



Management Note: Mumbai, August 12, 2011 :

Kabra ExtrusionTechnik Ltd is part of the Kolsite group, engaged in the manufacture of Plastic Extrusion machinery in India.

For the first quarter ended June 2011, the company reported Revenue of Rs. 3823.34 lakh as against Rs. 4386.85 lakh in the corresponding quarter last year; marking a decline of 12.85%.

This was primarily on account of the slow down witnessed in the end user industries. While the company has strong order book in hand worth Rs 60 crores, the dispatch in the quarter has been delayed due to deferrals at the clients end regarding commencement of operations.

This has resulted in inventory build up of machines for which overheads have already been incurred, while the corresponding revenue stands deferred.

While sales from the domestic front remained steady, exports witnessed a decline on account of the global economic downturn. Demand for Film Extrusion Machines remained strong while client accretion in the pipe manufacturing segment was slow.

Other expenditure has risen on account of the Dunetha plant which commenced operations. The benefits of the capex incurred for Dunetha will accrue over a period of time.

Similarly, EBIDTA for Q1FY12 stood at Rs. 163.39 lakhs while Profit After Tax for Q1 FY12 was Rs. 87.55 lakh

Mr. Jayant Sarpotdar, the Chief Financial Officer of Kabra Extrusiontechnik Ltd. said that the inventory build up is expected to ease over a period of time. The company expects better clarity to emerge over the next two quarters.

Mr. S. V. Kabra, Chairman & Managing Director of Kabra Extrusiontechnik Ltd said: "The end user industries have been witnessing a slowdown and given the current macroeconomic headwinds, it may take some time before sales resume. However , in the long term, once the overhang of global economies and domestic issues settle down, as a company we are prepared to tap the growth curve."

About Kabra Extrusionstechnik :

Kabra Extrusionstechnik is a part of the Kolsite group and manufactures Plastic Extrusion machinery 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.

It specializes in the manufacture of plants to produce a wide range of plastic pipes. The Company's domestic production of extrusion machinery consists of plants for making pipes, films. The Company manufactures hi-tech HDPE pipe plants. It offers multi-layer blown film plants, which has applications in lamination, milk and edible oil packing industries. The Company's two major products include plastic processing machineries and spares & parts of plastic processing machineries.

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