER EXPENSES		
Electricity Charges	91,62,800	78,61,482
Rates & Taxes	5,05,024	4,66,852
Repairs & Maintenance to :		
Building	26,17,266	42,70,732
Plant & Machinery	93,47,376	48,01,543
Others	38,10,108	41,82,638
Insurance Charges	15,45,462	12,34,110
Travelling Expenses :		
Directors	22,78,238	27,03,159
Staff & Others	2,27,52,268	2,13,10,087
Others	22,88,012	15,13,889
Conveyance	54,29,294	51,76,004
Commission on sales	2,97,19,132	3,60,49,100
Advertisement & Sales Promotion	35,42,206	1,78,33,604
Director's Remuneration	75,18,454	50,81,111
Directors Sitting Fees	3,20,000	2,90,000
Payments to Auditor	1,95,968	1,56,207
Loss on sale of assets	15,48,754	11,67,876
Fringe Benefit Tax	-	21,00,000
Packing Charges	2,74,62,761	2,07,29,828
Warranty Provision	43,00,000	7,00,000
Vehicle Expenses	15,18,505	13,86,880
Telephone Charges	29,96,502	34,19,863
Bank Charges	80,41,127	46,51,403
Freight & Forwarding (Export)	64,91,696	86,50,945
Export Expenses	20,27,623	17,93,653
Exchange Difference	50,03,688	1,23,13,151
Legal & Professional Fees	71,86,892	59,96,408
Factory Expenses	16,66,462	19,34,744
Printing & Stationery	15,54,072	17,40,666
Computer Expenses	42,79,221	22,63,281
Office Expenses	29,36,257	23,78,142
Postage & E-mail Expenses	42,34,716	38,37,096
Miscellaneous Expenses	1,33,55,826	1,20,59,971
	19,56,35,710	20,00,54,424
SCHEDULE - 16 : EMPLOYEES EMOLUMENTS & STAFF WELFARE		
Salaries & Wages	12,34,47,618	11,29,39,873
Staff welfare	57,99,592	55,41,359
Provident fund	90,78,073	77,28,039
	13,83,25,283	12,62,09,271
SCHEDULE - 17 : INTEREST		
Bank Interest	3,10,886	9,39,195
Bank Interest (export)	29,45,700	26,19,011
Interest on Term Loan	37,12,149	41,90,710
Other Interest	1,72,544	1,86,029
	71,41,279	79,34,945

SCHEDULE - 18

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010

1. Additional information pursuant to paragraphs 3 & 4 of part II of schedule VI to the Companies Act, 1956 as certified by Management.

A) Licensed Capacity, Installed Capacity and Actual Production for each class of goods.

CLASS OF GOODS	Licensed & Installed Capacity		Actual Production	
	Current Year Units	Previous Year Units	Current Year Units	Previous Year Units
1. Single & Twin Screw Extrusion Plants	N.A.	N.A.	408	337
2. Extrusion Barrels	N.A.	N.A.	866	710

B) Particulars in respect of Opening Stock, Sales and Closing Stock for each class of goods dealt with by the company :

CLASS OF GOODS	OPENING STOCK				SALES				CLOSING STOCK			
	Current Year		Previous Year		Current Year		Previous Year		Current Year		Previous Year	
	Units	Value Rs.	Units	Value Rs.	Units	Value Rs.	Units	Value Rs.	Units	Value Rs.	Units	Value Rs.
1. Twin & Single Screw Extrusion Plants	NIL	NIL	NIL	NIL	408	148,01,81,946	337	112,70,89,793	NIL	NIL	NIL	NIL
2. Extrusion Barrels	NIL	NIL	NIL	NIL	273	7,49,23,994	212	6,77,26,198	NIL	NIL	NIL	NIL
3. Spares for Extruder	NIL	NIL	NIL	NIL	-	37,31,42,899		34,01,76,900	NIL	NIL	NIL	NIL
Labour Job & Scrape sales	NIL	NIL	NIL	NIL	-	192,82,48,839	-	153,49,92,891	-	-	-	-

C) Raw Materials and Components Consumed :

	Current Year		Previous Year	
	Units	Value (Rs.)	Units	Value (Rs.)
1. Steel for Barrels	229309 Kgs	2,31,60,245	208659 Kgs	2,23,26,513
2. Thrust Box (Geared) Housing Assembly	212 Nos	5,64,96,203	148 Nos	3,12,93,737
3. Thyristor Drive	470 Nos	11,27,17,048	395 Nos	9,67,81,866
4. Others		109,73,98,055		89,44,19,587
		128,97,71,551		104,48,21,703

D) CIF Value of Imports :

	Current Year (Rs.)	Previous Year (Rs.)
1. Raw Materials	11,70,97,224	14,82,58,671
	11,70,97,224	14,82,58,671

E) Value of Imported and Indigeneous raw materials consumed : (including components)

	Current Year		Previous Year	
	Value Rs.	%	Value Rs.	%
1. Imported (includ customs duty)	11,70,97,224	9	14,82,58,671	14
2. Indigeneous	117,26,74,327	91	89,65,63,032	86
	128,97,71,551	100	104,48,21,703	100

F) Expenditure & Earning in Foreign Currency

	Current Year Value (Rs.)	Previous Year Value (Rs.)
i) Towards Directors Travelling Expenses	6,29,423	5,94,815
ii) Towards Travelling Expenses	45,64,721	47,94,094
iii) Commission	1,67,41,098	2,52,52,972
iv) Interest On Term Loan	37,12,149	41,90,710
vii) Earning in Foreign Exchange		
F.O.B Value of Exports.	77,85,54,563	55,85,55,965
vi) The amount remitted in foreign currencies on account of dividend for the year 31 st March 2009 & 2008.		
Amount Remitted	68,19,480	68,19,480
Number of Shares	11,36,580	11,36,580
No. of Shareholders	4	4
For the Year Ended	31.03.2009	31.03.2008

- 2 a) The Computation of Net Profit for the Purpose of Director's Remuneration under section 349 of the Companies Act, 1956 is not enumerated since no commission has been paid to the Directors.

b) Particulars of Directors Remuneration

Particulars	Current Year (Rs.)	Previous Year (Rs.)
(i) Salary	42,00,000	27,45,000
(ii) Contribution to P.F. & F.P.F.	5,23,476	3,55,712
(iii) Perquisites	27,94,978	19,80,399
	75,18,454	50,81,111

3. Payments to statutory Auditors

	Current Year (Rs.)	Previous Year (Rs.)
a. Audit Fees	90,000	90,000
b. Tax Audit Fees	30,000	30,000
c. Vat Audit Fees	25,000	25,000
d. Other services	23,000	-
d. Out of Pocket Expenses	27,968	11,207
	1,95,968	1,56,207

4. In the opinion of the Board of Directors the Current Assets, Loans & Advances are approximately of the value stated, if realised in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.
5. Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.2,27,11,593/- (Previous Year Rs. 3,00,00,000/-).
6. Contingent Liabilities not provided for

	(Rupees) 2009-10	(Rupees) 2008-09
(a) In respect of counter gurantee given to bank for gurantees issued by bank on behalf of the Company (Bank gurantees are secured by hypothecation/ charges on companies current/fixed assets)	7,27,90,894	3,23,00,825
(b) In respect of disputed demands/claims against the company		
(i) Excise matter under dispute Appeal by Department	19,57,563	19,57,563
(ii) Service Tax matter under dispute Appeal by Company	-	50,000

7. Liability for Gratuity has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Accounting Standard 15 (Revised). The details of which are as under:

PARTICULARS

	(Rupees) 2009-10	(Rupees) 2008-09
Amount to be recognised in Balance Sheet		
Present Value of Funded Obligations	2,07,96,505	1,79,03,063
Fair Value of Plan Assets	2,48,28,552	2,13,59,288
Net Liability	40,32,047	34,56,225
Amounts in Balance Sheet		
Liability	40,32,047	34,56,225
Assets	-	-
Net Liability	40,32,047	34,56,225
Expenses to be Recognised in the Statement of Profit & Loss		
Current Service Cost	24,11,162	24,11,162
Interest on Defined Benefit Obligation	14,32,245	12,55,495
Expected Return on Plan Assets	20,19,383	14,98,892
Net Acturial Assets Losses / (Gain) recognised in Year	(7,03,341)	(4,75,161)
Total Included in " Employees Cost "	11,20,683	16,92,604
Actual Return on Plan Assets	20,19,383	14,98,892
Reconciliation of Benefit Obligation & Plan Assets For the period		
Change in Defined Benefit Obligation		
Opening Defined Benefit Obligation	1,79,03,063	1,56,93,655
Current Service Cost	24,11,162	24,11,162
Interest Cost	14,32,245	12,55,495
Actuarial Losses / (Gain)	(7,03,341)	(4,75,161)
Benefits Paid	2,46,624	9,82,085
Closing Defined Benefit Obligation	2,07,96,505	1,79,03,063

PARTICULARS

Changes in Fair Value of Assets

	(Rupees) 2009-10	(Rupees) 2008-09
Opening Fair Value of Plan Assets	2,13,59,288	1,53,16,646
Expected Return on Plan Assets	20,19,383	14,98,892
Actuarial Gain / (Losses)	-	-
Contribution by Employer	16,96,505	55,25,835
Benefits Paid	2,46,624	9,82,085
Closing Fair Value of Plan Assets	2,48,28,552	2,13,59,288

Summary of Actuarial Assumptions

Discount Rate	8 %	8 %
Expected Rate of Return	8 %	8 %
Salary Escalation Rate	7 %	7 %

Note : The Company has fully funded the Group Gratuity Policy of Life Insurance Corporation of India, to pay the expenditure required to settle a defined benefit obligation. As such the fair value of insurance policy is deemed to be present value of related defined benefit obligation.

8. Amount of borrowing costs capitalised as per Accounting Standard-16 during the year was Rs. NIL (Previous Year Rs. NIL).
9. The Company is operating in one segment only i.e. Plastic Extrusion Machinery and Allied Equipments.
10. There are no lease transactions during the year.
11. As required by Accounting Standard 20, the basic earning per share is Rs. 26.91 arrived by dividing Net Profit after Tax and deferred tax by number of shares 7975580 (Previous year Rs.14.67)
12. i) The deferred tax liability of Rs.36,42,267/- for the current year has been recognised in Profit & Loss Account (Previous year Deferred tax Liabilities was Rs. 67,72,619/-)

	As at 31.03.2010	As at 31.03.2009
(ii) Deferred Tax		
a) Deferred Tax Liability on account of		
i) Depreciation	5,40,60,434	5,26,27,572
	<u>5,40,60,434</u>	<u>5,26,27,572</u>
b) Deferred Tax Asset on account of		
i) Difference in valuation of closing stock on account of Section 145-A of the Income Tax Act, 1961	80,41,441	1,02,50,846
ii) Provision for leave encashment	38,52,496	38,52,496
	<u>1,18,93,937</u>	<u>1,41,03,342</u>
	<u>4,21,66,497</u>	<u>3,85,24,230</u>

13. As required by AS-18 "Related party disclosures" are given below.

- a) Names of Related parties and description of relationship with whom there were "**No Transactions**" during the year.
 - i) Maharashtra Plastic Industries, Kabra Gloucester Engineering Ltd - Associate Concerns
Mrs.Veenadevi Kabra, Mrs Saritadevi Kabra, Mr Varun Kabra, Gopial R Kabra - HUF- Relatives of Directors
 - ii) All Purpose Consultations & Services Pvt. Ltd., Harekrishna Harerama Trading Company Pvt.Ltd, Ideal Consultancy Service Pvt Ltd, Welworth Investments & Trading Company Pvt Ltd, Elegant Trading & Investments Co. Pvt. Ltd., See diff Software Solutions (India) Pvt.Ltd, SPL Industrial Park Ltd., SPL Industrial Support Services Ltd., Supreme Petrochem Ltd, Supreme Capital Management Ltd., Rama Newsprint and Paper Ltd., Multilayer Films Pvt. Ltd., Jagatguru Investment & Trading Co.P.Ltd., Jeetmal Chhogmal, Polyesterene Producers Association (India), Chemical & Petrochemicals Manufacturers Assn, LIC Housing Finance Ltd., Dishman Pharmaceuticals & Chemicals Ltd., Deutsche Trustee Services (India) Pvt. Ltd., IBS Forex Limited., Encee Securities Pvt Ltd., - Concerns in which directors are interested.
- b) Names of related parties and description of relationship with whom there were "**Transactions**" during the year
 - i) Kolsite Maschine Fabrik Pvt. Ltd, Plastiblends India Ltd, Maharashtra Plastic & Industries, Smartech Global Solutions Ltd., Rambalab Ramnaran, Kolsite Industries, Mahashree Plastic Industries Pvt. Ltd., Wonderworld Resorts Ltd. Associate Concerns.
 - ii) Mr. S. V. Kabra , Mr. S. N. Kabra , Mr. H. S. Sanwal, Mr. M. P.Taparia, Mr. Y. B. Desai, Mr. Anand S. Kabra and Mr. N. C. Chauhan - Director.
 - iii) The Supreme Industries Ltd . - Concern in which director is interested

Following transactions carried out with the related parties were in the ordinary course of business.

RELATED PARTY DISCLOSURE AS PER ACCOUNTING STANDARD - 18.

NATURE OF TRANSACTIONS	Associates Concern	Concern in which Directors are interested	Directors & Relatives
01. Sales & Other Income	6,24,43,355	8,63,25,312	78,38,454
02. Purchase & Other Services	68,42,611		
03. Salary,Remuneration & Sitting Fees	-		
04. Interest Received	10,68,493		
05. Interest Paid	1,19,315		
06. Deposit Received	2,45,00,000	55,49,615	
07. Deposit Given	4,00,00,000		
08. Deposit Refund	6,46,00,000		
09. Outstanding Receivable - Net	23,65,075		

NOTES :

- (1) Provision for doubtful debts has not been made for any of the related Parties mentioned above .
- (2) No amount has been written off / written back for any of the related parties mentioned above. Deposit given to Plastiblends India Ltd, Associate concern. The maximum balance during the year was Rs.4,10,68,493/- (disclosed as per Clause 32 of Listing Agreement.)
14. In absence of intimation from the vendors with regard to their registration (filing of Memorandum) under "The Micro, Small & Medium Enterprise Development Act 2006 (27 of 2006)" and in view of the terms of payments not exceeding 45 days no liability exists at the close of the year and hence no disclosure have been made in this regard.
15. According to Accounting Standard-29 " Provisions,Contingent Liabilities and Contingent Assets" an incremental provision of Rs.43,00,000/- (Previous year Rs.7,00,000/-) towards warranty claims has been made as estimated by management (warranty provisions as on 31.03.2010 Rs.1,93,00,000/-)
16. Previous years figure have been regrouped and re-arranged wherever necessary.
17. As approved by the Members, at their Extra-ordinary General Meeting, Equity Share of the Company having face value of Rs. 10/- have been sub-divided into 2 (Two) Equity Shares of Rs. 5/- each and accordingly 79,75,580 fully paid equity shares of Rs. 10/- each comprising of the Issued, Subscribed and Paid-up Equity Capital of the Company have been sub-divided into 1,59,51,160 fully paid equity shares of Rs. 5/- each.
18. **Significant Accounting Policies :**
 - a) **System of Accounting :** Accounts have been prepared on an accrual basis in consistence with the generally accepted accounting practices.
 - b) **Fixed Assets :** Fixed Assets includes all expenditure of a capital nature and are shown at cost less depreciation. Depreciation is provided on assets used on straight line method in accordance with the provisions of Schedule XIV to the Companies Act, 1956 as amended. Borrowing costs attributable to acquisition and installation of fixed assets are capitalised and included in the cost of fixed assets as appropriate.
 - c) **Investments :** All investments are long term and are stated at cost. Dividends are accounted for when the right to receive the same is established. Interest is recognised for the period of deposits.
 - d) **Current Assets : Inventories :** Raw Material, Components and Work in progress are valued on FIFO basis, at cost or market value whichever is less, and is net of CENVAT & VAT (Finished goods are valued at cost or market value, whichever is less & is inclusive of Central excise duty there on.) Cost includes cost of conversion and other costs incurred in bringing the inventories at their present location and condition. Cost of conversion for the purpose of valuation of WIP and finished goods includes fixed and variable production overheads incurred in converting the material into their present condition and location.
 - e) **Privilege Leave** entitlement are recognised as liability, in the calendar year of rendering of service as per rules of the Company. As accumulated leave can be availed and / or encashed at any time during the tenure of employment, the liability is recognised at the higher of the actual accumulated obligation or actuarially determined value.

Sundry Debtors, Loans & Advances are stated after making adequate provisions for doubtful debts if any.
- (B) **Revenue Items :**

Income : Sales & Other Income comprises of sale of goods, DEPB licence, services, labour charges and traded items. Revenue in respect of sale of goods is recognised at the time of delivery thereof.

Foreign Currency Transactions : Transactions in foreign currencies are recorded at exchange rate prevailing in the period during which the transaction occur. Outstanding balances of foreign currency monetary items are reported using the period end rates. Pursuant to the notification of the Companies (Accounting Standard) Amendment Rules 2009 issued by Ministry of Corporate affairs on 31.03.2009, amending the Accounting standard - 11 (AS-11), the effect of changes in foreign exchange rates (revised 2003) exchange differences relating to long term monetary items are dealt with in the following manner.

 - 1) Exchange differences relating to long term monetary items, arising during the year, in so far as they relate to the acquisition of a depreciable capital asset are added to/ deducted from the cost of the asset & depreciated over the balance life of the asset.
 - 2) All other exchange differences are recognised as Income or Expense in Profit & Loss account.

Retirement Benefit to employees comprises of payment of Gratuity and Super Annuation under the approved scheme of the company. Contributions to provident fund are remitted to Employees Provident Fund administered by Central Government. These contributions are charged to Profit and Loss account. Payment of Gratuity has been made as per the actuarial valuation made by L.I.C. of India under their Group Gratuity Scheme.
- Taxation :**
 - i) Provision for Taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.
 - ii) Deferred Tax resulting from timing differences between Book profits & tax profits is accounted for at the current rates of tax to the extent the timing difference are expected to crystallise, in case of Deferred Tax Liability with reasonable certainty and in case of Deferred Tax Assets with virtual certainty that there would be adequate future taxable income against which such deferred tax assets can be realised.

As per our report of even date

For A.G.OGALE & CO.
Chartered Accountants

A.G.OGALE
Partner
Membership No. : 34540

Mumbai, 26th May 2010

Y. D. SANGHAVI
(Company Secretary)

For and on behalf of the Board

S. V. KABRA
(Chairman & Mg. Director)

A. S. KABRA
(Technical Director)

M. P.TAPARIA
(Director)
Mumbai, 26th May 2010

S. N. KABRA
(Vice Chairman & Mg. Director)

H. S. SANWAL
(Director)

N. C. CHAUHAN
(Director)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.	11-28535 of 1982
State code	11
Balance Sheet date	31 st March, 2010

II. CAPITAL RAISED DURING THE YEAR

	Rupees
Public issue	-
Right issue	-
Bonus issue	-
Private placement	-
Others	-
	-
	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS.

Total Liabilities	99,74,38,140
Total Assets	99,74,38,140
Sources of Funds	
Paid up Capital	7,97,55,800
Reserves & Surplus	79,47,32,780
Secured Loans	8,07,83,064
Deferred Tax	4,21,66,497
	99,74,38,140
Application of funds	
Net Fixed assets	47,78,40,879
Investment	45,54,80,345
Net current assets	6,41,16,917
	99,74,38,140

IV. PERFORMANCE OF THE COMPANY FOR THE YEAR .

i) Total Income	1,95,01,36,227
ii) Total Expenditure	1,64,18,56,452
iii) Profit before tax	30,82,79,775
iv) Profit after Current tax	21,82,79,775
v) Net profit after tax & Deferred tax (Current) and after prior period items	21,46,37,508
vi) Basic Earning per share (see note 2) (Face value Rs.10/-each)	26.91
vii) Dividend rate (%)	70

V. PRODUCTS OF THE COMPANY

Item Code No.

(ITC Code)	Product Description
1. 8477.10	Plastic processing Machineries
2. 8477.90	Parts of Plastic processing Machineries

Notes :

- The above particulars should be read along with the Balance Sheet as at 31st March, 2010 and the Profit & loss Account for the year ended on that date and the schedules forming part thereof.
- Basic Earning Per Share is arrived at by dividing the Net Profit at item no. IV (v) (Profit after tax and deferred tax) with the total number of shares issued & Subscribed as at the end of the year, as per Accounting Standard - 20.

As per our report of even date

For A.G.OGALE & CO.
Chartered Accountants

A.G.OGALE
Partner
Membership No. : 34540

Mumbai, 26th May 2010

For and on behalf of the Board

S. V. KABRA
(Chairman & Mg. Director)

S. N. KABRA
(Vice Chairman & Mg. Director)

A. S. KABRA
(Technical Director)

M. P.TAPARIA
(Director)
Mumbai, 26th May 2010

H. S. SANWAL
(Director)

N. C. CHAUHAN
(Director)

Y. D. SANGHAVI
(Company Secretary)

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET AS ON 31ST MARCH 2010

PARTICULARS	2009-2010 (Rupees)	2008-2009 (Rupees)
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax & Extra-ordinary Items	30,82,79,775	16,07,60,426
Add : Adjusted for		
Depreciation	3,38,94,633	3,65,80,586
Loss on Sale of Fixed Assets	15,48,754	11,67,876
Interest Paid	71,41,279	79,34,945
	35,08,64,441	20,64,43,833
Less : Interest Income	24,60,514	52,84,686
Surplus on Sale of Investment	56,52,558	2,42,04,755
Dividend Received	1,38,48,423	91,12,941
Operating Profit Before Working Capital changes	32,89,02,947	16,78,41,451
Add/(Less) : Increase/(Decrease) in Current Liabilities	11,58,60,161	(3,69,69,001)
Increase/(Decrease) in Provision	85,51,342	(55,77,008)
	45,33,14,450	12,52,95,442
Add/(Less) : Increase/Decrease in Inventories	(80,84,116)	(1,07,65,812)
Increase/Decrease in Receivables	1,69,71,024	6,24,09,328
Increase/Decrease in Current Assets	71,70,408	1,55,59,201
	46,93,71,766	19,24,98,159
Less : Income Tax Paid	7,95,21,811	3,70,79,523
Interest Paid	71,41,279	79,34,945
	38,27,08,675	14,74,83,691
(B) Cash flow from Investing Activities		
Purchase of Fixed Assets	(11,81,97,557)	(4,55,14,446)
Sales of Assets	1,75,03,088	7,00,633
Investment Made	(37,40,44,119)	(20,09,73,817)
Sale of Investments	14,33,71,374	11,59,04,756
Interest Received	24,60,514	52,84,686
Dividend Received	1,38,48,423	91,12,941
Net Cash generated/used in investing activities	(31,50,58,277)	(11,54,85,247)
(C) Cash Flow from Financing activities		
Increase/(Decrease) in Secured/Unsecured loans (Working capital)	(1,22,89,972)	2,89,07,384
Increase in Share Capital	-	-
Increase in Security Share Premium	-	-
Inter Corporate Deposit made/Refund	2,89,315	(32,89,315)
Dividends Paid	(5,56,40,819)	(5,56,47,211)
Net Cash from financing activities	(6,76,41,476)	(3,00,29,142)
Net Increase in cash & Cash Equivalents A+B+C	8,922	19,69,302
Add : Cash & Cash equivalents at the beginning of the year	53,17,268	33,47,966
Cash & Cash equivalents at the close of the year	53,26,190	53,17,268

For and on behalf of the Board

Place : Mumbai
Date : 26th May, 2010

S. V. Kabra
(Chairman & Managing Director)

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Kabra Extrusiontechnik Limited for the year ended March 31, 2010. The statement has been prepared by the Company in accordance with requirements of Clause-32 of the Listing Agreement of the Stock Exchange and is based on and is in agreement with the corresponding Balance Sheet and Profit & Loss Account of the Company for the year ended March 31, 2010 covered by our report dated May 26, 2010 to the Members of the Company.

For A.G.OGALE & CO
Chartered Accountants

A.G.OGALE
(Partner)
Membership No. 034540

Place: Mumbai
Date: 26th May, 2010

NOTICE

NOTICE is hereby given that the **TWENTY-SEVENTH ANNUAL GENERAL MEETING of the Members of KABRA EXTRUSIONTECHNIK LIMITED** will be held on Friday, the 6th day of August, 2010 at 2.00 p. m. at Hotel Karl Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai – 400 058 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon;
2. To declare a dividend on Equity Shares for the financial year ended 31st March, 2010;
3. To appoint a Director in place of Shri Mahaveer Prasad Taparia, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Shri Yagnesh B. Desai, a Director, who retires by rotation and being eligible, offers himself for re-appointment;
5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution :
“RESOLVED THAT subject to the provisions of Section 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, Messers. Kirtane & Pandit, Chartered Accountants, Pune having Registration No. 105215W issued by ‘The Institute of Chartered Accountants of India’, be and are hereby appointed as Statutory Auditors of the Company, to hold office as such from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting, in respect of whom the Company has received a Special Notice from a Member signifying the intention to propose their appointment as the auditors in place of the retiring auditors Messers. A. G. Ogale & Co., Chartered Accountants, who do not seek re-appointment.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to fix the remuneration payable and the reimbursement of out-of-pocket expenses, if any, to the said Auditors.”

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

Place: Mumbai
Date: 26th May, 2010

Y. D. Sanghavi
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 INORDER 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 to the Company, at its Registered Office a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
3. An Explanatory Statement in respect of Item 5 is annexed hereto.
4. Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 3rd August, 2010 to Friday the 6th August, 2010 (both days inclusive)
5. Dividend recommended by the Board, if approved by the Members at the Annual General Meeting will be paid to those persons whose names appear as Beneficial Owners as at the end of business hours on Monday, 2nd August, 2010 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 Friday, 6th August, 2010 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 2nd August, 2010.
6. (i) The unclaimed dividend upto financial year 1993-94 have been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956. Those shareholders who have so far not claimed their dividend for the financial years upto 1993-94 may claim their dividend from the Registrar of Companies, Maharashtra, Mumbai by submitting an application in the prescribed form.
 (ii) Those members who have not encashed their dividend warrants for the financial year 2002-2003 to 2008-09 are requested to return the time barred dividend warrants or forward their claims to the Company for issue of Bankers' Cheque / Demand Draft in lieu thereof.
 (iii) Pursuant to the provisions of Section 205A & 205C (2) (a) of the Companies Act, 1956, as amended, dividend for the financial year 2002-2003 and thereafter which shall remain unclaimed / unpaid for a period of 7 (Seven) 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, 2010, the Company would be transferring such unclaimed or**

unpaid dividend for the financial year ended 31st March, 2003. Members are therefore requested to make claim thereof, before August, 2010 otherwise no claim shall lie in respect of such amount.

- (iv) Pursuant to the said provisions unclaimed / unpaid dividend for the financial year 1994-95 to 2001-02 have been transferred to the Investor Education and Protection Fund.

7. Brief profile of the Directors retiring by rotation and being eligible seeking re-appointment at the ensuing AGM is as below :

Name	Shri Mahaveer Prasad Taparia	Shri Yagnesh B. Desai
Age	73 Years	69 Years
Qualification	B. A.	B. A. (Hons), CAIIB
Experience	- Over 47 years as Industrialist - Promoter of Supreme Group of Companies	- Over 40 years in Banking Sector - Served with SBI & Exim Bank in various capacities including as Managing Director of Export Import Bank of India
Nature of Expertise	Management and Control of business and industrial houses	- General Banking - International Banking and - Trade Finance
Names of Other Companies in which holds Directorship	- Supreme Petrochem Ltd. - The Supreme Industries Ltd. - Supreme Capital Management Ltd. - SPL Industrial Park Ltd. - SPL Industrial Support Services Ltd. - Rama Newsprint & Papers Ltd. - Multilayer Films Pvt. Ltd. - Jagatguru Investment & Trading Co. Pvt. Ltd. - Polystyrene Producers Association (India)	- LIC Housing Finance Ltd. - Dishman Pharmaceuticals & Chemicals Ltd. - Deutsche Trustee Services (India) Pvt. Ltd. (Trustee)
Name of the other Companies in which holds committee position	Supreme Petrochem Ltd.	- LIC Housing Finance Ltd. - Dishman Pharmaceuticals & Chemicals Ltd. - Deutsche Trustee Services (India) Pvt. Ltd.

Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of Item No. 5

The Members of the Company, had at their Twenty-Sixth Annual General Meeting (AGM) held on 6th August, 2009 appointed Messers. A. G. Ogale & Co., Chartered Accountants, Pune, who are retiring at this AGM. However, they have not offered themselves for re-appointment at this AGM and given notice to the Company in writing of their unwillingness to be re-appointed.

Further, the Company has received a Special Notice from a Member of the Company under Section 190 and 225(1) of the Companies Act, 1956 ('the Act') signifying the Member's intention to propose the appointment of Messers. Kirtane & Pandit, Chartered Accountants, Pune having Registration No. 105215W issued by 'The Institute of Chartered Accountants of India' as the Auditors of the Company in place of retiring Auditors Messers. A. G. Ogale & Co.

Messers. Kirtane & Pandit, a well reputed firm of Chartered Accountants, Pune have expressed their willingness to act as Auditors of the Company, if appointed and have further confirmed that the said appointment, if made, would be in conformity with the provisions of Section 224(1B) of the Act. In view of above and based on the recommendation of the Audit Committee, the Board of Directors has at its meeting held on 26th May, 2010 proposed the appointment of Messers. Kirtane & Pandit, Chartered Accountants as the Statutory Auditors in place of retiring Auditors.

Members' approval is being sought to the appointment of Messers. Kirtane & Pandit, Chartered Accountants as the Statutory Auditors and to authorize the Board of Directors to determine their remuneration and reimbursement of out-of-pocket expenses, if any, payable to them. The Directors recommend the Resolution for acceptance by the Members.

Above referred notices and consent are available for inspection at Registered Office of the Company on any working days between 11:00 a.m. to 1:00 p.m. up to the date of this AGM and at this meeting.

None of the Directors of the Company is concerned or interested in this Resolution.

By order of the Board
For Kabra Extrusiontechnik Ltd.

Y. D. Sanghavi
Company Secretary

Place: Mumbai
Date: 26th May, 2010

KABRA EXTRUSIONTECHNIK LTD.

Regd. Office : Kolsite House, Off Veera Desai Road, Andheri (W), Mumbai - 400 053

FORM OF PROXY

Regd. Folio No : DP ID : Client ID :
No. of Shares held : Proxy No. :

I/We of
being a member/members of KABRA EXTRUSIONTECHNIK LTD., hereby appoint
..... of or failing him/her
of as my/our proxy to attend and vote for me/us on my/our behalf at the
Twenty-Seventh Annual General Meeting of the Company to be held at Hotel Karl Residency, 36, Lallubhai
Park Road, Next to Lallubhai Park, Andheri (West), Mumbai 400 058 on Friday the 6th day of August, 2010 at
2:00 p.m. and at any adjournment thereof.

Signed this day of 2010.

Revenue
Stamp
Re.1

(Signature)

KABRA EXTRUSIONTECHNIK LTD.

Regd. Office : Kolsite House, Off Veera Desai Road, Andheri (W), Mumbai - 400 053

ATTENDANCE SLIP

Regd. Folio No : DP ID : Client ID :
No. of Shares held : Proxy No. :

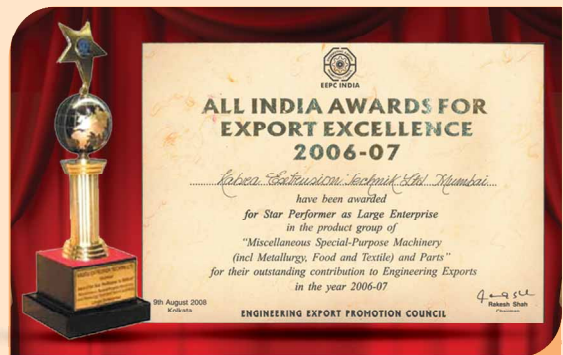
I hereby record my presence at the Twenty-Seventh Annual General Meeting of the Company held at Hotel Karl
Residency, 36, Lallubhai Park Road, Next to Lallubhai Park, Andheri (West), Mumbai 400 058 on Friday, the
6th day of August, 2010 at 2:00 p.m.

1. Full Name of the Member (in Block Letters)
2. Full Name of the Joint-holder(s) (in Block Letters)
3. Full Name of the Proxy (in Block Letters)
4. Signature of the Member/Proxy attending the Meeting

AWARDS & CERTIFICATES



"Plasticon Award for Fastest Growing Enterprise" for last three financial years conferred by Plastindia Foundation in **Plastindia 2009** one of the **Largest International Plastic Exhibition.**



All India Award for **Export Excellence 2006-07** for Star Performer by Engineering Export Promotion Council, India



Export Excellence Award (2005-2006) for the Sixth Time. This award is conferred upon by **EEPC** for Export Excellence in different product group.



Trophy for Excellence in Machinery Sector at **ArabPlast-2005**,



"Best Stall" award in the category Primary Processing Machinery at **Plastvision India 2004**



"STAR EXPORT HOUSE" status in recognition of sustained and excellent export performance from Government of India.



ISO 9001:2000 Certificate for implementing quality management system

A VIRTUAL TOUR OF THE PLANT



A panoramic View of the Company's Factory at Kachigam, Daman.

Demonstration of Drip Irrigation Plant



Demonstration of Large Diameter Pipe

A Joint Venture with

battenfeld-cincinnati  

A KOLSITE Group Company

KABRA EXTRUSIONTECHNIK LTD.

'KOLSITE HOUSE', VEERA DESAI ROAD, ANDHERI (WEST), MUMBAI - 53, INDIA
TEL. : +91- 22-2673 4822 - 25 / 6695 2681 FAX: +91- 22-2673 5041 / 6695 2680
E-mail: Sales@kolsitegroup.com
Web: www.kolsite.com

KABRA 
EXTRUSIONTECHNIK
Tradition of Customer Support

Works: Kabra Industrial Estate, Kachigam, Daman - 396210.
Tel.: +91-260-2241 401-3 / 2242 616 Fax: +91-260-2241 965
E-mail: ket@kolsitegroup.com

Kolsite is involved in continuous and innovative development to ensure the latest technology plants. As such plant specifications are subject to change.

A KOLSITE Group Company