

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,
25th 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. Dhirajlal 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.

| Director | Category | No. of Outside Directorships held |
|--------------------------|---------------------------|--|
| 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. Dhirajlal 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:

| Name of Director | No. of Board Meetings Attended | Attendance at last AGM |
|--------------------------|---------------------------------------|-------------------------------|
| Mr. Vinod V. Parekh | 6 | Present |
| Mr. Paresh V. Parekh | 6 | Present |
| Mr. Ketan V. Parekh | 6 | Present |
| Mr. Ashwin Goradia | 6 | Absent |
| Mr. Dhirajlal 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. 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

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.

Mumbai, Ahmedabad

Listing of Equity Shares on Stock Exchanges at

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

Depositors Connectivity

Complaints received during the year:

Complaints received from Shareholders

Letters received from Stock Exchange/SEBI

526616

16th Sept, 2010 to 22nd Sept, 2010

NE233DO1013

NSDL / CDSL

Received Cleared Pending

1

1

Nil

Nil

Nil

Nil

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 from 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 |
| Total | 15730 | 100 | 91296000.00 | 100.00 |

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 |
| Total | 9129600 | 100.00 |

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.

For and on behalf of

SHETH DOCTOR & ASSOCIATES
Chartered Accountants
Firm Regn. No 124822W
PARESH S. DOCTOR
Membership No. 36056

Place: Mumbai
Date: 30.06.2010

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) |
|---|----------|---------------------------------|---------------------------------|
| I. SOURCES OF FUNDS | | | |
| 1. SHARE HOLDERS FUNDS | | | |
| a. Share Capital | 1 | 91,296,000 | 91,296,000 |
| b. Reserve & surplus | 2 | 137,352,788 | 118,660,185 |
| | | 228,648,788 | 209,956,185 |
| 2. LOAN FUNDS | | | |
| a. Secured Loans | 3 | 58,386,168 | 66,446,234 |
| b. Unsecured Loans | 4 | 32,933,620 | 41,689,894 |
| | | 91,319,788 | 108,136,128 |
| TOTAL | | 319,968,576 | 318,092,313 |
| II. APPLICATION OF FUNDS | | | |
| 1. FIXED ASSETS | | | |
| a. Gross Block | 5 | 345,962,462 | 330,444,132 |
| Less : Depreciation | | 229,046,884 | 216,116,874 |
| | | 116,915,578 | 114,327,258 |
| b. Capital work in progress & Advance ag. Capital Exp. | | — 2,567,240 | 1,136,713 |
| Net Block | | 119,482,818 | 115,463,971 |
| 2. INVESTMENT | 6 | 1,000 | 1,000 |
| 3. CURRENT ASSETS, LOANS & ADVANCES | 7 | | |
| 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 |
| Net Current Assets | | 149,098,718 | 146,493,401 |
| 4. DEFERRED TAX ASSETS | | 51,386,040 | 56,133,941 |
| TOTAL | | 319,968,576 | 318,092,313 |
| 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

PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2010

| | Schedule | 31.03.2010 Rupees (TOTAL) | 31.03.2009 Rupees (TOTAL) |
|--|----------|---------------------------------|---------------------------------|
| I. INCOME | | | |
| Sales | 9 | 528,641,363 | 419,352,657 |
| Less :- Excise Duty | | 36,458,846 | 28,369,043 |
| <i>Net Sale</i> | | 492,182,517 | 390,983,614 |
| Other Income | 10 | 11,277,812 | 12,568,828 |
| Increase/(Decrease) in Stocks | 11 | 27,797,210 | (21,799,763) |
| | | 531,257,539 | 381,752,679 |
| II. EXPENDITURE | | | |
| 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 |
| | | 488,059,628 | 369,832,985 |
| Profit/ (Loss) Before Tax | | 43,197,911 | 11,919,694 |
| 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) |
| Profit/ (Loss) Brought Forward From Previous Year | | 2,778,572 | (6,685,743) |
| Profit available for appropriation | | 32,152,350 | 2,778,572 |
| APPROPRIATIONS | | | |
| Purposed Dividend | | 9,129,600 | — |
| Corporate Dividend Tax | | 1,551,575 | — |
| Balance Carried To Balance Sheet | | 21,471,175 | 2,778,572 |
| | | 32,152,350 | 2,778,572 |

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) |
|--|---------------------------------|---------------------------------|
| SCHEDULE -1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 20000000 (20000000) Equity Shares of Rs.10/- each | 200,000,000 | 200,000,000 |
| Issued subscribed & Paid up | | |
| 9129600 (9129600) Equity Shares of Rs.10/- each fully paid up | 91,296,000 | 91,296,000 |
| | <u>91,296,000</u> | <u>91,296,000</u> |
| SCHEDULE-2 | | |
| RESERVE & SURPLUS | | |
| Capital Reserve | | |
| As per last Balance Sheet | 115,881,613 | 115,881,613 |
| Profit & Loss Account | — | — |
| Balance as per P&L A/c | 21,471,175 | 2,778,572 |
| | <u>137,352,788</u> | <u>118,660,185</u> |
| SCHEDULE -3 | | |
| SECURED LOANS | | |
| a) FROM BANKS | | |
| Bank (Working Capital) | 58,386,168 | 59,186,132 |
| Add: Interest Accrued & due | — | 7,069,726 |
| b) FROM OTHERS | | |
| Secured against Hypothication of Motor Car | — | 190,376 |
| TOTAL | <u>58,386,168</u> | <u>66,446,234</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>32,933,620</u> | <u>41,689,894</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 31.03.2010 | AS ON 31.03.2009 |
| I | FREE HOLD LAND | 3301603 | 0 | 0 | 3301603 | 0 | 0 | 0 | 0 | 3301603 | 3301603 |
| II | BUILDING | 70074277 | 0 | 0 | 70074277 | 30355589 | 2340481 | 0 | 32696070 | 37378207 | 39718689 |
| III | PLANT & MACHINERY | 114384681 | 7800609 | | 122185290 | 63602558 | 5621135 | 0 | 69223693 | 52961597 | 50782122 |
| IV | DIES & MOULD | 130875353 | 6253048 | 0 | 137128401 | 115523407 | 4242869 | 0 | 119766276 | 17362125 | 15351946 |
| V | FUR.& FIXTURE | 2613334 | 50260 | 0 | 2663594 | 1818267 | 50166 | 0 | 1868433 | 795161 | 795066 |
| VI | OFFICE EQUIPMENT | 3796137 | 231613 | 0 | 4027750 | 2279234 | 207642 | 0 | 2486876 | 1540874 | 1516903 |
| VII | MOTOR VEHICLE | 5396947 | 1182800 | | 6579747 | 2536206 | 467546 | 0 | 3003752 | 3575995 | 2860741 |
| VIII | OTHER ASSETS | 1800 | 0 | 0 | 1800 | 1613 | 171 | 0 | 1784 | 16 | 187 |
| | | 330444132 | 15518330 | 0 | 345962462 | 216116874 | 12930010 | 0 | 229046884 | 116915578 | 114327257 |
| | Previous Year | 328651131 | 5609898 | 3816897 | 330444132 | 205579276 | 12613408 | 2075810 | 216116874 | 114327257 | 123071854 |

| | 31.03.2010 Rupees (TOTAL) | 31.03.2009 Rupees (TOTAL) |
|---|---------------------------------|---------------------------------|
| SCHEDULE-6 | | |
| INVESTMENT LONG TERM (UNQUOTED) | | |
| 100 Shares Of Rs.10/- Each of Janata Sahakari Bank Ltd. | 1,000 | 1,000 |
| Total | 1,000 | 1,000 |
| SCHEDULE-7 | | |
| CURRENT ASSETS, LOANS & ADVANCES : | | |
| (A) CURRENT ASSETS : | | |
| 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 |
| Total | 78,157,614 | 56,644,333 |
| 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 |
| Total | 117,781,563 | 110,131,947 |
| 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 |
| Total | 3,015,177 | 5,436,414 |
| TOTAL (1+2+3+4+5) | 199,120,032 | 172,331,400 |

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) LOANS & ADVANCES : | | |
| (Unsecured considered good) | | |
| 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 |
| Total | 22,570,432 | 17,300,916 |
| TOTAL (A+B) | 221,690,464 | 189,632,316 |

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 |
| Total | 51,491,009 | 41,655,267 |

(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 | — |
| Total | 21,100,736 | 1,483,647 |
| TOTAL | 72,591,745 | 43,138,914 |

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) |
|-------------------------------------|--|--|
| <u>SCHEDULE-9</u> | | |
| SALES | | |
| 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> |
| <u>SCHEDULE -10</u> | | |
| OTHER INCOME | | |
| 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> |
| <u>SCHEDULE -11</u> | | |
| INCREASE/(DECREASE) IN STOCK | | |
| 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> |
| <u>SCHEDULE-12</u> | | |
| RAW MATERIAL CONSUMED | | |
| 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> |

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) |
|---|--|--|
| SCHEDULE -13 | | |
| OTHER EXPENDITURE :: | | |
| 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 |
| TOTAL | 136,434,277 | 110,279,301 |

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 | — |
| Net Deferred Tax Assets | — | 513.86 | — | 561.33 |

- 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

| | PARTICULARS | 2009/2010 | 2008/2009 |
|---|--|----------------------------|----------------------------|
| 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 | | Turnover* | | Closing Stock |
|--------------|---------------|----------|------------|--|-----------|----------|---------------|
| | (PCS) | Rs. | (PCS) | | (PCS) | Rs. | 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 |
|------------------|---------------|---------|-----------|---------|----------|---------|---------------|
| | (PCS) | Rs. | (PCS) | Rs. | (PCS) | Rs. | 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 |
| Total | 5570 | 3317.88 | 3989 | 2369.93 |

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 |
| TOTAL | 3317.88 | 100 | 2369.93 | 100.00 |

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 |
| | 150000 | 120000 |

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 |
| <u>Sources of Funds :</u> | |
| Paid -up Capital | 91,296,000 |
| Share Application Money | — |
| Reserve & Surplus | 137,352,788 |
| Secured Loans | 58,386,168 |
| Unsecured Loans | 32,933,620 |
| <u>Application of Funds :</u> | |
| 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 | | March 31, 2009 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | (Rs. In Lakhs) | | (Rs. In Lakhs) | |
| A. Cash flow from operating activities | | | | |
| 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 | | 3.60 | | -1.62 |
| B. Cash flow from investing activities | | | | |
| 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 | | 1.73 | | 0.54 |
| C. Cash flow form financing activities | | | | |
| Proceeds from borrowings (Waiver Benefit) | | | | |
| Repayment of Borrowings | | -0.09 | | 0.58 |
| Unsecured loan | | -0.88 | | 2.75 |
| Interest paid | | -1.16 | | -0.88 |
| NET CASH USED IN FINANCING ACTIVITIES | | -2.13 | | 2.45 |
| NET CHANGES IN CASH & CASH EQUIVALENTS (A-B+C) | | -0.25 | | 0.29 |
| CASH & CASH EQUIVALENTS- OPENING BALANCE | | 0.55 | | 0.26 |
| CASH & CASH EQUIVALENTS- CLOSING BALANCE | | 0.30 | | 0.55 |

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.