

Annual General Meeting  
23rd, Annual General Meeting  
At – Vishal Hall, Hall No.1  
Vishal Shopping Centre,  
Hotel Highway Inn,  
Andheri Kurla Road  
Andheri (E), Mumbai-400069

**BOARD OF DIRECTORS**

**Mr. Vinod V. Parekh** : Chairman  
**Mr. Paresh V. Parekh** : Managing Director  
**Mr. Ketan V. Parekh** : Executive Director  
**Mr. Ashwin Goradia** : Director  
**Mr. Dhirajlal J. Sanghvi** : Director

**Bankers**

Corporation Bank

**Auditor**

Sheth Doctor & Associates

**Registered Office**

412, Rewa Chambers,  
New Marine Lines,  
Mumbai-400020  
Tel: 2203 9129, 2208 5878

**Corporate Office & Share Department**

A-59, MIDC Industrial Area, MIDC, Road No.1,  
Marol, Andheri (E), Mumbai-400093.  
Tel: 6766 9999 / 2831 1555  
E-mail: info@nationalplastic.com  
Website: www.nationalplastic.com

**Registrar & Transfer Agents**

Sharex Dynamic (India) Pvt. Ltd.  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road  
Andheri (East)  
Mumbai-400072  
Tel: 2851 5606/5644

**Listing on Stock Exchange**

**Bombay Stock Exchange Ltd.**

Phiroje Jeejeebhoy Towers,  
25<sup>th</sup> floor, Dalal Street  
Mumbai-400001

**The Stock Exchange Ahmedabad**

Kathmandu Complex, Panjara Pole  
Amdawadi, Ahmedabad-380015

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF THE MEMBERS OF NATIONAL PLASTIC INDUSTRIES LIMITED**, will be held on Thursday the 30th day of September, 2010 at 11 a.m. at Vishal Hall, Hall No. 1 Vishal shopping Centre, Hotel Highway Inn, Andheri Kurla Road, Near Railway Station, Andheri (East), Mumbai- 400069 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account of the Company for the year ended on that date together with Director's & Auditor's Report thereon.
2. To declare dividend on equity shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Dhirajlal Sanghavi who retire by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Sheth Doctor & Associates the retiring Auditors of the company, as Statutory Auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as may be decided by the Board of Directors.

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

**PARESH V. PAREKH**  
MANAGING DIRECTOR

Place : Mumbai  
Date: 30.06.2010

**NOTES**

- a. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.

The proxy form, duly completed and stamped, must reach the registered office of the company not less than 48 hours before the time for holding the aforesaid meeting.

- b. The Register of members and share transfer book shall remain closed from 16th September to 22nd September 2010 (both days inclusive).
- c. The Board of Directors in their Meeting held on 30th June, 2010 have recommended a dividend of Rupee 1/- per share on Equity Share of Rs. 10/- each, which if approved at the Annual General Meeting, will be paid on or before 30th day from the date of declaration to those Members, whose name is appear in the Register of Members on September 16, 2010.
- d. All correspondence relating to transfer and transmission of shares must be sent to Registrar and Transfer agent and not to the Company.
- e. The members desirous of obtaining any information concerning the accounts and the operations of the company are requested to send their queries to the company at least seven days before the date of the meeting, so that the information required can be made available at the meeting.
- f. Members are requested to bring their copies of Annual Report at the meeting.
- g. Share holder in dematerialized form should intimate change of their address, request for making nomination etc., if any, to there Depository Participant. Members who are holding shares in physical form are requested to notify regarding change in address, Bank particulars, ECS details etc., if any, to Company's Share Transfer Agents.

**Sharex Dynamic (India) Pvt. Ltd.**  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road  
Andheri (East)  
Mumbai-400072  
Tel: 28515606 /5644

- h. Members holding shares in identical order of names in more than one folio are requested to write the Company's Registrar and Transfer Agents, and send their share certificate to enable consolidation of their holding into one folio.
- i. Brief Profile of the Directors seeking re-appointment of the for the coming AGM.

DETAILS OF THE DIRECTORS SEEKING REAPPOINTMENT AT THE FOR THE COMING ANNUAL GENERAL MEETING  
(Pursuant to Clause 49 of the Listing agreement)

Name of Director	Mr. Dhirajlal Sanghavi
Qualification	Graduate
Expertise in specific area	Plastic & Chemical
Other Directorships in Public Limited Co.	—
Number of Shares held	—

## DIRECTORS' REPORT

To,  
The Members,  
NATIONAL PLASTIC INDUSTRIES LIMITED

Yours Directors present their 23rd Annual Report together with Audited Accounts, for the year ended March 31, 2010.

### FINANCIAL RESULTS:

### REVIEW OF FINANCIAL PERFORMANCE:

	2009-10 (Rs. in Lakhs)	2008-09 (Rs. in Lakhs)
Sales & Other Income	5399.20	4319.21
(Loss) / Gross Profit before		
Depreciation & Interest	608.29	333.47
Less : Depreciation	129.30	126.13
Interest	47.01	88.14
(Loss) / Profit for the year	431.98	119.20
Less: Prior Period Adjusted	(1.40)	(0.34)
Less : Tax Provision	(89.36)	(4.90)
Less : Deferred Tax Liabilities	(47.48)	(19.31)
(Loss)/ Net Profit after Tax	293.74	94.66
Add : Balance brought forward from previous year (Adjusted)	27.79	(66.87)
Balance Available for appropriation	321.53	27.79
Appropriation		
Proposed Dividend	91.30	—
Dividend Tax	15.51	—
Transfer to General Reserve	—	—
Balance c/f Balance Sheet	214.72	27.79

### DIVIDEND

In view of better performance, your Directors are pleased to recommend a Dividend of Rs. 1/- per equity share (10%), which is subject to consideration and approval of the shareholders at the Annual General Meeting of the Company. The total outflow on account of Equity Dividend will be Rs. 106.81 lacs including corporate tax on dividend.

### YEAR IN RETROSPECT

The Financial year under the review has been year of global recovery and growth. The company as shown a growth in Sales to the extend of 25% as compare to previous year due to introduction of new high end models of chairs which resulting in better margins, increase in market share as well as increase in profit. Export Sales to the extend of 7.2 Cr. The company expects the same performance.

### 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.

### CORPORATE GOVERNANCE:

Your company is fully committed to the good corporate governance practices. A separate report on corporate governance form part of the Annual Report of the Company regarding the compliance of the conditions of the corporate governance as stipulated under clause 49 of the listing agreement is annexed to the report on the corporate governance.

### DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, your Directors confirm that :

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

- b) The Directors had 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 affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts have been prepared on going concern basis.

**INSURANCE**

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

**BOARD OF DIRECTORS**

Mr. Dhirajalal J. Sanghvi, Directors of the company retire by rotation at the ensuing Annual General Meeting. The retiring Directors being eligible has offered themselves for re-appointment.

Disclosures as required under provisions of the listing agreement forms part of this report.

**AUDITORS**

The Company's auditors M/s Sheth Doctor & Associates, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for reappointment.

**CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOINGS.**

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 from part of this report the details as required under Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988 are set out in the annexure "A" forming part of this report.

**EMPLOYEE RELATIONS**

Your Directors wish to place on record its appreciation of the contribution made by all employees in ensuring the highest levels of performance and growth that your Company has achieved during the year.

None of the employees of the Company were drawing a remuneration exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month or part thereof. Hence no particulars of employees as per section 217 (2A) of the Companies Act, 1956 are furnished.

**ACKNOWLEDGEMENTS**

The directors wish to place on record their appreciation of the co-operation and support they have received during the year from the participating Banks namely Corporation Bank, State Government, Local Authorities and Employees.

PLACE: MUMBAI  
DATE: 30.06.2010

On behalf of the Board  
**VINOD V. PAREKH**  
**CHAIRMAN**

**"ANNEXURE "A" TO THE DIRECTORS' REPORT**

(Additional information given in terms of notification 1029 of 31/12/1988 issued by the Department of Company Affairs)  
Disclosures

**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 earning and outgo for the financial accounting year 31/03/2010 is as follows:

- a) Earnings  
Value of Export (FOB) Rs. 694.33 Lakhs
- b) Outgo  
Capital Goods, Bank Charges etc. Rs. 55.47 Lakhs  
Raw Material Rs. 67.47 Lakhs

PLACE: MUMBAI  
DATE: 30.06.2010

On behalf of the Board  
**VINOD V. PAREKH**  
**CHAIRMAN**

## **CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Your Company is committed to good Corporate Governance. Your Company believes that Corporate Governance is a powerful medium to serve the long-term interest of all its shareholders. Corporate Governance strengthens investors trust and ensures long term partnership, which helps your company in fulfilling its quest for achieving significant growth and profits. 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 further believes that such practices are founded upon core values of transparency, empowerment, accountability and independent monitoring.

Your company has achieved excellence in its practices with the prevailing guidelines by upholding the core values 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**

The present strength of the board is 5 Directors.

<b>Director</b>	<b>Category</b>	<b>No. of Outside Directorships held</b>
Mr. Vinod V. Parekh	Promoter –Non Executive	NIL
Mr. Paresh V. Parekh	Promoter Executive	NIL
Mr. Ketan V. Parekh	Promoter Executive	NIL
Mr. Ashwin Goradia	Non-Executive Independent	NIL
Mr. Dhirajjal J. Sanghvi	Non-Executive Independent	NIL

### **BOARD MEETING**

The Board meets atleast once in a quarter to consider amongst other business, the quarterly performance of the company, the Financial Results. The Board held 7 meetings during the financial year 2009-10 on 30th June 2009, 31st July 2009, 31st August 2009, 31st October 2009, 5th November 2009, 18th January 2010 and 31st March, 2010.

Attendance of each director at these meetings is as under:

<b>Name of Director</b>	<b>No. of Board Meetings Attended</b>	<b>Attendance at last AGM</b>
Mr. Vinod V. Parekh	6	Present
Mr. Paresh V. Parekh	6	Present
Mr. Ketan V. Parekh	6	Present
Mr. Ashwin Goradia	6	Absent
Mr. Dhirajjal J. Sanghvi	6	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.
- 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.
- Material transactions, which are not in the ordinary course of business.
- 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 that 5 committees of Board.

**3. COMMITTEE OF DIRECTORS**

**(A) AUDIT COMMITTEE**

The Audit Committee comprises of 2 (Two) non-executive directors and 1(One) Executive Director namely Mr. Ashwin Goradia & Mr. Dhirajlal J. Sanghvi & Mr. Paresh Vinod Parekh, respectively.

Four Audit Committee meetings were held during the year 2009-2010 on 30th June 2009, 31st July 2009, 31st October 2009 and 31st January 2010.

The composition of the Audit Committee and the attendance of each director at each meeting was as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1	Mr. Paresh V. Parekh	4
2	Mr. Ashwin Goradia	4
3	Mr. Dhirajlal J. Sanghvi	4

The Audit Committee is responsible for overseeing the company's financial reporting process, reviewing with the management the financial statements and adequacy of internal accounting functions and discusses significant findings on the accounting statements. The committee acts as a link between the management, external auditors and the Board of Directors of the Company.

**(B) SHARE TRANSFER COMMITTEE**

The Share Transfers are approved by Finance Committee which comprises of one Non-Executive Director & two Executive Directors namely Mr. Vinod V. Parekh, Chairman of the Committee, Mr. Ketan V. Parekh & Mr. Paresh V. Parekh respectively.

The Committee meetings were held 23 times during the year to take on record share transfers received from shareholders in physical mode.

**(C) SHAREHOLDERS/INVESTOR GRIEVANCE COMMITTEE**

The Board has constituted shareholder/investor grievance, which looks into redressal of shareholders and investors grievances.

The following are the members of the committee

Name	Designation	Category
Mr. Vinod V. Parekh	Chairman	Non Executive
Mr. Paresh V. Parekh	Director	Executive
Mr. Ketan V. Parekh	Director	Executive

Mr. Umesh Shenoy, Vice President Finance is the Compliance Officer.

**4. DIRECTORS INTEREST IN THE COMPANY**

Details of Remuneration to all Directors for the financial year 2009-2010 are as follows:

Director	Sitting Fees	Salary & Perks	Commission	Total
Mr. Vinod V. Parekh	Nil	Nil	Nil	Nil
Mr. Paresh V. Parekh	Nil	Rs768000/-	Nil	Rs768000/-
Mr. Ketan V. Parekh	Nil	Rs768000/-	Nil	Rs768000/-

**5. MANAGEMENT DISCUSSION & ANALYSIS**

The Management Discussion and Analysis Report forms part of the Annual Report.

**6. GENERAL SHAREHOLDERS INFORMATION**

**(i) Annual General Meetings**

Details of last 3 Annual General Meetings were held as under:

Year	Location	Date	Time
31-Mar-07	Vishal Hall, Andheri (E), Mumbai	28-Sep-07	11.00 a.m.
31-Mar-08	Vishal Hall, Andheri (E), Mumbai	19-Sep-08	11.00 a.m.
31-Mar-09	Vishal Hall, Andheri (E), Mumbai	22-Sep-09	11.00 a.m.

**7. 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.

The Company has a Website [www.nationalplastic.com](http://www.nationalplastic.com). The Company has incorporated the Unaudited / Audited Financial Results up to 31st March 2010.

**8. MEANS OF COMMUNICATION**

**Recommendation**

Quarterly Results: Whether published  
Any website were displayed  
Whether it also displays official news releases and Presentations made to institutional investors / analysis

Whether shareholders information section Forms part of the Annual Report

**Compliance**

Free Press Journal & Navshakti  
[www.nationalplastic.com](http://www.nationalplastic.com)

No

Yes

**9. GENERAL SHAREHOLDER INFORMATION**

**SHAREHOLDER INFORMATION**

Financial Calender (tentative)

Financial Reporting for the quarter ended 30/06/2010  
Financial Reporting for the quarter ended 30/09/2010  
Financial Reporting for the quarter ended 31/12/2010  
Financial Reporting for the quarter ended 31/03/2011  
Annual General Meeting (Date, Time & Place)

31st of July 2010

31st of October 2010

31st of January 2011

31st of May 2011

30th September, 2010 11.a.m.  
Vishal Hall, Hotel Highway-In,  
Andheri - Kurla Road,  
Andheri (E), Mumbai.

Listing of Equity Shares on Stock Exchanges at

Mumbai, Ahmedabad

Registrars and Share Transfer Agents  
(Share transfer and communication regarding share certificates, dividends and change of address)

Sharex Dynamic (India) Pvt. Ltd.  
Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri - Kurla Road,  
Andheri (East), Mumbai - 400 072

**Stock Code**

The Bombay Stock Exchange Ltd., Mumbai  
Book Closure Date  
ISIN Nos. for the Company's Equity Shares  
In Demat Form

526616

16th Sept, 2010 to 22nd Sept, 2010

NE233DO1013

Depositors Connectivity

NSDL / CDSL

Complaints received during the year:

Received	Cleared	Pending
1	1	Nil
Nil	Nil	Nil

Complaints received from Shareholders

Letters received from Stock Exchange/SEBI

**10. Market Price Data:**

The Bombay Stock Exchange Ltd.

Month	High (Rs.)	Low (Rs.)
April 09	7.95	6.00
May 09	9.25	6.51
Jun 09	9.90	6.50
July 09	10.35	7.00
August 09	11.23	7.84
September 09	12.69	9.40
October 09	14.30	10.81
November 09	17.10	11.55
December 09	18.45	13.55
January 10	22.50	16.10
February 10	21.80	17.25
March 10	21.80	17.30



**11. SHARE TRANSFER SYSTEM**

Trading in equity shares of the Company is permitted only in Dematerialized form.

Share Transfer in Physical form are registered and returned within 30 days form the date of receipt of documents in order in all respects.

**12. DISTRIBUTION OF SHAREHOLDINGS AS ON 31/03/10**

No. of shares	No. of shareholders	% of shareholders	No. of shares held	% of Total
Upto 5000	14955	95.07	18881910.00	20.68
5001- 10000	405	2.57	3386010.00	3.71
10001- 20000	187	1.19	2872730.00	3.15
20001- 30000	73	.46	1841010.00	2.02
30001- 40000	25	.16	894000.00	.98
40001- 50000	23	.15	1098320.00	1.20
50001- 100000	20	.13	1420540.00	1.56
100001 & above	42	.27	60901480.00	66.71
<b>Total</b>	<b>15730</b>	<b>100</b>	<b>91296000.00</b>	<b>100.00</b>

**13. CATEGORIES OF SHAREHOLDERS AS ON 31/03/10**

Category	No. of Shares held	Voting Strength (%)
Promoters, Relatives & Associate companies	5048977	55.30
Public	3382813	37.05
NRI/FII's/OCB's	377375	4.13
Banks and Mutual Funds	8000	00.08
Domestic Companies (including Financial Institutions)	312435	3.42
<b>Total</b>	<b>9129600</b>	<b>100.00</b>

**Declaration under Clause 49 I (D) (ii) by the Managing Director of affirmation by the Board of Directors and Senior Management of Compliance with the Code of Conduct.**

The Shareholders,

Paresh V. Parekh, Managing Director of the Company do hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct adopted by the Board at its meeting held on 31st January, 2006, applicable to the Board of Directors and Senior Management of the Company.

Place: Mumbai  
Date: 30.06.2010

**Sd/-**  
**Paresh V. Parekh**  
Managing Director

**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Shareholders of National Plastic Industries Limited.

We have examined the compliance of conditions of corporate governance by National Plastic Industries Limited, for the year ended on March 31, 2010 as stipulated in clause 49 of the Listing Agreements entered into, by the Company with Stock Exchanges of India for the financial year ended 31st March, 2010.

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 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.

Place: Mumbai  
Date: 30.06.2010

For and on behalf of  
**SHETH DOCTOR & ASSOCIATES**  
Chartered Accountants  
Firm Regn. No 124822W  
**PARESH S. DOCTOR**  
Membership No. 36056

**MANAGEMENT ANALYSIS AND DISCUSSION**

**1. Business of the Company:**

The Company is continue to be engaged in manufacturing and sale of plastic moulded product namely furniture and household. At present, the company is concentrate in both furniture product and household product. Household product is also being manufactured only to cater export market and domestic market. The products have been sold under the name National Plastic.

Besides the company is into renting of its idle real estate at Kashmirira, Western Express Highway, Thane.

**2. Review of Operations:**

The total income for the year was at Rs. 53.99 Crores as against Rs. 43.19 Crores for 2008-09 Out of this, exports were Rs. 7.19 Crores as against Rs. 9.19 Crores of last year 2008-09. The profit before depreciation and interest was at Rs. 608.29 Lacs, as against Rs. 333.47 Lacs of 2008-09. The performance during the year has been satisfactory.

**3. Taxation**

The company has earned taxable profits during the year which has been adjusted towards unabsorbed depreciation and losses as per Income Tax Act, 1961 and management expects reasonable certainty of continuation of such profit in future. The total tax provided in the accounts are at Rs. 89.36 Lacs.

**4. Key Strength and Growth Driver**

The companies' product range have been well accepted due to its quality and price. The company is exploring to sale its products in the other market were it is not existing. Due to its quality and better outlook of the product the company is advantages position to sell more. 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.

**5. Business Outlook**

The year 2010-11 has started on a positive note with stability in the pricing of raw material and also domestic demand. Further the company has under taken various measures to cut down the cost and reschedule the product and sales mix. The company as plan to introduce high end products both for furniture and household in order to increase the market share and improve the margins.

With introduction of GST which is expected in the next financial year is expected to contribute increase in sales and profitability.

Due to growth of retailing business in the country with the entry of multinational giant, the company foresee huge opportunity for growth of business in furniture and household segment.

**6. Finance & Financial risk:**

Due to improvement in financial position of the company will resulting in lower interest rate on account of improvement in the grading.

**7. Statutory Compliance's:**

After obtaining confirmation from various functional heads of the company of having complied with all statutory and regulatory requirements. The declaration regarding compliance of the provision of various statutes is made by the Managing Director in every Board Meeting.

Compliance officer have been appointed by the Board to ensure compliance of SEBI regulation and provision of listing agreements.

**8. Industrial Relations and Human Resource:**

Industrial relation continued to remain cordial both at manufacturing unit as well as in branches. The training and education of employees across department is ongoing process of the company. The company is quality policy strives for the same. This has enabled the company to maintain ISO 9001:2000 certification for its Silvassa facility.

**9. Cautionary Statement:**

The Management Discussion and Analysis Statements made above are on the basis of available data as well as certain assumptions as to economic conditions, various factors affecting raw material prices and selling prices etc. 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.

**AUDITOR'S REPORT**

To,  
The Members of  
**M/s National Plastic Industries Limited.**

We have audited the attached Balance Sheet of M/S. NATIONAL PLASTIC INDUSTRIES LIMITED as at 31st March 2010 the Profit and Loss Account and also Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2) Further to our comments in the Annexure referred to above, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit,
  - b) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books,
  - c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts,
  - d) Reference is invited and following notes of schedule "15"
    - i. **No.7 of Re.: Non-Provision of liability for retirement benefits and for impairment of Fixed Assets as required under Accounting Standard -15 & 28 respectively.**
  - e) In our opinion, the Balance-Sheet, the Profit & Loss Account and the Cash Flow statement dealt with by this report have been prepared in compliance with the Accounting Standards referred to in Section 211 (3c) of the Companies Act, 1956, except for the provision for Retirement benefits & impairment of Fixed Assets as referred to in note no. 7 of schedule "15"
  - f) On the basis of written representation received from the directors and taken on record by the Board Of Directors, we report that no director is disqualified as on 31st March 2010 from being appointed as a director of the Company u/s 274 (1)(g) of the Companies Act, 1956.
  - g) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to note given in Para (d) above and read together with the notes thereon, give information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
    - I. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010.
    - II. In the case of Profit and Loss Account, of Profit for the year ended on that date and
    - III. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place: Mumbai  
Date: 30.06.2010

**PARESH S. DOCTOR**  
Membership No. 36056

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in paragraph 1 of our report of even date on accounts of National Plastic Industries Ltd.  
for the year ended 31st March 2010)

**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 us, during the year certain major items of fixed assets have been physically verified by the Management. According to the information and explanations given to us, no material discrepancies have been noticed in respect of assets, which have been physically verified during the year.
- c) The Company has not disposed off substantial part of the fixed assets during the year.

**2. Inventories:**

- a) Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
  - b) In our 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 were not material.
  - d) In our 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 neither granted nor taken any loans, do secured or unsecured, from Companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956, except for interest free loan from Director.
4. In our opinion and according to the information and explanations given to us, 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 except for the old balances under Sundry Debtors & Advances given and we have not observed any continuing failure to correct major weakness in the internal controls procedure.
5. a) To the best of our 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 our opinion and according to the information and explanations given to us, there are no transaction of purchase or sale of goods, materials or services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Company act, 1956 and aggregating during the year to Rs. 5, 00,000/- , or more in respect of each party.
6. The Company has accepted Short Term Unsecured Loans and the same has been repaid during the year and there is no balance outstanding at the year end. Necessary formalities as prescribed under section 58A of the Companies Act 1956 and the Rules made there under are not complied with.
7. The Company has internal audit system, which needs to be strengthened and to be made to commensurate to the size of the company and nature of its business.
8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of activities carried on by the Company.
9. a) The Company has been 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.
- c) On the basis of our examination of the documents and records there are no disputed statutory due which remains to be deposited with the appropriate authorities.

10. The Company has not incurred cash loss in the current year and there are not accumulated losses at the end of the financial year.
11. Based on our 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.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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.
14. In our opinion and according to the information and explanations given to us, the Company is not dealer or trader in securities.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
16. The company has not raised fund through the Term Loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we 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.
18. 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.
19. The Company has not raised any funds by the way of debenture during the year.
20. The Company has not raised any money by way of public issue during the year.
21. During the course of our examination of the book of account carried out in accordance with the generally accepted auditing practices in India, we have not come across any instances of fraud on or by the Company nor we 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:30.06.2010

**PARESH S. DOCTOR**  
Membership No. 36056

**BALANCE SHEET AS AT MARCH 31, 2010**

	Schedule	31.03.2010 Rupees (TOTAL)	31.03.2009 Rupees (TOTAL)
<b>I. SOURCES OF FUNDS</b>			
<b>1. SHARE HOLDERS FUNDS</b>			
a. Share Capital	1	91,296,000	91,296,000
b. Reserve & surplus	2	137,352,788	118,660,185
		<b>228,648,788</b>	<b>209,956,185</b>
<b>2. LOAN FUNDS</b>			
a. Secured Loans	3	58,386,168	66,446,234
b. Unsecured Loans	4	32,933,620	41,689,894
		<b>91,319,788</b>	<b>108,136,128</b>
	<b>TOTAL</b>	<b>319,968,576</b>	<b>318,092,313</b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. FIXED ASSETS</b>			
a. Gross Block	5	345,962,462	330,444,132
Less : Depreciation		229,046,884	216,116,874
		<b>116,915,578</b>	<b>114,327,258</b>
b. Capital work in progress & Advance ag. Capital Exp.		— 2,567,240	1,136,713
<b>Net Block</b>		<b>119,482,818</b>	<b>115,463,971</b>
<b>2. INVESTMENT</b>	<b>6</b>	<b>1,000</b>	<b>1,000</b>
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>7</b>		
a. Current Assets		199,120,032	172,331,400
b. Loans & Advances		22,570,432	17,300,916
		221,690,464	189,632,316
Less : Current Liabilities & Provisions	8	72,591,745	43,138,915
<b>Net Current Assets</b>		<b>149,098,718</b>	<b>146,493,401</b>
<b>4. DEFERRED TAX ASSETS</b>		<b>51,386,040</b>	<b>56,133,941</b>
	<b>TOTAL</b>	<b>319,968,576</b>	<b>318,092,313</b>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	<b>14</b>		
<b>NOTES ON ACCOUNTS</b>	<b>15</b>		

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD

For **SHETH DOCTOR & ASSOCIATES**  
Chartered Accountants

**PARESH S. DOCTOR**  
Membership No. 36056

**VINOD V.PAREKH**  
CHAIRMAN

**PARESH V.PAREKH**  
MANAGING DIRECTOR

**UMESH L. SHENOY**  
VICE PRESIDENT-FINANCE

PLACE : MUMBAI  
DATE : 30.06.2010

**PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2010**

	Schedule	31.03.2010 Rupees (TOTAL)	31.03.2009 Rupees (TOTAL)
<b>I. INCOME</b>			
Sales	9	528,641,363	419,352,657
Less :- Excise Duty		36,458,846	28,369,043
<i>Net Sale</i>		<b>492,182,517</b>	<b>390,983,614</b>
Other Income	10	11,277,812	12,568,828
Increase/(Decrease) in Stocks	11	27,797,210	(21,799,763)
		<b>531,257,539</b>	<b>381,752,679</b>
<b>II. EXPENDITURE</b>			
Raw Material Consumed	12	331,788,359	236,992,837
Purchase		2,206,038	1,133,448
Other Expenditure	13	136,434,277	110,279,301
Interest & Other Financial Charges (Net)		4,700,944	8,813,991
Depreciation		12,930,010	12,613,408
		<b>488,059,628</b>	<b>369,832,985</b>
<b>Profit/ (Loss) Before Tax</b>		<b>43,197,911</b>	<b>11,919,694</b>
Add :-Prior Period Adjustment		(140,317)	(34,501)
Add :- Provision For Taxation (MAT)		(7,318,000)	(490,267)
Add :- Prov. for Taxation Earlier Years		(1,617,914)	—
Add :- Prov For Deferred Tax Liabilities		(4,747,902)	(1,930,611)
<b>Profit/ (Loss) Brought Forward From Previous Year</b>		<b>2,778,572</b>	<b>(6,685,743)</b>
<b>Profit available for appropriation</b>		<b>32,152,350</b>	<b>2,778,572</b>
<b>APPROPRIATIONS</b>			
<b>Purposed Dividend</b>		<b>9,129,600</b>	—
<b>Corporate Dividend Tax</b>		<b>1,551,575</b>	—
<b>Balance Carried To Balance Sheet</b>		<b>21,471,175</b>	<b>2,778,572</b>
		<b>32,152,350</b>	<b>2,778,572</b>

**ABSTRACT TAKEN FROM BOOKS OF ACCOUNTS**

**SIGNIFICANT ACCOUNTING POLICIES** 14

**NOTES ON ACCOUNTS** 15

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD

**For SHETH DOCTOR & ASSOCIATES**

Chartered Accountants

**PARESH S. DOCTOR**  
Membership No. 36056

**VINOD V.PAREKH**  
CHAIRMAN

**PARESH V.PAREKH**  
MANAGING DIRECTOR

**UMESH L. SHENOY**  
VICE PRESIDENT-FINANCE

PLACE : MUMBAI  
DATE : 30.06.2010

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**

	31.03.2010 Rupees (TOTAL)	31.03.2009 Rupees (TOTAL)
<b>SCHEDULE -1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
20000000 (20000000) Equity Shares of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued subscribed &amp; Paid up</b>		
9129600 (9129600) Equity Shares of Rs.10/- each fully paid up	<u>91,296,000</u>	<u>91,296,000</u>
	<u><b>91,296,000</b></u>	<u><b>91,296,000</b></u>
<b>SCHEDULE-2</b>		
<b>RESERVE &amp; SURPLUS</b>		
<b>Capital Reserve</b>		
As per last Balance Sheet	115,881,613	115,881,613
Profit & Loss Account	—	—
Balance as per P&L A/c	<u>21,471,175</u>	<u>2,778,572</u>
	<u><b>137,352,788</b></u>	<u><b>118,660,185</b></u>
<b>SCHEDULE -3</b>		
<b>SECURED LOANS</b>		
<b>a) FROM BANKS</b>		
Bank (Working Capital)	58,386,168	59,186,132
Add: Interest Accrued & due	—	7,069,726
<b>b) FROM OTHERS</b>		
Secured against Hypothication of Motor Car	—	190,376
<b>TOTAL</b>	<u><b>58,386,168</b></u>	<u><b>66,446,234</b></u>

NOTES :

- 1) # Secured against first mortgage and charge on Factory Land & Building at Silvassa and Hypothication of all goods stock movables and Other Assets both present and future including Stock, Book Debts, Stores & Tools, Outstanding Money and Receivables. Claims, Bills and Invoices. Further secured by first charge on Fixed Assets at Silvassa and Guarantees by Directors

**SCHEDULE -4**

**UNSECURED LOAN**

Directors	1,006,370	—
Others	31,927,250	41,689,894
	<u><b>32,933,620</b></u>	<u><b>41,689,894</b></u>



**SCHEDULE ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**

**SCHEDULE – 5 FIXED ASSETS**

SR. NO.	DESCRIPTION	COST			DEPRECIATION			NET BLOCK		
		AS ON 01.04.2009	ADDITION	DEDUC- TION	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE YEAR	DEDUC- TION	AS ON 31.03.2010	AS ON 31.03.2009
I	FREE HOLD LAND	3301603	0	0	3301603	0	0	0	3301603	3301603
II	BUILDING	70074277	0	0	70074277	30355589	2340481	0	32696070	37378207
III	PLANT & MACHINERY	114384681	7800609		122185290	63602558	5621135	0	69223693	52961597
IV	DIES & MOULD	130875353	6253048	0	137128401	115523407	4242869	0	119766276	17362125
V	FUR.& FIXTURE	2613334	50260	0	2663594	1818267	50166	0	1868433	795161
VI	OFFICE EQUIPMENT	3796137	231613	0	4027750	2279234	207642	0	2486876	1540874
VII	MOTOR VEHICLE	5396947	1182800		6579747	2536206	467546	0	3003752	3575995
VIII	OTHER ASSETS	1800	0	0	1800	1613	171	0	1784	16
		<b>330444132</b>	<b>15518330</b>	<b>0</b>	<b>345962462</b>	<b>216116874</b>	<b>12930010</b>	<b>0</b>	<b>229046884</b>	<b>116915578</b>
	Previous Year	328651131	5609898	3816897	330444132	205579276	12613408	2075810	216116874	114327257

	<b>31.03.2010 Rupees (TOTAL)</b>	<b>31.03.2009 Rupees (TOTAL)</b>
<b>SCHEDULE-6</b>		
<b>INVESTMENT LONG TERM (UNQUOTED)</b>		
100 Shares Of Rs.10/- Each of Janata Sahakari Bank Ltd.	1,000	1,000
	<b>1,000</b>	<b>1,000</b>
<b>SCHEDULE-7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES :</b>		
<b>(A) CURRENT ASSETS :</b>		
1) Income Receivables	165,678	118,706
2) Inventories	—	—
(As taken valued & certified by the Managing Director)	—	—
a) Packing Material, Stock-& spares (At Cost)	1,668,229	2,023,996
i) Finished Products	53,874,714	21,946,140
(At Cost or Net Realisable value whichever is less)	—	—
ii) Mach. & Spares (Consumable)	895,441	—
iii) Semi finished Products (At Cost)	13,637,742	17,769,106
iv) Raw Material (At Cost)	8,081,488	14,905,091
<b>Total</b>	<b>78,157,614</b>	<b>56,644,333</b>
3) Sundry Debtors	—	—
(Unsecured considered good)	—	—
Due for more than six months	42,169,936	42,956,920
Other Debts	75,611,627	67,175,027
<b>Total</b>	<b>117,781,563</b>	<b>110,131,947</b>
4) Cash & Bank Balances		
a) Cash on Hand	1,322,098	1,556,050
b) With scheduled Banks	—	—
i) In FDR Account	1,036,940	625,933
ii) In Current Account	656,139	3,254,431
<b>Total</b>	<b>3,015,177</b>	<b>5,436,414</b>
<b>TOTAL (1+2+3+4+5)</b>	<b>199,120,032</b>	<b>172,331,400</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010**

	31.03.2010 Rupees (TOTAL)	31.03.2009 Rupees (TOTAL)
<b>(B) LOANS &amp; ADVANCES :</b>		
<b>(Unsecured considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	17,474,438	14,139,801
Deposits	1,428,803	1,029,486
Income Tax	2,699,114	1,862,189
Prepaid Expenses	968,077	269,440
<b>Total</b>	<b>22,570,432</b>	<b>17,300,916</b>
<b>TOTAL (A+B)</b>	<b>221,690,464</b>	<b>189,632,316</b>

**SCHEDULE -8**

**(A) CURRENT LIABILITIES AND PROVISIONS**

For Other Expenses Etc.	11,049,505	7,777,577
For Purchase Expenses	19,739,488	13,282,127
For Other Finance	5,350,770	1,675,291
For Capital Goods	508,068	508,068
Advance Against Order	1,802,651	1,354,322
Security Deposit	12,975,234	13,100,234
Temporary overdrawn Bank Balance	65,294	3,957,648
<b>Total</b>	<b>51,491,009</b>	<b>41,655,267</b>

**(B) PROVISIONS**

Income Tax	8,692,511	—
Fringe Benefit Tax	1,675,050	1,442,647
Wealth Tax	52,000	41,000
Proposed Dividend	9,129,600	—
Corporate Dividend Tax	1,551,575	—
<b>Total</b>	<b>21,100,736</b>	<b>1,483,647</b>
<b>TOTAL</b>	<b>72,591,745</b>	<b>43,138,914</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS A/C AS AT MARCH 31, 2010**

	31.03.2010 Rupees (TOTAL)	31.03.2009 Rupees (TOTAL)
<b>SCHEDULE-9</b>		
<b>SALES</b>		
Local	457,480,936	326,379,368
Export	71,947,686	91,900,688
Difference in Exchange	(787,259)	1,072,601
Labour Charges	—	—
	<u>528,641,363</u>	<u>419,352,657</u>
<b>SCHEDULE -10</b>		
<b>OTHER INCOME</b>		
Rent Received	11,096,889	12,000,000
Interest on F.D.R	130,706	28,143
Miscellaneous Income	50,217	540,685
	<u>11,277,812</u>	<u>12,568,828</u>
<b>SCHEDULE -11</b>		
<b>INCREASE/(DECREASE) IN STOCK</b>		
Closing Stock		
Finished Products	53,874,714	21,946,140
Semi Finished Products	13,637,742	17,769,106
	<u>67,512,456</u>	<u>39,715,246</u>
Less : Opening Stock		
Finished Products	21,946,140	44,109,474
Stock in trade	—	1,492,008
Semi Finished Products	17,769,106	15,913,527
	<u>39,715,246</u>	<u>61,515,009</u>
	<u>27,797,210</u>	<u>(21,799,763)</u>
<b>SCHEDULE-12</b>		
<b>RAW MATERIAL CONSUMED</b>		
Opening Stock	14,905,091	11,371,141
Purchase (Net)	324,964,756	240,526,787
	<u>339,869,847</u>	<u>251,897,928</u>
Less : Closing Stock	8,081,488	14,905,091
	<u>331,788,359</u>	<u>236,992,837</u>

<b>SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT AND LOSS A/C AS AT MARCH 31,</b>		
<b>2010</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>Rupees</b>	<b>Rupees</b>
	<b>(TOTAL)</b>	<b>(TOTAL)</b>
<b>SCHEDULE -13</b>		
<b>OTHER EXPENDITURE ::</b>		
Advertising & Promotion Expenses	2,741,956	1,364,691
Auditors Remuneration	150,000	120,000
Buffing & Plating Charges	171,517	—
Computer Expenses	156,759	519,911
Conveyance Expenses	358,566	537,168
Directors Remuneration	1,536,000	1,299,200
Discount On sales	37,760,195	28,623,567
Electricity & Fuel Charges	23,293,817	18,140,782
Employers contribution to PF, FPF, ESIC	739,087	554,581
Export Expenses	7,112,038	13,540,939
Entertainment Expenses	364,009	900,127
Hiring Charges	253,750	—
Insurance charges	334,805	390,439
Labour Charges	12,437,977	7,455,217
Legal, professional charges	868,586	861,076
Loss on sale of Assets	—	1,207,754
Miscellaneous Expenses	341,521	458,111
Motor car expense	355,501	311,101
Packing, Forwarding Expenses	19,198,916	8,281,686
Postage, Telephone, Telex exps	1,895,153	1,721,168
Printing & Stationery	760,007	657,288
Rent, Rates, Taxes	2,463,963	3,451,242
Repairs & Maintenance-Others	25,678	128,862
Repairs & Maintenance-Machinery	3,793,449	3,404,338
Repairs & Maintenance-Building	1,203,316	126,469
Salary, Wages, Bonus etc.	10,164,784	8203343
Security Guard Expenses	1,041,006	756,395
Staff welfare Expenses	362,958	330,941
Store & Consumable	1,126,862	1,254,226
Sundry Balances written back	(124,789)	169,015
Travelling Expenses	5,546,889	5,509,664
<b>TOTAL</b>	<b>136,434,277</b>	<b>110,279,301</b>

**SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS A/C. AS AT MARCH 31, 2010**

**SCHEDULE - 14**

**SIGNIFICANT ACCOUNTING POLICIES :**

**a. Basis of Accounting**

The financial statements are prepared in accordance with requirements of the Companies Act 1956 under historical cost convention on an accrual basis.

**b. Fixed Assets and Capital Work-in-Progress**

Fixed assets are recorded at cost of acquisition inclusive of relevant levies, transportation and other expenses incidental to acquisition and installation.

**c. Depreciation on Fixed Assets**

Depreciation on fixed assets has been provided on straight line method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956

**d. Inventories**

Inventories are valued as under :-

- i. Raw Material - At cost (on first in first out basis).
- ii. Finished Goods - At cost Raw material cost & share of appropriate overheads or net realisable value, whichever is lower.  
The Excise duty in respect of closing inventory of finished goods is included as part of finished goods.
- iii. Traded Items- At cost.
- iv. Semi - Finished Goods- At cost Raw material cost & share of appropriate overheads.

**e. Sales**

- A) Sales net off Sales Tax, Excise Duty, Sales Return (On Approval)
- B) Export Sales is accounted at value prevailing on the transaction date. Unrealised bills at the year end are restated at the rates prevailing at the year end.

**f. Export Benefits**

Export benefits / Incentives are accounted on accrual basis.

**g. Provision for taxation**

Deferred Tax resulting from timing differences between book profit & the tax profit is accounted for under the liability method at the effecting Current Rate of Tax applicable to the year in which such timing differences are expected to be reversed.

**SCHEDULE - 15**

**NOTES FORMING PART OF THE ACCOUNTS :**

**1** Contingent liability not provided for in respect of :

- a) Bank Guarantees Outstanding Rs. 37.25 Lacs (Previous Year Rs. 36.25 Lacs)
- b) Capital Commitment Outstanding (Net of Advance) Rs. 21.13 Lacs. (Previous year Nil Lacs)

**2 Deferred Tax**

The company has earned taxable profits during the year which has been adjusted towards unabsorbed depreciation and losses as per Income Tax Act, 1961 and management expects reasonable certainty of continuation of such profit in future. As such The company has recognised deferred tax assets / liabilities as per Accounting Standard 22-Accounting for Taxes on income and break up of net Deferred Tax Assets as at 31.3.2010 is as under:

ITEMS	31.03.2010	31.03.2010	31.03.2009	31.03.2009
	DTA	DTL	DTA	DTL
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
1 Difference between book depreciation and depreciation under Income Tax Act, 1961.	—	158.09	—	179.5
2 Unabsorbed losses and depreciation	671.95	—	740.83	—
<b>Net Deferred Tax Assets</b>	<b>—</b>	<b>513.86</b>	<b>—</b>	<b>561.33</b>

- 3 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 business and provision of all known liabilities have been adequately made in accounts.
- 4 Additional information pursuant to paragraphs 3. 4C and 4D of part to Schedule VI of the Companies Act, 1956.
- a. Details of Capacity, Production, Turnover, Opening Stock and Closing Stock of Finished Goods. (Excluding products of third party manufactured on Labour job basis.)

**CAPACITIES**

	<b>PARTICULARS</b>	<b>2009/2010</b>	<b>2008/2009</b>
1	Licensed Capacity	10200 TPA	10200 TPA
2	Installed Capacity (As Certified by Director)	9200 TPA	9200 TPA
3	Product Manufactured	Injection Moulded Items	Injection Moulded Items

**Quantitative Details**

**a) Manufacturing Activities (Rs. In 000)**

Item	Opening Stock		Production (PCS)	Turnover*		Closing Stock Rs.
	(PCS)	Rs.		(PCS)	Rs.	
Injection	211,433	21,946	4,728,240	4,508,349	492,183	53,874
Moulded item	(483,652)	(44,109)	(3198901)	(3471120)	(389258)	(21,946)

Note \* :- Turnover includes 20098 (180960) Pcs damaged and grinded .

**b) Trading Activities ( Rs. In 000)**

Item	Opening Stock		Purchase*		Turnover		Closing Stock Rs.
	(PCS)	Rs.	(PCS)	Rs.	(PCS)	Rs.	
Injection	—	—	—	—	—	—	—
Moulded Item	(—)	(—)	(5,860)	(1,078)	(5,860)	(1,078)	(—)
Wooden Furniture	—	—	—	—	—	—	—
Items	(780)	(1,337)	(49)	(56)	(829)	(647)	(—)

**c) Details of Raw Material Consumed : (Rs. In Lacs)**

Particulars	2009-2010		2008-2009	
	Qty MT	Rs.	Qty MT	Rs.
Plastic Powder	5570	3,210.34	3935	2,300.63
Others	70	107.54	54	69.30
<b>Total</b>	<b>5570</b>	<b>3317.88</b>	<b>3989</b>	<b>2369.93</b>

**d) Details of imported and indigenous Raw Materials Consumed :**

Particulars	2009-2010		2008-2009	
	Rupees in Lacs	%	Rupees in Lacs	%
Imported	132.57	4	0.00	0.00
Indigenous	3185.31	96	2369.93	100.00
<b>TOTAL</b>	<b>3317.88</b>	<b>100</b>	<b>2369.93</b>	<b>100.00</b>

e) Sale of Raw Material Rs. NIL (Previous year Rs. 8.88 Lacs)

f) Earning in Foreign Exchange

F.O.B. Value of Export

Injected Moulded Items

Rs. 694.33 Lacs

(Previous Year Rs. 843.22 Lacs)

g) CIF Value of Imports (Rs. In Lacs)

Particulars	2009-2010	2008-2009
Capital Goods	55.47	53.77
Raw Materials	67.47	NIL

h) Expenditure in Foreign Currency (Rs. In Lacs) (Cash Basis)

Particulars	2009-2010	2008-2009
Bank Charges	2.34	3.68
Repairs to Machinery	NIL	NIL

5 Auditors Remuneration (Rs.)

Particulars	2009-2010	2008-2009
Audit Fees	150000	120000
	<b>150000</b>	<b>120000</b>

6 No provision has been made for liability for retirement benefits as required by Accounting Standard - 15 and for impairment of Fixed Assets as required by Accounting Standard - 28 and impact on results of the company is not ascertained

7 Disclosures of Transactions with Related Party

(Information Restricted to Transactions During the year only)

i) List of Related Parties:-

a) Key Management Personnel

Mr. Paresh Vinod Parekh

Mr. Ketan Vinod Parekh

b) Relatives of Key Management Personnel

Mr. Vinod V. Parekh

Mrs. Nalini V. Parekh

Mrs. Nipa V. Parekh

Mr. Harsh P. Parekh

Mr. Vivek P. Parekh

c) Enterprises Owned or Significantly Influenced by any Key Management Personnel or Relatives

M/s. National Plastic Industries

M/s. Enpee Credit & Capital (I) Ltd.

Mr. Ketan Vinod Parekh (HUF)

ii) Transactions With Related Parties :- (Rs. In Lacs)

	Loans / Adv. Given / Repaid	Loans / Adv. Taken / Recd.	Remuneration Others	Loans Taken O/s
a) Key Management Personnel	17.62 (—)	7.55 (—)	15.36 (12.99)	0.00 (—)
b) Relatives Of Key Management Personnel	34.78 (27.84)	30.78 (27.84)	1.47 (0.70)	4.00 (—)
c) Enterprises Owned Or Significantly Influenced by any Key Management Personnel Or Relatives	360.56 (316.61)	465.33 (591.72)	0.00 0.00	312.13 (416.90)

8 Figures of Previous Year has been regrouped / rearranged wherever necessary.

9 Earning Per Share (EPS)

	2009-2010	2008-2009
Numerator - Net Profit as disclosed in Profit & Loss A/c	43,197,911.00	11,919,694.00
Denominator - Weighted avg. number of Equity Shares outstanding Basic	9129600	9129600
EPS - Basic/ Diluted (in Rs.)	4.73	1.31
Nominal Value of Shares (in Rs.)	10	10



**10 Additional Information as required under Part IV of Schedule VI of the Companies Act. 1956**  
**Balance Sheet Abstract and Company's General Profile.:**

**I. Registration Details :**

Registration No.	44707
State Code	11
Balance Sheet Date	31.03.2010

**II. Capital Raised during the year :**

Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil

**III. Position of Mobilisation and Development of Funds :**

Total Liabilities	319,968,576
Total Assets	319,968,576

Sources of Funds :

Paid -up Capital	91,296,000
Share Application Money	—
Reserve & Surplus	137,352,788
Secured Loans	58,386,168
Unsecured Loans	32,933,620

Application of Funds :

Net Fixed Assets	119,482,818
Investments	1,000
Net Current Assets	149,098,718
Deferred Tax Assets	51,386,040
Misc. Expenditure	—
Accumulated Losses	—

**IV. Performance of Company :**

Turnover	531,257,539
Total Expenditure	488,059,628
Profit /(Loss) Before Tax	43,197,911
Profit /(Loss) After Tax	32,152,350
Earning Per Share (Rs.)	0.35
Dividend Rate%	—

**V. Generic Names of Three Principal / Services of Company (as per monetary terms)**

Item code No. (ITC Code)	9403
Product Description	Moulded Furniture
Item code No. (ITC Code)	3924
Product Description	Plastic Crates

As per our attached Report of even date

FOR AND ON BEHALF OF THE BOARD

**For SHETH DOCTOR & ASSOCIATES**

Chartered Accountants

**PARESH S. DOCTOR**

Membership No. 36056

**VINOD V. PAREKH**

CHAIRMAN

**PARESH V. PAREKH**

MANAGING DIRECTOR

**UMESH L. SHENOY**

VICE PRESIDENT - FINANCE

PLACE : MUMBAI

DATE : 30.06.2010

**CASH FLOW FOR THE YEAR ENDED MARCH 31, 2010**

(pursuant to the listing agreement with stock exchange)

	March 31, 2010 (Rs. In Lakhs)		March 31, 2009 (Rs. In Lakhs)	
<b>A. Cash flow from operating activities</b>				
Net profit Before Tax & Extra - Ordinary		4.32		1.22
Less : Prior year adjustment	-0.01	-0.01	0.00	0.00
		4.31		1.22
Adjusted for				
Depreciation	1.29		1.26	
Loss on Sale of Assets	—		0.12	
Interest Charged (Net)	0.46	1.75	0.88	2.26
Operating profit before working capital changes		6.06		3.48
Changes in				
Trade & other receivables	0.77		2.15	
Inventories	2.15		-1.81	
Loans and advances	0.44		-0.29	
Taxes Paid	0.08		-0.03	
Trade payables & provisions	-0.98	2.46	5.08	5.10
Cash generated from operations		3.60		-1.62
Cash flow before extra-ordinary items		3.60		-1.62
Extra-ordinary items (Deferred revenue Expen.)		—		—
Net cash from operating activities		<b>3.60</b>		<b>-1.62</b>
<b>B. Cash flow from investing activities</b>				
Purchase of fixed assets / C W I P etc.		1.69		0.67
Sale of Fixed assets		—		(0.05)
Purchase/sale of investments (FDR with Bank)		0.04		-0.08
Interest received		0.00		0.00
Net cash used in investing activities		<b>1.73</b>		<b>0.54</b>
<b>C. Cash flow form financing activities</b>				
Proceeds from borrowings (Waiver Benefit)				
Repayment of Borrowings		-0.09		0.58
Unsecured loan		-0.88		2.75
Interest paid		-1.16		-0.88
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>-2.13</b>		<b>2.45</b>
<b>NET CHANGES IN CASH &amp; CASH EQUIVALENTS (A-B+C)</b>		<b>-0.25</b>		<b>0.29</b>
<b>CASH &amp; CASH EQUIVALENTS- OPENING BALANCE</b>		<b>0.55</b>		<b>0.26</b>
<b>CASH &amp; CASH EQUIVALENTS- CLOSING BALANCE</b>		<b>0.30</b>		<b>0.55</b>

PLACE : MUMBAI

DATE : 30.06.2010

**Vinod V. Parekh** : Chairman  
**Paresh V. Parekh** : Managing Director  
**Umesh L. Shenoy** : Vice President - Finance

**AUDITORS' CERTIFICATES**

We have verified above cash flow statement of National Plastic Industries Limited derived from the annual financial statement audited for the years ended March 31, 2010 and found the same to be drawn in accordance therewith requirements of Clause 32 of the listing agreements with stock exchanges.

**For SHETH DOCTOR & ASSOCITES**  
Chartered Accountants

PLACE : MUMBAI  
DATE : 30.06.2010

**PARESH S. DOCTOR**



**NATIONAL PLASTIC INDUSTRIES LIMITED**

Regd. Office: 412, Rewa Chambers, New Marine Lines, Mumbai-400020

DP ID No.

Client ID No.

**ATTENDANCE SLIP**

(To be handed over all the entrance of the meeting hall)

Name of Shareholder (IN BLOCK LETTERS) \_\_\_\_\_

Members Folio Number: \_\_\_\_\_

Name of the Proxy (IN BLOCK LETTERS)  
to be filled if the Proxy attends  
instead of the Member

No. of Shares held \_\_\_\_\_

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING held on 30th September, 2010 at 11.00 a.m at Vishal Hall, Hall No. 1, Vishal Shopping Centre, Hotel Highway Inn, Andheri Kurla Road, Andheri (E), Mumbai-400 069.

Signature of Shareholder / Proxy

Tear  
Here



**NATIONAL PLASTIC INDUSTRIES LIMITED**

Regd. Office: 412, Rewa Chambers, New Marine Lines, Mumbai-400020

DP ID No.

Client ID No.

**PROXY FORM**

Members Folio No.: \_\_\_\_\_

I/We of \_\_\_\_\_ of \_\_\_\_\_

Being a member/members of the above named company, hereby appoint \_\_\_\_\_ of \_\_\_\_\_

failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 23rd Annual General Meeting held on 30th September, 2010 at 11.00 at Vishal Hall, Hall No. 1, Vishal Shopping Centre, Hotel Highway Inn, Andheri Kurla Road, Andheri (East), Mumbai-400 069 or at any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2010.

Date: \_\_\_\_\_

Re. 1/-  
Revenue  
Stamp

- NOTE:
1. The Instrument of Proxy form shall be deposited at the Registered Office of the Company not less than 48 hours before holding 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.