



NATIONAL PLASTIC INDUSTRIES LIMITED

27th
Annual Report
2013-2014



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CORPORATE INFORMATION

Board of Directors

Paresh V. Parekh (Managing Director)
Ketan V. Parekh (Jt. Managing Director)
Dhirajlal J. Shanghavi (Director)
Ashwin J. Goradia (Director)

VP – Finance

Umesh L. Shenoy

Company Secretary

Swati J. Zawar

Auditors

M/s. Sheth Doctor & Associates
Chartered Accountants

Bankers

Corporation Bank
Karur Vysya Bank

Investor Queries

investor@nationalplastic.com

Website

www.nationalplastic.com

Registered & Corporate office

A-59, MIDC, Road No. 1,
Marol, Andheri (East),
Mumbai – 400 093
Tel No.: 022 – 6766 9999 / 2831 1555
Fax: 022 – 2836 0422
Email Id: info@nationalplastic.com
CIN No.: L25200MH1987PLC044707

Listing on Stock Exchange

Bombay Stock Exchange Limited

27th Annual General Meeting

Thursday, 11th September, 2014 at 11.00 a.m.
at Hotel Suba Galaxy, N. S. Phadke Road,
Off Western Express Highway,
Andheri (East), Mumbai - 400069

**As a Measure of Economy,
copies of Annual Report will
not be distributed at the Annual
General Meeting. Shareholders are
requested to kindly bring copies of
their Annual Report to the Meeting.**

Registrar & Transfer Agent

Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai – 400 072
Tel No.: 022 – 2851 5606/2851 5644
Fax: 022 – 2851 2855
Email Id: sharexindia@vsnl.com
Website: www.sharexindia.com

Plant Locations

Silvassa – Plot No. 263, Damani Road,
Village – Dadra, Silvassa – 396230
Union Territory of Dadra Nagarhaveli.

Patna – Plot No. B – 1 to B – 7 Industrial
Area, Fatuha, Bihar – 803201

Nellore Unit No. 1 – Plot no. 1 Industrial Park,
Survey No. 283, 297 & 298,
Naidupet (Menakur), Nellore,
Andhra Pradesh – 524421

Nellore Unit No. 2 – Plot no. 2 Industrial
Park, Survey No. 296, Naidupet (Menakur),
Nellore, Andhra Pradesh – 524421

Company Depots

Thalassery, Vapi, Orissa, Kerala, Ghaziabad.

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NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the Members of National Plastic Industries Limited (CIN No. L25200MH1987PLC044707), will be held on Thursday, 11th September, 2014 at 11.00 a.m. at Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai - 400 069 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statement of the Company for the year ended 31st March 2014, the reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. Sheth Doctor & Associates, Chartered Accountants (Registration No. 124822W), are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Dhirajlal J. Shanghavi (holding DIN 02909798), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 1st April, 2014 up to 31st March, 2019 and whose term of office shall not be liable to retirement by rotation.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Ashwin J. Goradia (holding DIN 02972495), who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 1st April, 2014 up to 31st March, 2019 and whose term of office shall not be liable to retirement by rotation.”

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

“**RESOLVED THAT** in supersession of the Resolution passed by the shareholders of the Company in the 24th Annual General Meeting held on 26th September, 2011, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) pursuant to the provisions of Section 180(1)(c) and (2) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, amendments or re-enactments thereto for the time being in force) for borrowing any sum or sums of monies from time to time for the purpose of the Company's business on such terms and conditions and with or without security from any bank, financial institution or any other lending institutions, firms, bodies corporate or persons, both in the national and international markets, as the Board may think fit, notwithstanding that the sum or sums of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹100 Crores (Rupees One Hundred Crores Only) over and above the paid up capital of the Company and its free reserves.”

“**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

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

"RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013, and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to create charge, hypothecate, mortgage, pledge, any movable or immovable properties of the Company where so ever situated, both present and future and the whole or substantially the whole of the undertaking of the Company, for securing any loans/facilities/borrowing limits/LC limits obtained or as may be obtained from any banks, financial institutions, hire-purchase/lease companies, body corporate or any other persons together with interest, costs, charges, expenses and any other moneys payable, on such terms and conditions as the Board may think fit for the benefit of the Company and as agreed between the Board and lender towards security for the purpose of borrowing funds for the Company from time to time not exceeding ₹ 100 Crores (Rupees One Hundred Crores Only).

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to finalize the documents for creating mortgages, charges, hypothecations and to accept any alterations, changes, variations in terms and conditions and to do all such further acts and deeds and to take all such actions as required necessary to give effect to the above resolution."

**On behalf of the Board of Directors
For NATIONAL PLASTIC INDUSTRIES LIMITED**

Place: Mumbai
Date: 5th August, 2014

**PARESH V. PAREKH
MANAGING DIRECTOR**

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY, TO BE EFFECTIVE, MUST BE DULY FILLED, STAMPED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the Meeting is annexed hereto.
4. The Annual Report will also be available on the website of the Company at www.nationalplastic.com in the Investors section.
5. The Register of Members and the Share Transfer Books shall remain closed from **Monday, 1st September, 2014 to Thursday, 11th September, 2014** (both days inclusive), for the purpose of Annual General Meeting.
6. All the Members are requested to:
 - i. bring their copies of the Annual Report and the duly filled in Attendance Slip for attending the Annual General Meeting.
 - ii. send their queries with respect to the accounts and operations of the Company at least 10 days in advance so that the required information can be made available at the meeting.
 - iii. direct all the correspondence relating to transfer and transmission of shares, change in their registered address to the Company's Registrar and Transfer Agents, **Sharex Dynamic (India) Pvt. Ltd** Unit 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400072 and not to the Company.
Members holding shares in the electronic form are advised to inform change in address directly to their respective depository participants.
 - iv. quote their Folio No. / DP ID and Client ID No. in all their correspondence with the Registrar and Share Transfer Agents.
 - v. intimate Registrar and Share Transfer Agents M/s. Sharex Dynamic (India) Pvt. Ltd. for consolidation of their folios, in case they are having more than one folio.
 - vi. note that no gifts/coupons shall be distributed at the Annual General Meeting.
7. In case of Joint holders attending the meeting, only such joint holder whose name is higher in the order of names will be entitled to vote.

8. VOTING THROUGH ELECTRONIC MEANS:

In compliance with section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, and Clause 35B of the Listing Agreement, the Company is pleased to provide e-voting facility to the members which will enable the members to cast their vote electronically. All business to be transacted at the annual general meeting can be transacted through the electronic voting system. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted is as under:-

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab to cast your votes.
- iii. Now select "National Plastic Industries Limited" from the drop down menu and click on "SUBMIT".
- iv. Now enter your User ID [For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID], Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Image Verification as displayed and Click on Login.

NATIONAL PLASTICS INDUSTRIES LIMITED

- v. If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.

Fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form / Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
DOB#	Enter your Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

*Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.

In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter **the number of shares held by you as on the cut off date i.e. 01/08/2014** in the Dividend Bank details field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- viii. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- ix. Click on "National Plastic Industries Limited" on which you choose to vote.
- x. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. **In case of members receiving the physical copy:** Please follow all steps from sl. no. i to sl. no. xv above to cast vote.
- xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com. After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- xviii. **The voting period begins on Thursday, 4th September, 2014 at 9.00 a.m. and ends on Saturday, 6th September, 2014 at 6.00 p.m., both days inclusive. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 1st August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under "Help" section or write an email to helpdesk.evoting@cDSLindia.com.
- xx. Mrs. Jayshree A. Lalpuria, of Jayshree A. Lalpuria & Co., Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
- xxi. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.nationalplastic.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company.
9. For transfer of shares held in Physical mode the transferee should submit along with the transfer documents copy of PAN Card for registration of transfer request.
10. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS details for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. The Members holding shares in electronic form may instruct their DP's accordingly.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / M/s. Sharex Dynamic (India) Private Limited.
12. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their registered email id, bank details, NECS, Mandates, Nominations, power of attorney etc to their Depository Participants. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records which will help the Company and its Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited, to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice such changes to the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited.
13. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares. Members can contact the Company's Registrar and Transfer Agents, M/s. Sharex Dynamic (India) Private Limited for assistance in this regard.
14. Pursuant to Section 205A of the Companies Act, 1956, dividend which remain unpaid or unclaimed for a period of 7 years, will be transferred to Investor Education and Protection Fund (IEPF) of the Central Government. Shareholders, who have not encashed the dividend warrant(s) so far for the Financial Years 2009-2010 onwards, are requested to make their claims to the Company's Registrar and Transfer Agents. It may be noted that once the unclaimed dividend is transferred, on the expiry of seven years from the date of declaration, to the IEPF, as stated herein, no claim shall lie in respect thereof. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 24, 2013 (date of last Annual General Meeting) on the website of the Company (www.nationalplastic.com), as also on the website of the Ministry of Corporate Affairs.
15. For receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically, the members, who have not registered/updated their e-mail address so far, are requested to register/update their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold their shares in physical form and who are desirous of receiving the communications/documents in electronic form are requested to promptly register their e-mail addresses with the Company.

Please note that as a valued shareholder of the Company, you are always entitled to receive, on request, a printed copy of the Annual Report and all other documents as stated above, free of cost.

DETAILS OF DIRECTOR SEEKING APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of the Director	Mr. Dhirajlal Shanghavi	Mr. Ashwin Goradia
Date of Birth	05.09.1938	26.08.1948
Date of Appointment	01.04.2006	28.12.2005
Qualification	Graduate	Graduate
Expertise in specific area	Plastic Raw Materials & Chemical	Plastic Raw Materials & Chemical
Directorships in other Public Limited Companies	NIL	NIL
Membership of Committees in other Public Limited Companies	NIL	NIL
Number of Shares held	100	300

**On behalf of the Board of Directors
For NATIONAL PLASTIC INDUSTRIES LIMITED**

Place: Mumbai
Date: 5th August, 2014

**PARESH V. PAREKH
MANAGING DIRECTOR**

ANNEXURE TO THE NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Mr. Dhirajlal J. Shanghavi has joined the Board of Directors of the Company in April, 2006. He is a Non-Executive Independent Director of the Company and have held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company. Also, as per the provisions of Section 149 of the Companies Act, 2013 which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Dhirajlal J. Shanghavi is a Director in Shanghvi Dye-Chem Indus-tries Pvt Ltd in India.

Mr. Dhirajlal J. Shanghavi is Chairman of the Audit Committee of the Board of Directors of the Company. He holds 100 shares in the Company.

Mr. Dhirajlal J. Shanghavi is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as a Director.

The Company has also received declaration from Mr. Dhirajlal J. Shanghavi that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Dhirajlal J. Shanghavi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Dhirajlal J. Shanghavi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dhirajlal J. Shanghavi as an Independent Director. Accordingly, the Board recommends the resolution with respect to appointment of Mr. Dhirajlal J. Shanghavi as an Independent Director for a term of five consecutive years with effect from 1st April, 2014 up to 31st March, 2019, for the approval by the shareholders of the Company. A notice has been received from a member proposing Mr. Dhirajlal J. Shanghavi as a candidate for the office of Director of the Company.

Except Mr. Dhirajlal J. Shanghavi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the resolution for approval of the members as an Ordinary Resolution.

Item No. 4

Mr. Ashwin J. Goradia has joined the Board of Directors of the Company in December, 2005. He is a Non-Executive Independent Director of the Company and have held the position as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company. Also, as per the provisions of Section 149 of the Companies Act, 2013 which has come into force with effect from 1st April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Ashwin J. Goradia is Chairman of the Share Transfer and Investor Grievance Committee and a member of the Audit Committee of the Board of Directors of the Company. He holds 300 shares in the Company.

Mr. Ashwin J. Goradia is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as a Director.

The Company has also received declaration from Mr. Ashwin J. Goradia that he meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Ashwin J. Goradia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ashwin J. Goradia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ashwin J. Goradia as an Independent Director. Accordingly, the Board recommends the resolution with respect to appointment of Mr. Ashwin J. Goradia as an Independent Director for a term of five consecutive years with effect from 1st April, 2014 up to 31st March, 2019, for the approval by the shareholders of the Company. A notice has been received from a member proposing Mr. Ashwin J. Goradia as a candidate for the office of Director of the Company.

Except Mr. Ashwin J. Goradia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The Board recommends the resolution for approval of the members as an Ordinary Resolution.

Item No. 5 & 6

The shareholders of the Company had consented by passing an Ordinary Resolution in the 24th Annual General Meeting held on 26th September, 2011 authorizing the Board of Directors to borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company not exceeding ₹ 100 Crore over and above the paid up capital of the Company and its free reserves, for the business of the Company. However, Section 180(1) of the Companies Act, 2013 provides that the Board of Directors of a Company shall exercise the said power and to authorize creation of charge over the properties of the Companies for such borrowings only with the consent of the Company by a Special Resolution. Hence, the Special Resolutions as set out at Item Nos. 5 and 6 are intended for this purpose.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolutions.

The Board recommends the Resolutions at Item No. 5 and 6 for approval of the members as Special Resolution.

**On behalf of the Board of Directors
For NATIONAL PLASTIC INDUSTRIES LIMITED**

Place: Mumbai
Date: 5th August, 2014

**PARESH V. PAREKH
MANAGING DIRECTOR**

DIRECTORS' REPORT

To,
The Members,
NATIONAL PLASTIC INDUSTRIES LIMITED

Your Directors present their 27th Annual Report together with the Audited Accounts of the Company, for the year ended 31st March, 2014.

FINANCIAL RESULTS

(₹ in Lacs)

Particulars	2013-2014	2012-2013
Sales & Other Income	8937.45	7297.66
(Loss) / Gross Profit before Depreciation & Interest	846.00	306.79
Less : Depreciation	230.85	216.67
Interest	459.69	424.12
(Loss) / Profit for the year	155.46	(334.00)
Less : Prior Period Adjustment	14.82	-
Less : Tax Provision	-	-
Less : Deferred Tax Liabilities	43.35	(108.22)
(Loss) / Net Profit after Tax	97.29	(225.78)
Add : Balance brought forward from previous year (Adjusted)	98.92	324.70
Balance Available for appropriation	196.20	98.92
Appropriation:		
Proposed Dividend	-	-
Dividend Tax	-	-
Transfer to General Reserve	-	-
Balance c/f to Balance Sheet	196.20	98.92

DIVIDEND

In order to conserve the resources, and to improve the financial position of the Company, the Directors of your Company do not recommend any dividend for the current year.

YEAR IN RETROSPECT

The year 2013 – 2014 was indeed a challenging year for the Company due to the volatile market conditions. High volatility in raw material prices and exchange rates added to the product cost leading to moderate increase in sales volumes. Persistent efforts have been made by the Company to maintain higher sales volume and reduce finance costs. There was intense competition both from the organized market players as well as the local unorganized manufacturers.

The Company is taking all necessary steps to reduce wastages and make production cost efficient and will surely be able to achieve its targets.

During the year under review Net Sales were ₹ 74.95 Crores as against ₹ 60.17 Crores in the previous year. In spite of the increased raw material prices, high inflation, & volatile market scenario, the company has been able to achieve net profit of ₹ 97.29 Lacs. The Company has endeavored to bring out new & unique moulded furniture for improving the sales of the products.

The PVC flooring Mats business in Nellore, Andhra Pradesh in the southern part of the country under the brand name INSTA has progressed fairly well during the current year.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profits of the Company for the financial year ended 31st March, 2014;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange forms part of the Annual Report.

The Certificate from the Auditor of the Company confirming compliance with the conditions of the Corporate Governance as stipulated under the aforesaid Clause 49 is attached to this Report. Further, a separate Management Discussion and Analysis report also forms part of this Annual Report.

COST COMPLIANCE

Pursuant to Sec. 209 (1)(d) of the Companies Act, 1956, Cost Compliance Report for the financial year ended 31st March, 2013 was submitted to the Central Government on 20th December, 2013.

COST AUDIT

The Cost Audit report for the financial year ended 31st March, 2014 will be filed within the prescribed time period.

FIXED DEPOSIT

The Company has not accepted any Fixed Deposit covered under Section 58A of the Companies Act, 1956 from the Shareholders or the Public during the year.

INSURANCE

All the insurable interests of the company including inventories, building, plant & machinery etc. are adequately insured.

DEMISE OF CHAIRMAN

The Board regretfully reports the sad demise of its Founder Chairman, Mr. Vinod V. Parekh after a prolonged illness on 12th March, 2014. The Board further expresses its heartfelt condolences and would like to place on record its sincere and deep appreciation for his invaluable guidance and contribution from time to time in the growth of the Company.

BOARD OF DIRECTORS

Mr. Dhirajlal J. Shanghavi and Mr. Ashwin J. Goradia are Independent Directors of the Company as per Clause 49 of the Listing Agreement and were appointed under the Companies Act, 1956 as Directors liable to retire by rotation. Pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013, it is proposed that these Directors be appointed as Independent Directors of the Company, to hold office for a term of five consecutive years up to 31st March, 2019 at the forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange.

AUDITORS

M/s. Sheth Doctor & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Twenty Seventh Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The Company has received letter from the auditor to the effect that his re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 form part of this report and are set out in the annexure "A" attached herewith.

EMPLOYEES

None of the employees of the Company were drawing a remuneration exceeding ₹ 60,00,000/- per annum or ₹ 5,00,000/- per month or part thereof. Hence, no particulars of employees as per Section 217 (2A) of the Companies Act, 1956 are furnished.

Your Directors value the commitment of the employees towards the Company and appreciate their valuable contributions for the progress and growth of the Company.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their gratitude for the co-operation and support they have received from the State Government Authorities, Statutory Authorities, Local Bodies, Banks and Financial Institutions and other Regulatory agencies during the year. Your Directors warmly acknowledge the faith and confidence reposed in the Company by its channel partners, dealers and customers in supporting its business activities and growth. Your Directors express their gratitude to the other business associates of the Company for their unstinting support. Your Directors are thankful to the Members for extending the trust and confidence shown.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 5th August, 2014

Paresh V. Parekh Ketan V. Parekh
Managing Director Joint Managing Director

ANNEXURE “A” TO THE DIRECTORS’ REPORT

Additional information given as required under the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Adequate measures have been taken to avoid wastage of energy, the necessary investments are also planned to cut down the consumption of energy per kg. of processing of plastic. The requirement for disclosure with respect to the conservation of energy is not applicable to the Company.

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

The total foreign exchange earnings and outgo for the financial accounting year 31st March, 2014 is as follows:

a) Earnings	
Value of Export (FOB)	₹ 1,859.60 Lacs
b) Outgo	
Capital Goods	NIL
Bank Charges	₹ 8.32 Lacs
Raw Material & Other Purchases	₹ 32.12 Lacs
Traded Purchases	₹ 7.47 Lacs

For and on behalf of the Board of Directors

Place: Mumbai
Date: 5th August, 2014

Paresh V. Parekh **Ketan V. Parekh**
Managing Director **Joint Managing Director**

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance essentially is a set of standards, which aims to improve the company's efficiency, effectiveness and social responsibility. Good Corporate Governance is about enhancing value for all stakeholders with strong emphasis on transparency, accountability, ethics, integrity, equity, fairness and commitment to values. Your Company is committed to good Corporate Governance. The Company believes that good Corporate Governance serves the long-term interest of all its shareholders. A sound governance process consists of a combination of business practices, which result in enhanced shareholder value and enable the Company to fulfill its commitment to customers, employees, lenders and the society in general.

Your company has achieved excellence in its practices with the prevailing guidelines by upholding the core values of good Corporate Governance across all aspects of its operation. Key aspects of the Company's Governance processes are:

- Clear statements of Board processes and Board Executive linkage.
- Disclosures, accountability, transparency, adequate systems and procedures to monitor the state of affairs of the Company to enable the Board in effectively discharging its responsibilities to the shareholders of the Company.
- Identification and Management of key risks to deliver better performance of the Company.

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasing long-term shareholder value. The Company is committed to transparency in all its dealings and lays emphasis on business ethics.

2. BOARD OF DIRECTORS

Composition of Board

In view of the sad demise of Mr. Vinod V. Parekh on 12th March, 2014, the office of Director held by him in the Company stands vacated. Accordingly, the present composition of the Board is as under:-

Director	Category	No. of Outside Directorships held
Mr. Paresh V. Parekh	Promoter Executive	1
Mr. Ketan V. Parekh	Promoter Executive	NIL
Mr. Ashwin Goradia	Non-Executive Independent	NIL
Mr. Dhirajlal J. Shanghavi	Non-Executive Independent	1

Board Meetings:

The Board meets at least once in a quarter to consider amongst other businesses, the quarterly performance and the Financial Results of the Company. When necessary, additional meetings are held. To address specific urgent need, meetings are also convened at shorter notice. The quarterly, half-yearly and the annual results for the Company are first placed before the Audit Committee of the Company and thereafter the same are placed before the Board of Directors. During the year under review, 17 meetings of the Board of Directors were held on 26th April 2013, 30th May 2013, 6th June 2013, 4th July 2013, 14th August 2013, 27th September 2013, 25th October 2013, 8th November 2013, 12th November 2013, 20th December 2013, 3rd January 2014, 30th January 2014, 3rd February 2014, 14th February 2014, 27th February 2014, 21st March 2014 and 31st March 2014.

Attendance of each Director at these meetings is as under:

Name of Director	No. of Board Meetings Attended	Attendance at last AGM
Mr. Vinod V. Parekh	4	Absent
Mr. Paresh V. Parekh	17	Present
Mr. Ketan V. Parekh	17	Present
Mr. Ashwin J. Goradia	17	Absent
Mr. Dhirajlal J. Shanghavi	17	Absent

Information placed before the Board of Directors and Executive Committee

The following information is regularly placed before the Board of Directors:

- Quarterly results for the company.
- Appointment, remuneration and resignation of Directors.
- Information on recruitment and remuneration of senior officials just below the Board level.

- Material communications from Government Bodies.
- Fatal or serious accidents, dangerous occurrences, any material effluent and pollution problems.
- Labour relations.
- Formation/reconstitution of Board Committees.
- Dividend declaration
- Material transactions, which are not in the ordinary course of business.
- Disclosure of Directors' interest and their shareholding.
- Disclosures by the management of material transactions, if any, with potential of conflict of interest.
- Compliance with all regulatory and statutory requirements.

Membership of Board Committees:

None of the Directors hold memberships of more than 10 committees and are Chairman of more than 5 committees (as specified in Clause 49 of Listing Agreement with Stock Exchanges). The Directors have made necessary disclosures regarding their committee positions.

As on 31st March, 2014, none of the Directors were disqualified under Section 274(1)(g) or any other provisions of the Companies Act, 1956 and all the Independent Directors are qualified to be appointed as an Independent Director pursuant to Clause 49 of the Listing Agreement with Stock Exchange.

3. COMMITTEE OF BOARD

(A) Audit Committee:

The Audit Committee is constituted as required under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The scope of activities and powers of the Audit Committee includes the areas prescribed under the Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and the attendance of each Director at each meeting were as follows:

Name	Designation	Category	Meetings Attended
Mr. Dhirajlal J. Shanghavi	Chairman	Non Executive Director	5
Mr. Ashwin J. Goradia	Member	Non Executive Director	5
Mr. Paresv V. Parekh	Member	Executive Director	5

Five Audit Committee meetings were held during the year 2013-2014 on 30th May 2013, 6th June 2013, 14th August 2013, 8th November 2013 and 14th February 2014.

The Company Secretary acts as the Secretary to the Committee.

Terms of reference of the Audit Committee:

1. Review Company's financial reporting process and disclosure of its financial information.
2. Recommending to the Board the appointment, re-appointment and replacement of the statutory auditor and the fixation of audit fee.
3. Approval of payments to the statutory auditors for any other services rendered by them.
4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions; and
 - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Reviewing the findings of any investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. Reviewing the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
11. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters and letters issued by the statutory auditors.

(B) Share Transfer & Investor Grievance Committee

In view of the sad demise of Mr. Vinod V. Parekh, Director of the Company on 12th March, 2014, the Share Transfer and Investor Grievance Committee was re-constituted by the Board on 21st March, 2014.

Further, in view of the requirements under Section 178(5) of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement which comes into effect from 1st October, 2014, the name of the Committee has been changed to "Share Transfer and Stakeholders Relationship Committee" with effect from 2nd June, 2014.

The present composition of the Committee is as under:

Name	Designation	Category
Mr. Ashwin J. Goradia	Chairman	Non Executive Director
Mr. Paresh V. Parekh	Member	Executive Director
Mr. Ketan V. Parekh	Member	Executive Director

The Company Secretary acts as the Secretary to the Committee.

The Secretarial Department of the Company is under the supervision of Ms. Swati Zawar, Company Secretary. M/s. Sharex Dynamic (India) Pvt. Ltd., Registrar & Share Transfer Agents, attends to all shareholders / Investors Grievances received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs and Registrar of Companies jointly with the Company Secretary of the Company.

Terms of reference of the Committee:

1. Records the registration of transfers done by the Registrar & Share Transfer Agents, investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, interest, non – receipt of Annual Report etc.;
2. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee;

Report on Complaints received from the investors during the period 1st April, 2013 to 31st March, 2014.

Opening Balance	No. of complaints received during the Year	No. of complaints resolved	Closing Balance
Nil	2	2	Nil

4. DIRECTORS INTEREST IN THE COMPANY

Details of Remuneration to all Directors for the financial year 2013-2014 are as follows:

Director	Sitting Fees	Salary & Perks	Commission	Total
Mr. Vinod V. Parekh	Nil	Nil	Nil	Nil
Mr. Paresh V. Parekh	Nil	₹ 7,68,000/-	Nil	₹ 7,68,000/-
Mr. Ketan V. Parekh	Nil	₹ 7,68,000/-	Nil	₹ 7,68,000/-

5. ANNUAL GENERAL MEETINGS

Details of the location of the last three Annual General Meetings (AGMs) held is as under:

Year Ended	Location	Date	Time	Whether any special resolution passed therein
31-Mar-11	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400069.	26-Sep-11	11.00 a.m.	Yes
31-Mar-12	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400069.	25-Sep-12	11.00 a.m.	Yes
31-Mar-13	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400069.	24-Sep-13	11.00 a.m.	No

No resolutions were passed through postal ballot during the last financial year.

6. DISCLOSURES

(a) Disclosures of materially significant related party transactions:

The transactions with related parties were undertaken in the normal course of business and were at terms and conditions, which were not prejudicial to the interest of the company.

(b) Details of non-compliance by the Company, penalties, stricture imposed on the Company by the Stock Exchange, SEBI or any statutory Authorities or any matter related to Capital Markets:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties or strictures have been imposed by SEBI, Stock Exchanges or any statutory authority on matters relating to capital markets, during the last 3 years.

7. CODE OF CONDUCT

As per the provisions of Clause 49 of the Listing Agreement, the Company has framed a Code of Conduct for the Board Members and Senior Management. The Code of Conduct has been posted on the website of the Company – www.nationalplastic.com. The code has been circulated to all the members of the Board and Senior Management of the Company.

8. MEANS OF COMMUNICATION

The Financial Results are published in Business Standard (English) and Mumbai Lakshadweep (Marathi). Also, other notices are duly published in the newspapers and intimated to the Stock Exchange from time to time.

The financial results and other required information are also available on Company's Website - www.nationalplastic.com

The Company has designated the following email-id exclusively for investor servicing, for Annual Report and other queries – investor@nationalplastic.com

9. GENERAL SHAREHOLDER INFORMATION

27th Annual General Meeting

Date, Day & Time	11 th September, 2014, Thursday at 11.00 A.M.
Venue	Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400069.
Book Closure Date	From 1 st September, 2014 to 11 th September, 2014 (both days inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange Ltd. (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.
Scrip Code	Bombay Stock Exchange Ltd. – 526616
ISIN No. (Demat No.) NSDL & CDSL	INE233D01013

Financial Calendar (Tentative)

- a) Results for quarter ending 30th June, 2014 : on or before 14th August, 2014
b) Results for quarter ending 30th September, 2014 : on or before 14th November, 2014
c) Results for quarter ending 31st December, 2014 : on or before 14th February, 2015
d) Results for quarter and year ending 31st March, 2015 : on or before 30th May, 2015

The Company has paid the Annual Listing fees to the aforesaid Stock Exchange for the Financial Year 2014 – 2015.

10. MARKET PRICE DATA

The Bombay Stock Exchange Limited

Month	High (₹)	Low (₹)
April, 2013	11.00	8.50
May, 2013	10.00	8.08
June, 2013	9.49	7.50
July, 2013	10.20	7.35
August, 2013	10.75	7.00
September, 2013	11.39	9.89
October, 2013	10.64	6.31
November, 2013	10.68	6.81
December, 2013	10.39	7.59
January, 2014	8.80	7.35
February, 2014	9.22	7.11
March, 2014	10.70	8.50

11. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2014

No. of shares	No. of shareholders	% of shareholders	Paid up share Capital held	% of Total
Up to 5000	14,363	94.41	1,82,93,400	20.04
5001 – 10000	449	2.95	37,54,280	4.11
10001 – 20000	198	1.30	29,90,660	3.28
20001 – 30000	95	0.62	24,51,920	2.69
30001 – 40000	23	0.15	8,15,730	0.89
40001 – 50000	21	0.14	10,04,410	1.10
50001 – 100000	33	0.22	24,46,560	2.68
100001 & above	32	0.21	5,95,39,040	65.22
Total	15,214	100	9,12,96,000	100

12. CATEGORIES OF SHAREHOLDERS AS ON 31ST MARCH, 2014

Category	No. of Shares held	Voting Strength (%)
Promoters, Relatives & Associate companies	51,69,397	56.62
Public	34,87,715	38.20
NRI/FII's/OCB	2,60,366	2.85
Banks and Mutual Funds	8,000	0.09
Domestic Companies (including Financial Institutions)	2,04,122	2.24
Total	91,29,600	100

13. SHARE TRANSFER SYSTEM

The Company has appointed M/s. Sharex Dynamic (India) Private Limited as its Registrar and Share Transfer Agents to process all the matters related to transfers in physical form. All requests for dematerialization of shares, which are in order, are processed within 7 days from the receipt of request and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Physical shares received for transfers are transferred within a period of 15 days from the date of receipt, provided the documents are complete in every respect and the relative shares are not under any dispute. In compliance with the Listing Agreement with the Stock Exchange, a Practicing Company Secretary carries out audit of the System of transfer and a certificate to that effect is issued by them.

14. DEMATERIALISATION OF EQUITY SHARES & PAYMENT OF CUSTODIAN FEES

The shares of the Company are compulsorily traded in dematerialized form and are available for trading under both the Depository Systems, viz, NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). The shares of the Company are traded on the Bombay Stock Exchange (BSE).

The Company has paid Annual Custodian Fees for the Financial Year 2014 – 2015 for both the aforesaid Depositories.

15. ADDRESS FOR CORRESPONDENCE

Investors can communicate at the following addresses:

(i) Ms. Swati J. Zawar – Company Secretary

National Plastic Industries Limited
A-59, MIDC, Road No. 1, Marol,
Andheri (East), Mumbai – 400 093
Tel: 022 – 67669999 / 28311555 Fax: 022 – 28360422
E-mail: investor@nationalplastic.com

(ii) M/s. Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road, Andheri (East),
Mumbai – 400072
Tel: 022 – 28515606 / 28515644 Fax: 022 – 28512855
E-mail: sharexindia@vsnl.com

16. CEO/CFO CERTIFICATION

The Managing Director and the Vice President – Finance of the Company has given annual certification on financial reporting and internal controls to the Board in terms of Clause 49 V of the Listing Agreement.

17. DECLARATION

In accordance with Clause 49 of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31st March, 2014.

For and on behalf of the Board of Directors

Place: Mumbai
Date: 5th August, 2014

Paresh V. Parekh
Managing Director

CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT

To,
The Board of Directors of
National Plastic Industries Limited

We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For National Plastic Industries Limited

Place: Mumbai
Date: 29th May, 2014

Paresh V. Parekh **Umesh Shenoy**
Managing Director **VP-Finance**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
National Plastic Industries Limited.

We have examined the compliance of conditions of Corporate Governance by **National Plastic Industries Limited**, for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement (as modified from time to time) entered into by the Company with the Bombay 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 the conditions of 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, in all material respects, with the condition of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We further state that, such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of
SHETH DOCTOR & ASSOCIATES
Chartered Accountants
Firm Regn No. 124822W

Place: Mumbai
Date: 29th May, 2014

PARESH S. DOCTOR
Membership No. 36056

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business of the Company

The Company will continue to be engaged in manufacturing and sale of plastic moulded products namely furniture and household. At present, the Company is concentrating on both furniture and household products. Household product is being manufactured to cater to both the export and domestic market. The products are sold under the brand name **NATIONAL**

The Company is also engaged in its PVC flooring Mats business in Nellore, Andhra Pradesh in the southern part of the country under the brand name **INSTA**.

Besides, the Company has rented out its idle real estate at Kashimira, Western Express Highway, Thane.

Review of Operations

The total income for the year was at ₹ 89.37 Crores as against ₹ 72.98 Crores for the last financial year. Out of this, exports were ₹ 18.60 Crores as against ₹ 11.08 Crores for the last financial year. The profit before depreciation and interest was at ₹ 846 Lacs, as against ₹ 306.79 Lacs in the last financial year.

Key Strength and Growth Driver

The Company's product ranges have been well accepted due to its quality and price. The Company is exploring to sell its products in the other markets where it does not exist. Due to the quality and better outlook of the product, the Company is in a advantageous position to enhance its sales. New products have been introduced in the household sectors for catering the demands of the large buyers in the International Market. Innovations and improvements have been effected in the furniture product as per the market demand.

Business Outlook

The year 2013-2014 was indeed a challenging year due to various factors. Inflationary pressures continued unabated during the year. Moreover, the volatility in raw material prices and exchange rates, increasing interest rates added to the production costs. Due to all these factors, the pressure on the margins of the Company remained unabated for the entire financial year. But, despite all these factors the Company has, due to efficient management of resources with focus on cost reduction, been able to achieve a profit of ₹ 97.29 lacs. The exports of the Company have perked up 67% as against last year.

The Company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. The Company has also undertaken various measures to cut down the cost and re-arrange the product and sales mix. The Company has planned to introduce high end products both for furniture and household in order to increase the market share and improve the margins.

The Company foresees huge opportunity for growth in the business of furniture and household segment.

Financial Risk & Threats

Interest and Finance cost have increased by ₹ 35.57 Lacs i.e. from ₹ 424.12 Lacs to ₹ 459.69 Lacs. Such increase in the interest and finance cost is due to increase in utilization of borrowed funds and its cost. The increase in borrowed fund was due to capital expenditure incurred and increased working capital requirement for the growth of the business.

The Company is exposed to risks from foreign exchange fluctuations, commodity prices, business risks, as well as price fluctuation of raw materials and finished goods in its entire product range. With the rise in demand & overall industrial sentiment, the industry is witnessing many new entrants with low capital base to serve the local market.

The Board and the Audit Committee of the Company periodically reviews the risk management procedures and takes various preventive measures to mitigate the risk factors.

Internal Control System and Their Adequacy

The Company's internal control systems, commensurate with the size of the Company and nature of its business, has defined policies and procedures ensuring that all transactions are authorized, recorded and correctly reported, all assets are safeguarded and protected against loss from unauthorized use or disposition, reducing wastages and maintenance of proper accounting records for ensuring accuracy and reliability of its financial information. As a matter of proactive planning, the Board has also constituted an Audit Committee which meets periodically to review the financial performance and the accuracy of financial records.

The Management duly considers and takes appropriate action on the recommendations made by the Statutory Auditors and the Audit Committee of the Board of Directors.

Industrial Relations and Human Resource

Industrial relations continued to be harmonious both at manufacturing unit as well as in branches. The employees are the key assets and the backbone of the Company and hence great emphasis has been laid on optimizing their performance. The training and education of employees across department is ongoing process of the company. The Company provides employees with fair and equitable work environment and supports them to develop their capabilities.

Cautionary Statement

The Management Discussion and Analysis Statements made above are on the basis of the available data as well as certain assumptions as to the economic conditions, various factors affecting raw material prices and selling prices, trend and consumer demand and preferences, governing and applicable laws and other economical and political factors. The management cannot guarantee the accuracy of the assumptions and projected performance of the Company in future. It is therefore, cautioned that the actual results may differ from those expressed or implied therein.

INDEPENDENT AUDITORS' REPORT

To,

The Members of
NATIONAL PLASTIC INDUSTRIES LIMITED

Report on the Financial Statements

1. I have audited the accompanying financial statements of NATIONAL PLASTIC INDUSTRIES LIMITED, which comprises Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss Account and also the Cash Flow Statement of the Company for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("The Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that re-appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Opinion

6. In my opinion and to the best of my information and according to the explanations given to me, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014
- (b) In the case of the Profit and Loss Account, of the Profits for the period ended on that date and
- (c) In the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003', as amended by "the Companies (Auditor's Report) (Amendment) Order, 2004' issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as I considered appropriate and according to the information and explanation given to me, I give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the Order.

8. As required under provisions of Section 227(3) of the Companies Act, 1956, I report that :

- a. I have obtained all the information and explanations which to the best my knowledge and belief were necessary for the purpose of audit.
- b. In my opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

- d. The Balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this Report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act.
- e. On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section 1 of Section 274 of the Act.

For Sheth Doctor and Associates
Chartered Accountants
(Firm Regn No. 124822W)

Paresh S. Doctor
Proprietor

Membership No. 36056

Place: Mumbai
Date: 29th May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 7 of my report of even date on accounts of National Plastic Industries Ltd.
for the year ended 31st March, 2014)

1. Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to me, during the year certain major items of fixed assets have been physically verified by the Management. According to the information and explanations given to me, no material discrepancies have been noticed in respect of assets, which have been physically verified during the year.
- c) The Company has not sold/disposed off the fixed assets during the year.

2. Inventories:

- a) Inventories have been physically verified during the year by the Management. In my opinion, the frequency of verification is reasonable.
 - b) In my opinion, the procedures of physical verification of inventories by the management are reasonable and adequate in relation to 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 and book records are not material.
 - d) In my opinion the valuation of stock is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
3. The Company has not granted any loans to secured or unsecured to Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. The company has taken interest free loans from the directors and parties/firm in which directors or relatives of directors are interested and covered under Section 301 of the Companies Act, 1956 and there are no repayment schedules specified for such loans.
 4. In my opinion and according to the information and explanations given to me, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, packing materials, plant and machinery, equipment and other assets and with regard to sale of goods and I have not observed any continuing failure to correct major lakness in the internal controls procedure except for the old balances under Sundry Debtors. The company does not have an internal audit system.
 5. a) To the best of my knowledge, all the transaction with parties covered under Section 301 of the Companies Act, 1956 have been properly entered in the register maintained under Section 301 of the Companies Act, 1956.
b) In my opinion and according to the information and explanations given to me, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act, and exceeding the value of five lakh rupees in respect of any party during the year.
 6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
 7. As per information and explanation given to me, the company has, prima facie, maintained cost records as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of activities carried on by the Company. I have not made a detailed examination of the records with a view to determine whether they are accurate and complete.
 8. a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee's State Insurance, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues, as applicable, with the appropriate authorities in India.
b) At the end of the financial year there were no undisputed amounts payable in respect of Sales Tax, Income Tax, Income Tax (TDS), Custom Duty, Wealth Tax, Excise Duty and Cess at the year end, as applicable, for the period of more than six months from the date they become payable except for dividend tax, sales tax and service tax amounting to ₹ 36.76 lacs (sub. to interest).
c) On the basis of my examination of the documents and records there are no disputed statutory due which remains to be deposited with the appropriate authorities.
 9. The Company has not incurred cash loss in the current year.

10. Based on my audit procedures and on the information and explanation given by management, the Company has not defaulted during the year in repayment of dues to financial institution.
11. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
12. As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
13. In my opinion and according to the information and explanations given to me, the Company is not dealer or trader in securities.
14. In my opinion and according to the information and explanations given to me, the Company has not given guarantees for loans taken by others from banks or financial institutions.
15. According to the information and explanation given to me, the Term Loan raised during the year has been applied to the purpose for which they were obtained.
16. According to the information and explanations given to me and on an overall examination of the Balance Sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
17. The Company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
18. The Company has not raised any funds by the way of debenture during the year.
19. The Company has not raised any money by way of public issue during the year.
20. During the course of my examination of the book of account carried out in accordance with the generally accepted auditing practices in India, I have not come across any instances of fraud on or by the Company nor I have been informed by the management of any such instance being noticed or reported during the year.

For and on behalf of
SHETH DOCTOR & ASSOCIATES
Chartered Accountants
Firm Regn No. 124822W

Place: Mumbai
Date: 29th May, 2014

PARESH S. DOCTOR
Membership No. 36056

BALANCE SHEET AS AT 31st MARCH, 2014

Particulars	NOTE No.	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	91,296,000	91,296,000
(b) Reserves and Surplus	2	143,363,367	133,251,924
		<u>234,659,367</u>	<u>224,547,924</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	144,086,344	113,831,140
(b) Other long-term liabilities	4	14,784,232	16,229,233
(c) Long-term provisions	5	1,904,951	2,085,980
		<u>160,775,527</u>	<u>132,146,353</u>
3 Current liabilities			
(a) Short-term borrowings	6	170,307,180	174,012,439
(b) Trade payables		128,944,559	121,700,093
(c) Other current liabilities	7	47,581,244	60,057,962
(d) Short-term provisions	8	13,349,347	12,030,997
		<u>360,182,330</u>	<u>367,801,491</u>
TOTAL		<u>755,617,224</u>	<u>724,495,768</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	247,411,735	252,475,815
(ii) Intangible assets		-	-
(iii) Capital Work in progress		62,275	62,323
		<u>247,474,010</u>	<u>252,538,138</u>
(b) Non-current investments	10	61,000	61,000
(c) Deferred tax assets (net)	11	37,770,788	42,106,086
(d) Long-term loans and advances	12	20,797,397	27,546,571
		<u>58,629,185</u>	<u>69,713,658</u>
2 Current assets			
(a) Inventories	13	211,035,744	194,244,413
(b) Trade receivables	14	170,059,761	148,722,219
(c) Cash and cash equivalents	15	17,261,231	13,406,626
(d) Short-term loans and advances	16	47,898,922	44,424,030
(e) Other current assets	17	3,258,370	1,446,684
		<u>449,514,029</u>	<u>402,243,972</u>
TOTAL		<u>755,617,224</u>	<u>724,495,768</u>
See accompanying notes forming part of the financial statements	26		

In terms of our report attached.
For **Sheth Doctor & Associates**
Chartered Accountants
Firm Regn. No 124822W

Paresh S. Doctor
Membership No 36056

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Paresh V. Parekh
Managing Director

Umesh L. Shenoy
Vice President – Finance

Ketan V. Parekh
Director

Swati J. Zavar
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	NOTE No.	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
1 Revenue from operations (gross)	18	893,744,625	729,765,881
Less: Duties & Taxes Paid		<u>113,467,939</u>	<u>100,532,261</u>
Revenue from operations (net)		780,276,686	629,233,620
2 Other income	19	3,359,995	264,428
3 Total revenue (1+2)		<u>783,636,681</u>	<u>629,498,048</u>
4 Expenses			
(a) Cost of materials consumed	20	523,345,605	449,114,417
(b) Purchases of stock-in-trade	21	1,128,624	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(22,862,974)	(43,286,591)
(d) Employee benefits expense	23	31,886,962	31,183,521
(e) Finance costs	24	45,968,724	42,412,261
(f) Depreciation and amortisation expense		23,084,946	21,667,628
(g) Other expenses	25	165,538,370	161,808,120
Total expenses		<u>768,090,257</u>	<u>662,899,356</u>
5 Profit / (Loss) before tax (3-4)		15,546,424	(33,401,308)
6 Tax expense:			
(a) Current tax expense relating to prior years		1,482,289	-
(b) Deferred tax		4,335,298	(10,822,353)
7 Profit / (Loss) for the year (5-6)		<u>9,728,837</u>	<u>(22,578,955)</u>
8 Earnings per share (of ₹ 10/- each):			
(a) Basic		1.07	-2.47
(b) Diluted		1.07	-2.47
See accompanying notes forming part of the financial statements	26		

In terms of our report attached.
For **Sheth Doctor & Associates**
Chartered Accountants
Firm Regn. No 124822W

Paresh S. Doctor
Membership No 36056

Place : Mumbai
Date : 29th May, 2014

For and on behalf of the Board of Directors

Paresh V. Parekh
Managing Director

Umesh L. Shenoy
Vice President – Finance

Ketan V. Parekh
Director

Swati J. Zawar
Company Secretary

CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2014

(Pursuant to the listing agreement with stock exchange)

Particulars	31 st March, 2014 (₹ in Crores)	31 st March, 2013 (₹ in Crores)
A. <u>Cash flow from operating activities</u>		
Net profit Before Tax & Extra – Ordinary	1.55	(3.34)
Adjusted for		
Depreciation	2.30	2.17
Loss on sale of asset	--	0.04
Gratuity Provision (Net of paid)	(0.02)	0.02
Interest Charged (Net)	4.49	6.77
Operating profit before working capital changes	8.33	6.44
Changes in		3.10
Trade Receivables	(2.13)	(1.21)
Inventories	(1.68)	(0.17)
Loans and advances	(0)	(0.62)
Taxes Paid	0.15	(0.25)
Trade Payables & Others	(0.55)	4.41
Cash generated from operations	4.11	2.16
Extra-ordinary items	--	--
(Deferred revenue Expenses)	--	--
Net cash from operating activities	4.11	5.26
B. <u>Cash flow from investing activities</u>		
Purchase of fixed assets / C W I P etc	(1.88)	(2.25)
Sale of assets	0.00	0.01
Interest Received	0.10	0.03
Purchase/Sale of investments (FDR with Bank)	(0.06)	(0.62)
Capital Subsidy received	0.03	0.00
Investment	0	0.00
Net cash used in investing activities	(1.82)	(2.83)
C. <u>Cash flow form financing activities</u>		
Long Term Borrowings	3.02	(1.73)
Short Term Borrowings	(0.37)	4.12
Interest paid	(4.61)	(4.24)
Dividend Paid (Including Taxes)	--	(0.46)
NET CASH USED IN FINANCING ACTIVITIES	(1.96)	(2.31)
NET CHANGES IN CASH & CASH EQUIVALENTS (A-B+C)	0.33	0.12
CASH & CASH EQUIVALENTS – OPENING BALANCE	0.24	0.12
CASH & CASH EQUIVALENTS – CLOSING BALANCE	0.57	0.24

Place : Mumbai
Date : 29th May, 2014

Paresh V. Parekh : Managing Director
Ketan V. Parekh : Director
Umesh L. Shenoy : Vice President – Finance
Swati J. Zavar : Company Secretary

AUDITORS' CERTIFICATE

We have verified above cash flow statement of National Plastic Industries Limited derived from the annual financial statement audited for the year ended 31st March, 2014 and found the same to be drawn in accordance therewith requirements of Clause 32 of the listing agreement with stock exchange.

For **SHETH DOCTOR & ASSOCIATES**
Chartered Accountants
Firm Regn No. 124822W

Place: Mumbai
Date : 29th May, 2014

PARESH S. DOCTOR
Membership No. 36056

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 : Share Capital

Particulars	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	₹	Number of shares	₹
Authorised				
20000000 (20000000) Equity Shares of ₹ 10/- each	20,000,000	200,000,000	20,000,000	200,000,000
Issued subscribed & Paid up				
9129600 (9129600) Equity Shares of ₹10/- each fully paid up	9,129,600	91,296,000	9,129,600	91,296,000
Total	9,129,600	91,296,000	9,129,600	91,296,000

1 (a) Rights etc attached to Equity Shares :

The Company has only one class of equity having a face value of ₹ 10 per share. Each shareholder is eligible for one vote per share held.

1 (b) Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company:

Name of the Shareholder	As at 31 st March, 2014		As at 31 st March, 2013	
	Number of shares	% of Holding	Number of shares	% of Holding
Smt. Nalini V. Parekh	2,521,200	27.62	2,521,200	27.62
Shri. Paresh V. Parekh	1,141,401	12.50	1,141,401	12.50
Shri. Ketan V. Parekh	704,100	7.71	704,100	7.71
Ketan V. Parekh (HUF)	552,000	6.05	552,000	6.05

1 (c) Reconciliation of number of shares outstanding as on beginning and closing of the year.

The company has neither issued nor bought back any of its shares during the year and also in previous year and balance of share at the end of the year is the same as at the beginning of the year

Note 2 : Reserves and Surplus

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Capital reserve		
Opening balance	123,361,158	123,361,161
Add: Additions during the year		
Capital Subsidy for Patna Project	382,609	—
Closing balance	123,743,767	123,361,161
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	9,890,763	32,469,718
Add: Profit / (Loss) for the year	9,728,837	(22,578,955)
Closing balance	19,619,600	9,890,763
Total	143,363,367	133,251,924

NATIONAL PLASTICS INDUSTRIES LIMITED

Note 3 : Long-Term Borrowings

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Term loans		
From banks		
Secured (Guaranted by Directors)	37,098,069	51,324,615
Unsecured	—	—
	<u>37,098,069</u>	<u>51,324,615</u>
From others		
Secured	—	—
Unsecured	—	—
	<u>—</u>	<u>—</u>
(b) Loans and advances from related parties		
Secured	—	—
Unsecured	106,988,275	62,506,525
	<u>106,988,275</u>	<u>62,506,525</u>
Total	<u>144,086,344</u>	<u>113,831,140</u>

Details of Security & Terms of Repayment

- i) Term Loan amounting to ₹ 146.47 lacs (Previous Year ₹ 225.49 lacs) Repayable in monthly installments, last installment due in 28.02.2017 Rate of interest as at year end 13.75 % and secured against First Charge on Fixed Assets & Current Assets of Patna Unit .
- ii) Vehicle Loan amounting to ₹ 27.66 lacs (Previous Year ₹ 40.07 lacs) Repayable in monthly installments, last installment due in 31.03.2017. Rate of interest as at year end 11.75% and secured against specific vehicle.
- iii) Vehicle Loan amounting to ₹ NIL (Previous Year ₹ 29 lacs) Repayable in monthly installments, last installment due in 05.04.2013. Rate of interest as at year end 11.72 % and secured against specific vehicle.
- iv) Vehicle Loan amounting to ₹ NIL (Previous Year ₹ 2.88 lacs) Repayable in monthly installments, last installment due in 01.04.2016. Rate of interest as at year end 11.75% and secured against specific vehicle.
- v) Vehicle Loan amounting to ₹ 12.27 lacs (Previous Year ₹ 23.28Lacs) Repayable in monthly installments, last installment due in 01.04.2016. Rate of interest as at year end 11.72% and secured against specific vehicle.
- vi) Term Loan amounting to ₹ 156.37 Lacs (Previous Year ₹ 221.20 lacs) Repayable in quarterly installments, last installment due in 31.03.2017. Rate of interest as at year end 13.50% and secured against First Charge on Fixed Assets & Current Assets of Nellore Unit .
- vii) Term loan amounting to ₹ 28.20 lacs (Previous Year NIL) repayable in monthly installments, last installment due on 07/01/2017 Rate of interest as at year end 13.75% and secured against First Charge on Fixed Assets & Current Assets of Silvassa Unit .
- viii) Unsecured Loans amounting to ₹ 1069.88 lacs (Previous Year ₹ 625.06 lacs) represents loans from related parties and generally of long term nature however no repayment schedule is specified .

Note 4 : Other Long-Term Liabilities

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Security deposits received (against lease of premises)	11,100,000	11,100,000
Trade /Security deposits received	3,684,232	5,129,233
Total	<u>14,784,232</u>	<u>16,229,233</u>

Note 5 : Long-Term Provisions

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Provision for employee benefits:		
Provision for gratuity (net) refer note no xiv	1,904,951	2,085,980
Total	<u>1,904,951</u>	<u>2,085,980</u>

Note 6 : Short-Term Borrowings

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Loans repayable on demand		
From Banks		
Secured – Guaranteed by Directors	170,307,180	174,012,439
Unsecured	—	—
Total	<u>170,307,180</u>	<u>174,012,439</u>

Notes:

Details of security for the secured short-term borrowings:

- (i) Cash Credit facility from bank amounting to ₹ 630.85 lacs (Previous year ₹ 1214.26 lacs) secured against first charge on Fixed Assets and Current Assets of Silvassa and Patna Units.
- (ii) Packing Credit Loan amounting to ₹ 748.11 lacs (Previous Year ₹ 46.94 lacs) secured against First charge on Fixed Assets and Current Assets of Silvassa Unit.
- (iii) Post Shipment Credits amounting to ₹ NIL (Previous Year ₹ 97.70 lacs) secured against First charge on Fixed Assets and Current Assets of Silvassa Unit.
- (iv) Cash Credit facility from bank amounting to ₹ 324.11 lacs (Previous year ₹ 325.60 lacs) secured against first charge on Fixed Assets and Current Assets of Nellore Unit.

Trade payables *

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Trade payables:		
Other than Acceptances	128,944,559	121,700,093
Total	<u>128,944,559</u>	<u>121,700,093</u>

Note 7 : Other Current Liabilities

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Current maturities of long-term debt	23,117,363	16,948,915
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	20,054,098	31,071,463
(ii) Payables on purchase of fixed assets	1,389,161	3,139,161
(iii) Advances from customers	3,020,622	8,898,423
Total	<u>47,581,244</u>	<u>60,057,962</u>

NATIONAL PLASTICS INDUSTRIES LIMITED

Note 8 : Short-term provisions

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹	₹
(a) Provision for employee benefits		
Gratuity	62,692	—
(b) Provision – Others:		
(I) Provision for excise duty on closing stock	13,286,655	12,030,997
Total	13,349,347	12,030,997

Note 9 Fixed assets

A. Tangible assets	Gross block			Depreciation / Amortisation				Net block		
	Balance as at 1 st April, 2013	Additions	Disposals/ Adjustments	Balance as at 31 st March, 2014	Balance as at 1 st April, 2013	Depreciation / Amortisation expense for the year	Disposals/ Adjustments	Balance as at 31 st March, 2014	Balance as at 31 st March, 2014	Balance as at 31 st March, 2013
(a) Land										
Freehold	3,301,603	—	—	3,301,603	—	—	—	—	3,301,603	3,301,603
Leasehold *	13,699,423	—	—	13,699,423	99,738	—	—	99,738	13,599,685	13,599,685
(b) Buildings										
Own use	82,300,882	1,161,711	—	83,462,593	22,805,869	2,764,608	—	25,570,477	57,892,116	59,495,013
Given under operating lease *	31,392,854	—	—	31,392,854	18,577,640	1,048,521	—	19,626,161	11,766,693	12,815,214
(c) Plant and Equipment	181,148,680	15,602,740	—	196,751,420	85,088,501	8,363,012	—	93,451,513	103,299,907	96,060,179
(d) Dies & Moulds	173,646,185	1,469,488	—	175,115,673	135,583,943	8,644,384	—	144,228,327	30,887,346	38,062,242
(e) Furniture and Fixtures	2,776,544	292,479	—	3,069,023	2,062,818	67,213	—	2,130,031	938,992	713,726
(f) Vehicles	20,914,871	—	—	20,914,871	5,540,772	2,010,031	—	7,550,803	13,364,068	15,374,099
(g) Office equipment	5,132,001	190,231	—	5,322,232	3,614,531	307,929	—	3,922,460	1,399,772	1,517,470
(h) Electrical Installation	12,037,909	—	—	12,037,909	531,856	571,801	—	1,103,657	10,934,252	11,506,053
(i) Others (specify nature),	36,150	—	—	36,150	5,619	3,230	—	8,849	27,301	30,531
Total	526,387,102	18,716,649	—	545,103,751	273,911,287	23,780,729	—	297,692,016	247,411,735	252,475,815
Previous year	505,200,847	22,579,167	1,392,912	526,387,102	253,099,613	21,667,628	855,954	273,911,287	252,475,815	—

NOTE:-

1 Additions to Plant & Machinery is net of Foreign Exchange gain of ₹ 4,17,102/-

Note 10 : Non-current investments

Particulars	As at 31 st March, 2014	As at 31 st March, 2013
	₹	₹
Investments (At cost): UNQUOTED		
Investment in government or trust securities		
(i) government securities	61,000	61,000
National Savings Certificates (Pledged with Government Authorities)	—	—
Total	61,000	61,000

Note 11 : Deferred Tax Assets (Net)

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Deferred tax (liability) / asset		
<u>Tax effect of items constituting deferred tax liability</u>		
On difference between book balance and tax balance of fixed assets	20,394,710	17,235,830
	<u>20,394,710</u>	<u>17,235,830</u>
<u>Tax effect of items constituting deferred tax assets</u>		
Provision for compensated absences, gratuity and other employee benefits	588,630	644,568
Unabsorbed depreciation & Business Losses carried forward	57,576,869	58,697,348
Others	-	-
Tax effect of items constituting deferred tax assets	<u>58,165,498</u>	<u>59,341,916</u>
Net deferred tax (liability) / asset	<u>37,770,788</u>	<u>42,106,086</u>

Note : The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.

Note 12 : Long-term loans and advances

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Unsecured Considered good		
(i) MAT credit entitlement	15,554,396	17,015,507
(ii) Other Loans and Advances	5,243,001	10,531,064
Total	<u>20,797,397</u>	<u>27,546,571</u>

Note 13 : Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Raw materials	18,364,030	24,027,714
Goods-in-transit	1,504,738	1,673,242
(b) Work-in-progress	44,848,836	38,759,242
Goods-in-transit		
(c) Finished goods (other than those acquired for trading)	131,193,610	115,680,611
Goods-in-transit		
(d) Stock-in-trade (acquired for trading)	7,910,542	6,650,162
Goods-in-transit		
(e) Stores and spares	1,399,380	599,380
Goods-in-transit		
(f) Others – Packing Material	5,814,608	6,854,062
Goods-in-transit		
Total	<u>211,035,744</u>	<u>194,244,413</u>

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Note 14 : Trade receivables

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	34,816,401	50,445,848
Other Trade receivables	135,243,360	98,276,371
Total	170,059,761	148,722,219

Note 15 : Cash and cash equivalents

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Cash on hand	4,545,881	1,849,092
(b) Balances with banks		
(i) In current accounts	1,185,120	644,827
(ii) In earmarked accounts	11,446,413	10,912,707
– Balances held as margin money or security against borrowings, guarantees and other commitments	83,817	–
Total	17,261,231	13,406,626

Note 16 : Short-term loans and advances

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
Unsecured, considered good		
(a) Loans and advances to employees	1,510,010	1,857,145
(b) Prepaid expenses	2,849,110	2,298,976
(c) Balances with government authorities		
(i) CENVAT credit receivable	6,959,397	11,685,934
(ii) VAT/ CST Refund/Credit Receivables	15,644,684	13,915,403
(iii) Service Tax credit receivable	308,205	136,933
(iv) Electricity / Entry tax refund receivable	4,234,339	4,816,637
(v) Taxes Paid in Advance (Net of Provisions)	4,631,905	2,239,236
(vi) Duty Drawback receivables	–	118,706
(d) Capital Advances	2,871,445	5,306,301
(e) Others	8,889,827	2,048,759
Total	47,898,922	44,424,030

Note 17 : Other current assets

Particulars	As at 31 st March, 2014 ₹	As at 31 st March, 2013 ₹
(a) Accruals		
(i) Interest accrued on deposits	–	290,687
(b) Others		
(i) Other Receivables	3,258,370	1,155,997
Total	3,258,370	1,446,684

Note 18 : Revenue from operations

Particulars	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
(a) Sale of products	863,003,687	702,246,241
(b) Sale of services	23,455,688	22,338,750
(c) Other operating revenues	7,285,250	5,180,890
	<u>893,744,625</u>	<u>729,765,881</u>
<u>Less:</u>		
(d) Duties & Taxes	113,467,939	100,532,261
Total	<u>780,276,686</u>	<u>629,233,620</u>

Note	Particulars	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
(i)	Sale of products comprises :		
	<u>Manufactured goods</u>		
	Moulded Plastic Articles	784,239,138	662,731,435
	Plastic Mats	78,424,689	39,514,806
	Total – Sale of manufactured goods	<u>862,663,827</u>	<u>702,246,241</u>
	<u>Traded goods</u>		
	Moulded Plastic Articles	339,860	-
	Total – Sale of traded goods	<u>339,860</u>	<u>-</u>
	Total – Sale of products	<u>863,003,687</u>	<u>702,246,241</u>
(ii)	Sale of services comprises:		
	Rent	23,455,688	22,338,750
	Total – Sale of services	<u>23,455,688</u>	<u>22,338,750</u>
(iii)	Other operating revenues comprise:		
	Vat/Entry Tax Refund	7,285,251	5,180,890
	Total – Other operating revenues	<u>7,285,251</u>	<u>5,180,890</u>

Note 19 : Other income

Particulars	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
(a) Interest income from Banks on Deposits	1,054,541	2,64,428
(b) Net gain on foreign currency transactions and translation (other than considered as finance cost)	1,447,358	-
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	858,096	-
Total	<u>3,359,995</u>	<u>2,64,428</u>

NATIONAL PLASTICS INDUSTRIES LIMITED

Note 20 : Cost of materials consumed

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
Opening stock	25,700,956	69,471,898
Add: Purchases	517,513,417	405,343,475
	543,214,373	474,815,373
Less: Closing stock	19,868,768	25,700,956
Cost of material consumed	523,345,605	449,114,417
Material consumed comprises:		
Plastic Powder/ PVC Plastic Resin	501,164,742	433,676,775
Masterbatch /Pigments	13,732,418	12,546,928
Others	8,448,445	2,890,714
Total	523,345,605	449,114,417

Note 21 : Purchase of traded goods

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
Moulded Plastic Articles	1,128,624	-
Total	1,128,624	-

Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	131,193,611	115,680,611
Work-in-progress	44,848,836	38,759,242
Stock-in-trade	7,910,542	6,650,162
	183,952,989	161,090,015
<u>Inventories at the beginning of the year:</u>		
Finished goods	115,357,482	72,806,594
Work-in-progress	38,759,242	35,382,820
Stock-in-trade	6,973,291	9,614,010
	161,090,015	117,803,424
Net (increase) / decrease	(22,862,974)	(43,286,591)

Note 23 : Employee benefits expense

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
1 Salaries , Wages & Bonus	29,548,803	28,872,552
2 Contributions to provident and other funds	1,559,282	1,678,189
3 Staff welfare expenses	778,877	632,780
Total	31,886,962	31,183,521

Note 24 : Finance costs

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
(a) Interest expense on:		
(i) Borrowings	40,990,657	40,977,384
(ii) Trade payables	1,531,489	562
(iii) Others	3,446,578	1,434,315
Total	45,968,724	42,412,261

Note 25 : Other expenses

Sr.no	Particulars	For the year ended 31 st March, 2014 ₹	For the year ended 31 st March, 2013 ₹
1 MANUFACTURING EXPENSES			
1.1	Consumption of stores & spare parts	5,955,866	1,490,818
1.2	Consumption of packing materials	13,955,916	14,276,082
1.3	Increase / (decrease) of excise duty on inventory	1,255,658	5,367,362
1.4	Labour Charges	6,937,126	8,404,194
1.5	Electricity, Power and fuel	34,845,594	30,685,167
1.6	Water	172,970	110,442
1.7	Repairs and maintenance – Buildings	1,028,168	488,625
1.8	Repairs and maintenance – Machinery	4,722,979	5,429,238
1.9	Security charges	2,839,140	2,580,769
2 SELLING AND DISTRIBUTION			
2.1	Freight and forwarding	10,924,939	15,925,878
2.2	Sales commission	1,843,429	411,551
2.3	Sales discount and sales returns	22,143,711	22,555,921
2.4	Advertisement and Sales Promotion Expenses	2,502,432	9,840,630
2.5	Export Expenses	28,311,094	16,172,083
3 ESTABLISHMENT EXPENSES			
3.1	Repairs and maintenance – Others	519,471	504,804
3.2	Insurance	880,770	923,338
3.3	Rent , Rates and taxes	3,891,454	3,296,415
3.4	Communication	1,988,950	2,216,624
3.5	Travelling and conveyance, Foreign Travelling	11,517,474	12,486,894
3.6	Printing and stationery	778,330	705,660
3.7	Motor car expenses	1,157,686	981,116
3.8	Donations and contributions	129,000	–
3.9	Legal and professional	2,078,835	1,375,214
3.10	Payments to auditors (Refer Note (i) below)	250,000	250,000
3.11	Net Loss on Foreign Currency Transactions(other than Finance Cost)	(673,487)	2,475,995
3.12	Prior period items (net) (Refer Note (ii) below)	3,332,962	(117,923)
3.13	Loss on sale of fixed assets	–	411,958
3.14	Miscellaneous expenses	2,247,903	2,559,265
Total		165,538,370	161,808,120

Note 26(A) : Corporate Information and Significant Accounting Policies

Note Particulars

a) Corporate information

The company is engaged in manufacturing plastic injection moulded articles and mattresses. The company is having manufacturing plants at Silvassa, Patna and Nellore.

b) Significant accounting policies (Illustrative)

i) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

ii) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

iii) Inventories

Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

iv) Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

v) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

vi) Depreciation and amortisation

Depreciation has been provided on the straight-line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under:

Leasehold land is amortised over the duration of the lease

Assets costing less than ₹ 5,000/- each are fully depreciated in the year of capitalisation

vii) Revenue recognition

Sale of goods

Sales are recognised on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty, sales tax and value added tax. Trade discounts and returns has been disclosed separately under Other Expenditure.

viii) Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

ix) Tangible fixed assets

Fixed assets, are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are charged to profit and loss account. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

x) Pre Operative Expenditure

All expenses prior to commencement of the new projects are treated as pre operative expenses and shall be capitalised to the value of major fixed assets of the relevant project in appropriate manner, direct or indirect, upon commencement of commercial production at such projects.

xi) Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year-end rates. Exchange differences arising out of this translation is charged to Profit and Loss Account.

xii) Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants and subsidy received towards capital outlay is treated as Capital Reserve.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

xiii) Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

xiv) Employee Retirement benefits

The company has a policy of payment of Gratuity only at the time of retirement and the same has been provided as per provisions of Accounting Standard 15 of Retirement benefit to employees.

xv) Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

xvi) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect

of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

xvii) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

xviii) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

xix) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

xx) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

Note 26(B) : Additional information to the financial statements (Figures of amounts in Lacs)

Note	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
		₹	₹
a)	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Bank Guarantees Outstanding	38.25	38.25
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	26.76	134.49

b) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The company does not possess necessary information as regards due to Micro, Small and Medium Enterprises for the necessary provision of interest and disclosures.

c) Value of imports calculated on CIF basis @ :

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
Raw materials	32.12	51.58
Traded Purchases	7.47	-
Total Other Purchases	7.47	-
Capital goods	0.00	136.70

d) Expenditure in foreign currency #:

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
Foregin Travel Expenses	5.15	7.38
Bank Charges	8.32	3.08

e) Details of consumption of imported and indigenous items *

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
<u>Imported</u>		
Raw materials	36.77	72.56
%	0.70	1.62
Total	36.77	72.56
%	0.70	1.62
<u>Indigenous</u>		
Raw materials	5,196.68	4,418.58
%	99.30	98.38
Total	5,233.46	4,491.14
%	100.00	100.00

f) Earnings in foreign exchange @:

Particulars	For the year ended 31 st March, 2014	For the year ended 31 st March, 2013
	₹	₹
Export of goods calculated on FOB basis	1859.60	1108.72

g) In the opinion of the management the Current Assets, Loans and Advances are expected to realize at least amount at which they are stated, if realized in the ordinary course of the business and provision of all known liabilities have been adequately made in the accounts.

NATIONAL PLASTICS INDUSTRIES LIMITED

h) Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	Mr. Paresh Vinod Parekh Mr. Ketan Vinod Parekh
Relatives of KMP	Mr. Vinod Parekh(HUF) Mr. Ketan Vinod Parekh(HUF) Mr. Harsh Parekh
Company in which KMP / Relatives of KMP can exercise significant influence	M/s. National Plastic Industries M/s. Enpee Credit & Capital (India) Pvt Ltd

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31st March, 2014 and balances outstanding as at 31st March, 2014:

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Loans/Advances Received /Taken	2.99 (9.18)	7.18 (0.19)	794.19 (169.57)	804.36 (178.94)
Loans/Advances Repaid / Given	2.99 (23.35)	9.12 -	347.24 (131.02)	359.35 (154.37)
Remuneration Paid	15.36 (15.36)	- -	- -	15.36 (15.36)
Salary	0.00 0.00	5.82 (5.40)	- -	5.82 (5.40)
<u>Balances outstanding at the end of the year</u>				
Borrowings	5.05 (5.04)	6.58 (0.19)	1058.25 (619.81)	1069.88 (625.04)

i) AS-15 DISCLOSURE ON DEFINED BENEFIT PLANS:-

The Company offers Gratuity employee benefit scheme to its employees.

Nature of Benefit - Gratuity is payable on death whilst in service or withdrawal from service due to resignation, termination or early retirement and on retirement from service at normal retirement age.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Sr.no	Particulars	GRATUITY (₹ in Lacs)
I	Components to employer Expense	
a	Current Service Cost	2.73
b	Interest Cost	1.88
c	Past service cost	—
d	Actuarial (Gain) / Loss	-5.35
e	Total expense / (gain) recognized in the Profit & Loss a/c	-0.74
II	Net Asset/(Liability) recognized in Balance Sheet as at 31.3.14	
a	Present value of obligation as at 31.3.14	19.68
b	Fair value of plan Assets as at 31.3.14	—
c	(Asset)/Liability recognized in Balance Sheet	19.68
III	Change in Defined Benefit Obligation (DBO) during year ended as on 31.3.14	
a	Present value of obligation as at 1.4.2013	20.86
b	Current service cost	2.73
c	Interest cost	1.88
d	Past service cost	—
e	Actuarial (Gain)/Loss	-5.35
f	Benefits Paid	-0.44
g	Present value of obligation as at 31.3.14	19.68
IV	The amounts recognised in the balance sheet are as follows:	
	Present value of funded obligations	—
	Fair value of plan assets	—
	Present value of unfunded obligations	19.68
	Unrecognised past service cost	—
	Unrecognised Actuarial loss	—
V	Table of Experience adjustments	
	Defined benefit obligation	19.68
	Plan assets	—
	Surplus/(Deficit)	19.68
	Experience adjustments on plan liabilities	-5.35
	Actuarial loss/(gain) due to changes in assumptions	—
	Experience adjustments on plan assets	—
	Net Actuarial loss/(gain) for the year	-5.35
	Past service liability	—
VI	Actuarial assumptions	
	Mortality	IALM (1994-96) published table of mortality rates.
	Discount Rate	9.10%
	Salary Growth	7%
	Expected rate of return	N.A
	Withdrawal rates	5% at younger ages reducing to 1% at older ages
	Retirement age	60 years

In terms of our report attached.
For **Sheth Doctor & Associates**
Chartered Accountants
Firm Regn. No 124822W

For and on behalf of the Board of Directors

Paresh V. Parekh
Managing Director

Ketan V. Parekh
Director

Paresh S. Doctor
Membership No 36056

Umesh L. Shenoy
Vice President – Finance

Swati J. Zavar
Company Secretary

Place : Mumbai
Date : 29th May, 2014



NATIONAL PLASTICS INDUSTRIES LIMITED

CIN No.: L25200MH1987PLC044707

Registered Office: A-59, MIDC, Road No. 1, Marol, Andheri (East), Mumbai – 400 093.

Email: investor@nationalplastic.com, Website: www.nationalplastic.com

Phone No.: 022 - 67669999 Fax: 022 - 28360422

ATTENDANCE SLIP

(27th Annual General Meeting)

Folio No. / DP ID No. & Client ID No.....

No. of shares held.....

I hereby record my presence at the 27th Annual General Meeting held on 11th September, 2014 at 11.00 a.m. at Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400 069.

Member's Name:

Proxy's Name:

Member's/ Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the Hall.



NATIONAL PLASTICS INDUSTRIES LIMITED

CIN No.: L25200MH1987PLC044707

Registered Office: A-59, MIDC, Road No. 1, Marol, Andheri (East), Mumbai – 400 093.

Email: investor@nationalplastic.com, Website: www.nationalplastic.com

Phone No.: 022 - 67669999 Fax: 022 - 28360422

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): Registered Address:	E-mail Id: Folio No. / Client Id: DP Id:
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I/We, being the Member (s), holding Shares of the above named Company, hereby appoint:

1.Name:.....Email.....

Address:.....

.....Signature:....., or failing him/her

2.Name:.....Email.....

Address:.....

.....Signature:....., or failing him/her

3.Name:.....Email.....

Address:.....

.....Signature:....., or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the company, to be held on Thursday, 11th day of September, 2014 At 11.00 a.m. at Hotel Suba Galaxy, N. S. Phadke Road, Off Western Express Highway, Andheri (East), Mumbai – 400 069 and at any adjournment thereof in respect of such resolutions as are indicated overleaf :



Resolution No.	Description of Resolution	Vote*	
		For	Against
1	Adoption of Financial Statements for the year ended 31 st March, 2014 together with the reports of the Director's and Auditor's thereon		
2	Appointment of M/s. Sheth Doctor & Associates, Chartered Accountants, as Statutory Auditors of the Company and fixing their remuneration		
3	Appointment of Mr. Dhirajlal J. Shanghavi as an Independent Director for a term of 5 years upto 31 st March, 2019		
4	Appointment of Mr. Ashwin J. Goradia as an Independent Director for a term of 5 years upto 31 st March, 2019		
5	Approval for Borrowing moneys upto ₹ 100 Crores over and above the aggregate of the paid-up share capital and free reserves of the Company		
6	Approval for creation of charge on Borrowings/ Financial Assistance availed		

*It is optional to indicate your preference. If you leave the 'for or against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

Signed this _____ day of _____ 2014

Rs. 1/-
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder (s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. The form should be signed across the stamp as per specimen signature registered with the Company.
3. A Proxy need not be a member of the Company.



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Since 1952



If Undelivered, please return to :

National Plastic Industries Limited

A-59, MIDC Indl. Area, MIDC, Road No. 1, Andheri (E), Mumbai - 400 093.

