



MILTON PLASTICS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2010

| | SCH. NO. | AS AT 31ST MARCH, 2010 | | AS AT 31ST MARCH, 2009 | |
|-----------------------------|---|------------------------|----------------------|------------------------|----------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| SOURCES OF FUNDS | | | | | |
| 1 | Shareholders' Funds : | | | | |
| | (a) Capital | 1 | 124,985,500 | 124,985,500 | |
| | (b) Reserves and Surplus | 2 | 283,633,908 | 283,633,908 | |
| | | | 408,619,408 | | 408,619,408 |
| 2 | Loan Funds : | | | | |
| | (a) Secured Loans | 3 | 2,620,329,884 | 2,475,986,315 | |
| | (b) Unsecured Loans | 4 | 346,850,980 | 291,765,421 | |
| | | | 2,967,180,864 | | 2,767,751,736 |
| | TOTAL :- | | 3,375,800,272 | | 3,176,371,144 |
| APPLICATION OF FUNDS | | | | | |
| 1 | Fixed Assets : | 5 | | | |
| | (a) Gross Block | | 489,308,604 | 485,536,798 | |
| | (b) Less: Depreciation | | 417,266,002 | 410,121,260 | |
| | (c) Net Block | | 72,042,602 | 75,415,538 | |
| | (d) Capital Work-in-Progress | | | 3,190,699 | |
| | | | 72,042,602 | | 78,606,237 |
| 2 | Investments (At Cost) : | 6 | 40,697,000 | | 40,697,000 |
| 3 | Current Assets, Loans and Advances : | | | | |
| | (a) Inventories | 7 | 57,791,378 | 37,443,515 | |
| | (b) Sundry Debtors | 8 | 145,841,513 | 224,893,981 | |
| | (c) Cash and Bank Balances | 9 | 11,633,878 | 11,352,744 | |
| | (d) Loans and Advances | 10 | 207,347,082 | 233,325,912 | |
| | (e) Deposits | 11 | 302,873,405 | 302,679,561 | |
| | | | 725,487,256 | 809,695,713 | |
| | Less: Current Liabilities and Provisions : | | | | |
| | (a) Liabilities | 12 | 220,321,076 | 210,587,367 | |
| | (b) Provisions | 13 | 1,227,575 | 2,330,603 | |
| | | | 221,548,651 | 212,917,970 | |
| | Net Current Assets | | 503,938,605 | | 596,777,743 |
| 4 | Profit and Loss Account | | 2,759,122,065 | | 2,460,290,164 |
| | TOTAL :- | | 3,375,800,272 | | 3,176,371,144 |

Accounting Policies and Notes to Balance Sheet and Profit and Loss Account 22

The Schedules (1 to 22) form an Integral part of the Balance Sheet and Profit and Loss Account.

As per our attached report of even date For **MEHTA CHOKSHI & SHAH** Chartered Accountants.

R.T. MEHTA
PARTNER
M.N. No. 5445

25th August, 2010, Mumbai

SHRI B. I. VAGHANI - Chairman
SHRI C. I. VAGHANI - Director
SHRI M. B. VAGHANI - Director

25th August, 2010, Mumbai

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

| | SCH. NO. | For the Year ended 31ST MARCH, 2010 | | For the year ended 31ST MARCH, 2009 | |
|---|-------------|--|------------------------|--|------------------------|
| | | Rupees | Rupees | Rupees | Rupees |
| INCOME | | | | | |
| Sales & Other Income | 14 | | 390,664,284 | | 474,111,841 |
| Increase/(Decrease) in stocks of Finished Goods and Semi Finished Goods | 15 | | 1,281,250 | | (9,478,068) |
| | | | <u>391,945,534</u> | | <u>464,633,773</u> |
| EXPENDITURE | | | | | |
| Materials Consumed | 16 | 258,362,414 | | 307,084,030 | |
| Manufacturing Expenses | 17 | 104,153,675 | | 157,914,044 | |
| Payments to and Provision for employees | 18 | 22,133,396 | | 25,098,348 | |
| Office and Administrative Expenses | 19 | 33,546,090 | | 13,378,003 | |
| Selling and Distribution Expenses | 20 | <u>8,304,103</u> | | <u>6,610,249</u> | |
| Loss Before Interest & Depreciation | | | <u>426,499,678</u> | | <u>510,084,674</u> |
| Depreciation | | | (34,554,144) | | (45,450,901) |
| Financial Expenses | 21 | 7,144,742 | | 8,046,355 | |
| Provision For Custom Duty Written Back | | <u>257,133,015</u> | | <u>316,706,247</u> | |
| | | | <u>(264,277,757)</u> | | <u>(314,239,677)</u> |
| Loss Before Tax and Extraordinary Item | | | <u>(298,831,901)</u> | | <u>(358,690,578)</u> |
| Provision for Taxation of Earlier Years Written Back | | | | | 8,640,794 |
| Provision For Fringe Benefit Tax | | | | | <u>(305,317)</u> |
| Loss After Tax | | | <u>(298,831,901)</u> | | <u>(351,355,101)</u> |
| Balance brought forward from previous year | | | <u>(2,460,290,164)</u> | | <u>(2,108,935,063)</u> |
| Balance Carried to Balance Sheet | | | <u>(2,759,122,065)</u> | | <u>(2,460,290,164)</u> |
| Earning per Share (in Rs.) (Basic & Diluted) (Face Value Rs. 10/-) | | | <u>(23.91)</u> | | <u>(28.11)</u> |

Accounting Policies and Notes to Balance Sheet and Profit and Loss Account 22

The Schedules (1 to 22) form an integral part of the Balance Sheet and Profit and Loss Account

As per our attached report of even date For **MEHTA CHOKSHI & SHAH** Chartered Accountants

R.T. MEHTA
PARTNER
M.N. No. 5445

SHRI B. I. VAGHANI - Chairman
SHRI C. I. VAGHANI - Director
SHRI M. B. VAGHANI - Director

25th August, 2010, Mumbai

25th August, 2010, Mumbai



MILTON PLASTICS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

| | AS AT 31ST MARCH, 2010 | | AS AT 31ST MARCH, 2009 | |
|--|------------------------|----------------------|------------------------|----------------------|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE 1: | | | | |
| SHARE CAPITAL : | | | | |
| Authorised : | | | | |
| 2,50,00,000 Equity Share of Rs.10/-each | | 250,000,000 | | 250,000,000 |
| Issued, Subscribed and Called up | | | | |
| 12,497,100 (Previous year 12,497,100) | | | | |
| Equity Shares of Rs.10/- each fully Paid up | | 124,971,000 | | 124,971,000 |
| Add: Forfeited Shares | | 14,500 | | 14,500 |
| | | <u>124,985,500</u> | | <u>124,985,500</u> |
| | | | | |
| SCHEDULE 2 : | | | | |
| RESERVE AND SURPLUS : | | | | |
| Share Premium Account | 266,044,545 | | 266,044,545 | |
| Less: Premium on Forfeited Shares | <u>130,500</u> | | <u>130,500</u> | |
| | | 265,914,045 | | 265,914,045 |
| General Reserve | | 6,940,863 | | 6,940,863 |
| IDBI OTF Grant for ODS Phase out | | 10,779,000 | | 10,779,000 |
| | | <u>283,633,908</u> | | <u>283,633,908</u> |
| SCHEDULE 3 : | | | | |
| SECURED LOANS : | | | | |
| Corporate Loans From Financial Institution (Due within one year Rs.792,259,798/-) | | 792,259,798 | | 766,926,879 |
| Acceptances | | 484,840,539 | | 404,734,539 |
| From Banks for Working Capital | | 1,312,797,547 | | 1,261,092,897 |
| From Banks for Working Capital Term Loan | | 30,432,000 | | 43,232,000 |
| | | <u>2,620,329,884</u> | | <u>2,475,986,315</u> |

Notes:

1. Corporate Loans from IDBI & IFCI ranking pari-passu, are secured by a first charge by way of hypothecation of all the fixed assets of the Company, and personal guarantee of some of the Directors of the Company.
2. Cash Credits and Overdrafts availed from Banks are secured by hypothecation of stocks of raw material, semi-finished goods, finished goods, book debts and personal guarantee of some of the Directors and also the second charge over the Fixed assets of the Company.
3. Cash Credit and Overdraft facility availed from Standard Chartered Bank, a member of the consortium of bankers, was restructured in the year 2002 by converting the limits in to Overdraft, Working Capital Term Loan and Funded Interest Term Loan. These restructured limits are secured by hypothecation of stocks of raw materials, semi-finished goods, finished goods, book debts, the second charge over the Fixed Assets of the Company and pledge of the shareholding of the promoters.

SCHEDULE 5: FIXED ASSETS:

| SR. NO. | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | | | |
|----------------------|------------------|--------------------|------------------------|---|--------------------|--|---------------------------|--------------------|-------------------|-------------------|-------------------|
| | AS AT 01.04.2009 | Additions | Deletions/ Adjustments | AS AT 31.03.2010 | UPTO 01.04.2009 | Accumulated Depreciation On Deletions/ Adjustments | Depreciation for the year | UPTO 31.03.2010 | AS AT 31.03.2010 | | |
| 1 | 797,559 | - | - | 797,559 | - | - | - | - | 797,559 | | |
| 2 | 29,295,338 | - | - | 29,295,338 | 13,925,399 | - | 878,463 | 14,903,662 | 14,391,476 | | |
| 3 | 178,446,024 | 192,400 | - | 178,638,424 | 172,871,584 | - | 57,442 | 172,929,006 | 5,709,418 | | |
| 4 | 164,914,822 | 906,120 | - | 165,820,942 | 147,345,848 | - | 4,107,528 | 151,453,476 | 14,367,466 | | |
| 5 | 12,231,073 | 1,719,013 | - | 13,950,086 | 10,104,797 | - | 484,318 | 10,589,115 | 3,360,971 | | |
| 6 | 9,635,851 | - | - | 9,635,851 | 8,354,296 | - | 548,984 | 8,903,280 | 732,571 | | |
| 7 | 6,746,424 | - | - | 6,746,424 | 5,971,990 | - | 340,703 | 6,312,693 | 433,731 | | |
| 8 | 8,091,192 | 565,582 | - | 8,656,754 | 5,350,628 | - | 387,233 | 5,737,881 | 2,918,893 | | |
| 9 | 18,673,067 | 85,350 | - | 18,758,417 | 17,623,522 | - | 46,216 | 17,669,738 | 1,088,679 | | |
| 10 | 15,066,981 | - | - | 15,066,981 | 13,938,991 | - | 36,066 | 13,975,057 | 1,091,924 | | |
| 11 | 1,582,297 | 303,361 | - | 1,885,658 | 746,532 | - | 79,199 | 825,731 | 1,059,927 | | |
| 12 | 35,234,895 | - | - | 35,234,895 | 12,936,897 | - | - | 12,936,897 | 22,297,798 | | |
| 13 | 4,821,475 | - | - | 4,821,475 | 950,896 | - | 78,590 | 1,029,286 | 3,792,189 | | |
| TOTAL RUPEES | | 485,538,798 | 3,771,805 | 489,306,604 | 410,121,260 | - | 7,144,742 | 417,266,002 | 72,042,602 | 75,415,538 | |
| PREVIOUS YEAR | | 482,744,960 | 2,791,838 | 485,536,798 | 402,074,905 | - | 8,048,355 | 410,121,260 | 75,415,538 | 80,670,055 | |
| | | | | Capital Work-in-Progress(Including advance) | | | | | | 3,190,699 | |
| | | | | | | | | | | 72,042,602 | 78,606,237 |



MILTON PLASTICS LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET

| | AS AT 31ST MARCH, 2010 | | AS AT 31ST MARCH, 2009 | |
|--|------------------------|--------------------|------------------------|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE 4 : | | | | |
| UNSECURED LOANS : | | | | |
| 2,00,000 - 17% Unsecured Redeemable Non Convertible Debentures of Rs. 100/- each fully paid-up (The Federal Bank Ltd.) | | 20,000,000 | | 20,000,000 |
| Int. Accrued & due on above | | 147,271,687 | | 118,933,287 |
| From Directors | | 71,177 | | 71,177 |
| From Others | | 179,508,116 | | 152,760,957 |
| TOTAL :- | | 346,850,980 | | 291,765,421 |
| SCHEDULE 6 : | | | | |
| INVESTMENTS (Non Trade) : | | | | |
| (a) 5,000 Shares of Rising Star Plastics P. Ltd. of Rs. 100/- each.(Unquoted) | | 500,000 | | 500,000 |
| (b) 2,000 Shares of Rs.25/- each of Janseva Sahakar Bank Ltd. (Unquoted) | | 50,000 | | 50,000 |
| (c) 1 12% Non-Convertible Cumulative Preference Share of Rs.100 Lakhs of Indowind Energy Ltd: (Unquoted) | | 10,000,000 | | 10,000,000 |
| (d) 4,900 Shares of Rs.10/- each of Dena Bank @ Rs.30/- each. (Quoted) (Market Value Rs.384,405/-) | | 147,000 | | 147,000 |
| (e) 1,500,000 Equity Shares of Rs. 10/- each of Milton Global Ltd @ Rs. 20/-each (unquoted) | | 30,000,000 | | 30,000,000 |
| TOTAL :- | | 40,697,000 | | 40,697,000 |
| SCHEDULE 7 : | | | | |
| INVENTORIES : | | | | |
| (As taken, valued and certified by the Management) | | | | |
| Packing Materials | | 2,176,125 | | 1,851,093 |
| Stock-in-Trade: | | | | |
| Raw Materials | 42,317,734 | | 23,576,153 | |
| Finished Goods | 7,683,961 | | 6,597,629 | |
| Semi Finished Goods | 5,613,558 | | 5,418,640 | |
| TOTAL :- | | 55,615,253 | | 35,592,422 |
| | | 57,791,378 | | 37,443,515 |
| SCHEDULE 8 : | | | | |
| SUNDRY DEBTORS : | | | | |
| (Unsecured, Considered Good) | | | | |
| Exceeding six months | | 44,492,298 | | 92,552,153 |
| Others | | 115,479,215 | | 146,471,828 |
| | | 159,971,513 | | 239,023,981 |
| Less: Provision for Doubtful. Debts | | 14,130,000 | | 14,130,000 |
| TOTAL :- | | 145,841,513 | | 224,893,981 |

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SCHEDULES FORMING PART OF BALANCE SHEET

| | AS AT 31ST MARCH, 2010 | | AS AT 31ST MARCH, 2009 | |
|---|------------------------|--|------------------------|--|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE 9 : | | | | |
| CASH AND BANK BALANCES : | | | | |
| Cash on hand | | 182,828 | | 65,312 |
| Bank Balances :- | | | | |
| With Scheduled Banks :- | | | | |
| In Current Accounts | 8,736,273 | | 8,605,749 | |
| In Fixed Deposit Accounts (including Interest accrued Rs 2,882/-) (Previous Year Rs.5,594/-) (Pledged with Banks against guarantees & margin money) | 2,714,777 | | 2,681,683 | |
| TOTAL :- | | <u>11,451,050</u> <u>11,633,878</u> | | <u>11,287,432</u> <u>11,352,744</u> |
| SCHEDULE 10 : | | | | |
| LOANS AND ADVANCES : | | | | |
| (Unsecured, Considered Good) | | | | |
| LOANS : | | | | |
| To Staff | | 576,500 | | 626,564 |
| ADVANCES : | | | | |
| Advances recoverable in cash or in kind or for value to be received | | 205,526,840 | | 231,289,894 |
| Advance Payment of Income-tax | | 1,243,742 | | 1,409,454 |
| TOTAL :- | | <u>207,347,082</u> | | <u>233,325,912</u> |
| SCHEDULE 11 | | | | |
| DEPOSITS : | | | | |
| With Local Bodies | | 2,775,293 | | 2,581,449 |
| With Others | | 300,098,112 | | 300,098,112 |
| TOTAL :- | | <u>302,873,405</u> | | <u>302,679,561</u> |
| SCHEDULE 12 : | | | | |
| LIABILITIES : | | | | |
| Sundry Creditors | | 55,475,833 | | 40,433,186 |
| Other Liabilities | | 160,860,705 | | 166,624,278 |
| Advance against Orders | | 2,503,033 | | 1,998,398 |
| Advance recoveries towards liabilities | | 1,033,628 | | 1,033,628 |
| Deposits | | | | 50,000 |
| Import Duty Payable | | 447,877 | | 447,877 |
| TOTAL :- | | <u>220,321,076</u> | | <u>210,587,367</u> |
| SCHEDULE 13 : | | | | |
| PROVISIONS : | | | | |
| For Fringe Benefit Tax | | 606,560 | | 943,274 |
| For Gratuity | | 114,453 | | 487,219 |
| For Leave Encashment | | 506,562 | | 900,110 |
| TOTAL :- | | <u>1,227,575</u> | | <u>2,330,603</u> |

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

| | For the Year ended 31ST MARCH, 2010 | | For the Year ended 31ST MARCH, 2009 | |
|--|--|--------------------|--|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE : 14 | | | | |
| SALES & OTHER INCOME : | | | | |
| Sales | | 390,023,560 | | 470,906,272 |
| Other Income : | | | | |
| Labour Charges Received | | | | 941,658 |
| Dividend Received | | 34,860 | | 37,800 |
| Miscellaneous Income | | 605,864 | | 2,226,111 |
| TOTAL :- | | 390,664,284 | | 474,111,841 |
| SCHEDULE : 15 | | | | |
| INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS AND SEMI-FINISHED GOODS | | | | |
| Closing Stock : | | | | |
| Finished Goods | 7,683,961 | | 6,597,629 | |
| Semi-Finished Goods | 5,613,558 | | 5,418,640 | |
| | | 13,297,519 | | 12,016,269 |
| Less : Opening Stock : | | | | |
| Finished Goods | 6,597,629 | | 16,573,201 | |
| Semi-finished Goods | 5,418,640 | | 4,921,136 | |
| | | 12,016,269 | | 21,494,337 |
| TOTAL :- | | 1,281,250 | | (9,478,068) |
| SCHEDULE 16 : | | | | |
| MATERIALS CONSUMED : | | | | |
| Raw Material Consumed | | 209,675,314 | | 259,386,757 |
| Traded Goods | | 12,243,116 | | 3,894,049 |
| Packing Materials | | 36,443,984 | | 43,803,224 |
| TOTAL :- | | 258,362,414 | | 307,084,030 |
| SCHEDULE 17 : | | | | |
| MANUFACTURING EXPENSES : | | | | |
| Stores and Tools Consumed | | 128,907 | | 898,061 |
| Labour & Moulding Charges | | 40,798,680 | | 45,964,269 |
| Power & Fuel | | 1,548,691 | | 8,310,308 |
| Rates & Taxes | | 377,099 | | 408,218 |
| Central Excise Duty | | 57,124,201 | | 97,532,441 |
| Product Design and Development Expenses | | 1,760 | | 13,723 |
| R/M to Factory Building | | 392,080 | | 982,784 |
| R/M to Machinery | | 712,951 | | 1,383,837 |
| R/M to Dies and Moulds | | 984,678 | | 1,084,330 |
| R/M to Others | | 890,324 | | 688,982 |
| Security Charges | | 1,194,304 | | 847,091 |
| TOTAL :- | | 104,153,675 | | 157,914,044 |

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SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

| | For the Year ended 31ST MARCH, 2010 | | For the Year ended 31ST MARCH, 2009 | |
|--|--|--------------------|--|--------------------|
| | Rupees | Rupees | Rupees | Rupees |
| SCHEDULE 18: | | | | |
| <u>PAYMENTS TO AND PROVISION FOR EMPLOYEES:</u> | | | | |
| Salaries, Wages and Bonus | | 21,374,999 | | 22,661,709 |
| Contribution to Provident Funds | | 312,134 | | 1,421,675 |
| Staff Welfare Expenses | | 446,263 | | 1,014,964 |
| TOTAL :- | | <u>22,133,396</u> | | <u>25,098,348</u> |
| SCHEDULE 19: | | | | |
| <u>OFFICE & ADMINISTRATIVE EXPENSES :</u> | | | | |
| Insurance | | 319,482 | | 401,277 |
| Postage, Telegram and Telephones | | 859,902 | | 1,309,640 |
| Printing and Stationery | | 330,131 | | 532,070 |
| Electricity | | 643,631 | | 707,957 |
| Vehicle Expenses | | 1,200,130 | | 2,073,755 |
| Travelling and Conveyance | | 532,465 | | 923,342 |
| Consultancy, Professional, Legal and Other Charges | | 2,586,023 | | 3,807,623 |
| Office Expense | | 342,931 | | 560,331 |
| Rent | | 2,076,890 | | 2,031,897 |
| Directors' Meeting Fees | | 10,000 | | 8,000 |
| Donations | | 16,501 | | 27,055 |
| Loss on Scrap of CWIP | | 3,181,249 | | - |
| Sundry Balances W/off | | 11,709 | | 37,978 |
| Miscellaneous Expenses | | 1,126,325 | | 957,078 |
| Bad Debts | | 20,308,721 | | - |
| TOTAL :- | | <u>33,546,090</u> | | <u>13,378,003</u> |
| SCHEDULE 20: | | | | |
| <u>SELLING & DISTRIBUTION EXPENSES:</u> | | | | |
| Freight and Transport Charges | | 6,714,248 | | 5,631,694 |
| Commission and Discount | | 1,523,240 | | 798,859 |
| Advertisement and Sales Promotion Expenses | | 66,615 | | 179,696 |
| TOTAL :- | | <u>8,304,103</u> | | <u>6,610,249</u> |
| SCHEDULE 21: | | | | |
| <u>FINANCIAL EXPENSES :</u> | | | | |
| Interest On Fixed Loans | | 72,092,986 | | 91,966,133 |
| Interest On Working Capital Borrowings | | 185,146,571 | | 229,301,198 |
| Interest Paid to Others | | 19,245 | | 12,707 |
| Bank Charges | | 66,027 | | 142,466 |
| | | <u>257,324,829</u> | | <u>321,422,504</u> |
| Less : Interest Income (TDS of Rs. 16582/-) | | 191,814 | | 4,716,257 |
| TOTAL :- | | <u>257,133,015</u> | | <u>316,706,247</u> |