

Board of Directors

B.I.VAGHANI : Chairman
C.I.VAGHANI : Director
M.B.VAGHANI : Director
VINAY JAIN : Independent Non Executive Director
DEVENDRA NEGI : Independent Non Executive Director

Registered Office : Asian Building,
4th Floor, R.Kamani Marg,
Ballard Estate, Mumbai 400 001

Works : 28/29, Nagar Road, Village Shikrapur
Dist. Pune 412208

Plot No.72, Danudyog Sahakari
Sangh Ltd. Village Piparia,
Silvassa.

Solicitors : M/s.Law Charter,
Advocates, Solicitors & Notary
Mumbai.

Auditors : M/s. Mehta Chokshi & Shah
Chartered Accountants
Mumbai.

Bankers : Dena Bank
Central Bank of India
Standard Chartered Bank

Share & Transfer Agent : M/s.Link Intime India Pvt.Ltd.
C-13, Pannalal Silk Mills
Compound,
LBS Road,
Bhandup (West)
Mumbai 400 078

NOTICE

NOTICE is hereby given that the Nineteen'th Annual General Meeting of the Members of **MILTON PLASTICS LIMITED** will be held at Registered office of the Company at Asian Building, 4th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001 on Thursday, 29th September, 2011 at 9.30 a.m. to transact the following business: -

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Madhup B. Vaghani, who retires by rotation, and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Devendra Negi, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and to fix their remuneration.

BY ORDER OF THE BOARD
For **MILTON PLASTICS LIMITED**

B.I.VAGHANI
CHAIRMAN

Registered Office:
Asian Building, 4th floor, R.Kamani Marg,
Ballard Estate, Mumbai 400 001.
Date: 25th August, 2011
Place: Mumbai

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company not less than 48 hours before the time of Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2011 to 29th September, 2011 (both days inclusive).

INFORMATION PURSUANT TO CLAUSE 49 (VI) OF THE LISTING AGREEMENT

As required under Clause 49 of Listing Agreement the particulars of Directors who are proposed to be appointed / reappointed at the forthcoming Annual General Meeting are given below:

I) Director proposed to be reappointed.

a) Shri Madhup B. Vaghani

Shri Madhup B Vaghani is a Director of the Company and is retiring by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Shri Madhup B Vaghani is commerce graduate and has over 24 years of experience in the field of marketing.

He is a Director of M/s. Stead fast Holdings Pvt.Ltd

b) Shri Devendra Negi

Shri Devendra Negi is a Director of the Company liable to retire by rotation.

Shri Devendra Negi is Independent Non Executive Director of the Company and is retiring by rotation at the forthcoming Annual General Meeting and is eligible for reappointment.

Shri Devendra Negi is a Commerce Graduate. He has 18 years career with nationalized bank having rich experience in the field of banking and finance.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors presents herewith the Nineteen'th Annual Report together with Audited Statement of Accounts for the year ended 31st March, 2011.

Financial Results	For the year ended 31st March, 2011 (Rs.in lacs)	For the year ended 31st March, 2010 (Rs.in lacs)
Sales & Other Income	4591	3907
Gross Loss	(190)	(346)
Add: Depreciation	50	71
Interest	2531	2571
Loss before Tax and Extraordinary Item	(2771)	(2988)
Income From Extraordinary Item	3325	--
Less: Provision for Tax	--	--
Profit / (Loss) after Tax	554	(2988)
Balance Brought Forward	(27591)	
Less: Waiver of Principal on OTS	114	(24603)
Amount available for appropriation	(26923)	(27591)
Deficits carried to balance sheet	(26923)	(27591)

FINANCE & ACCOUNTS:

Operations and future outlook:

Your Company has achieved a sales turnover of Rs. 4591 lacs during the current year as against Rs.3907 lacs in the previous year.

Dividend:

In view of the losses, your Directors regret their inability to recommend any dividend for the financial year under review.

FIXED DEPOSIT:

Your Company has not accepted deposits from the public.

Audit Committee: -

The Company has reconstituted audit committee on 23rd December, 2005 as required under the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the listing agreement executed with Bombay Stock Exchange Limited.

Employees and Industrial Relationship:

During the year under review the industrial relationship continued to be cordial. The Directors place on record their appreciation for the services rendered by the employees at all levels.

Conservation of Energy, Technology Absorption and Foreign Exchange:**i) Conservation of Energy**

- a) The Company has taken all measures to conserve the Energy by installing latest equipments for conservation of Energy.
- b) The cumulative effect of the Energy conservation steps taken by the Company has considerably reduced the consumption of Energy and saved the cost of the Company.
- c) The Company is not required to mention per unit consumption of Energy in form A.

- ii) Information relating to Technology absorption and Foreign Exchange earnings and outgo which forms part of this report is given in a separate statement annexed hereto in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Company's (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Employees:

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Company's (Particulars of Employees) Rules 1975, as amended, is not given since the Company did not have any employee covered by the said section.

Directors:

Shri Madhup B Vaghani, Director and Shri Devendra Negi, Director retire by rotation and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement:

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

- i) In the preparation of Annual Accounts for the financial year ended 31st March, 2011 the applicable Accounting Standards have been followed.
- ii) Appropriate Accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and loss of the Company for the period ended on that date.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting 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.
- iv) The Annual Accounts have been prepared on a going concern basis.

Insurance:

Buildings, plant and machinery, Inventories at the factory of the Company have been insured adequately.

Corporate Governance:

As required under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, Corporate Governance Report and Management Discussion and Analysis Report form part of this Annual Report.

Auditors:

The Auditors M/s Mehta Chokshi & Shah, Chartered Accountants, Mumbai, retire at the forthcoming Annual General Meeting and have offered themselves for reappointment.

Auditor's Report:

The Auditors have not made any observations in their report.

Compliance Certificate:

A Certificate from the Practising Company Secretary of the Company regarding compliance of conditions of corporate governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

Acknowledgement:

Your Directors express their thanks to the Banks and Financial Institutions, Shareholders, Suppliers and Customers for their continuous support and co-operation to the company. Your Directors express their appreciation for the dedicated services of the employees, workmen and executives of the Company.

For and on behalf of the Board

Place: Mumbai
Date: 25th August, 2011

Bansilal I Vaghani
Chairman

ANNEXURE TO THE DIRECTORS REPORT:

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011

A. DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION:

1. Research & Development (R & D)

(a) Specific areas in which R & D is carried out by the Company.

New product development, New manufacturing process development, Product upgradation, Cost reduction, Mould designing and development, New application of thermoware product, Water Purification System.

(b) Benefits derived as a result of the R & D.

(i) Company is in position to introduce varied new products every year to meet changing consumer preferences.

The Company is in position to cater to a wider segment of consumer durables and plastics based industrial products.

(c) Future Plan of Action.

(i) Emphasis is being laid on development & marketing of new product and value addition to existing range of products, for both export as well as domestic market.

- (ii) Business Process Re – Engineering.
- (d) Expenditure on Research & Development under the head “product Design & Development Expenses” is being accounted under relevant heads of expenses.

2. Technology Absorption, Adaptation and Innovation.

- (a) Efforts in brief, made towards technology absorption, adaptation and innovation, as enumerated in Section 1 above.
- (b) Benefits, derived as a result of the above efforts, product up gradation, cost reduction & new products developments. As enumerated in Section 1 above.

B. FOREIGN EXCHANGE EARNINGS AND OUT GO: Total foreign exchange used for Rs. 46,206/- (Rupees Forty Six Thousand Two Hundred Six only). Total foreign exchange earned Rs. nil.

For and on behalf of the Board

Place: Mumbai
Date: 25th August, 2011

Bansilal I Vaghani
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

The industry of Moulded furniture is facing lots of constraints. The margins are reduced to lowest level and stiff competition from un-organised sector and local players adversely affected the turnover. The management is of the view that any investment and expansion in the present lying of moulded furniture will not provide any better results. The Company has continued its effort in product innovation considering the changing consumer preferences.

2. OPPORTUNITIES AND THREATS

Opportunities:

Concentration in Rural Market and exploring the export market.

Threats:

The Competition from unorganized / small scale sectors and new entrants in the open market.

3. SEGMENTWISE PERFORMANCE

The Company manufactures only thermoware products; hence no separate segment wise information is required to be given.

4. OUTLOOK

The Company is diversifying its presence in Rural market through strong distribution network. The Company is also exploring the potential in the international market.

5. RISKS AND CONCERNS

Competition from the unorganised small scale sector via cut-throat competition from the new entrants in the market, thereby squeezing the Company's profit margins.

6 INTERNAL CONTROL SYSTEMS

The Company has an adequate system of internal controls that ensures that all assets are protected against loss from unauthorized use or disposition and all transactions are recorded and reported in conformity with generally accepted accounting principles.

7. FINANCIAL PERFORMANCE

The Company has achieved a sales turnover of during the year Rs.4591/- lacs as against Rs.3907/- lacs in the corresponding previous year. During the year, the Company incurred a loss of Rs.554/- lacs as against Rs.2988/- lacs in the corresponding previous year.

8. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Industrial relations remained cordial during the year under review.

9. CAUTIONARY STATEMENT

Statements in this Report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to amend, modify or revise any of the statements on the basis of subsequent developments, information or events.

For and on behalf of the Board

Place: Mumbai.
Date: 25th August, 2011

Bansilal I.Vaghani
Chairman

**CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE
LISTING AGREEMENT WITH THE STOCK EXCHANGE**

I have examined the compliance of conditions of Corporate Governance by **MILTON PLASTICS LIMITED** for the year ended **31st March, 2011**, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

I certify that the company has complied with the conditions of Corporate Governance as mentioned in the above mentioned listing agreement.

I state that no investor grievance is pending for a period of exceeding one month against the Company as per the records maintained by the Registrar and Share Transfer Agent.

I 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 SHAILESH A KACHALIA
Practising Company Secretaries**

Place : Mumbai

Dated: 25th August, 2011

**S.A. KACHALIA
Proprietor
C.P. - 3888**

REPORT ON CORPORATE GOVERNANCE

Compliance with Corporate Governance regulations as laid down in Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited, Mumbai Mandatory Requirements as prescribed in Annexure – 2 of the Listing Agreement.

MANDATORY REQUIREMENTS:

A. Company's Philosophy on Corporate Governance

Your Company is fully committed to good corporate governance practices as laid down by SEBI. It envisages attainment of a high level of transparency & accountability in the functioning of the Company and helps the management in the efficient conduct of the Company's affairs and in protecting the interest of various participants like shareholders, employees, lenders, clients etc. and at the same time places due emphasis on compliance of various statutory laws.

B. Board of Directors:

Present Composition of Board of Directors is as below:

Sr.No.	Name	Designation	Category
1	Bansilal I Vaghani	Chairman	Director and Non Executive Chairman
2	Chiranjiv I Vaghani	Director	Non Executive Director
3	Madhup B Vaghani	Director	Non Executive Director
4	Vinay Jain	Director	Independent, non-executive Director
5	Devendra Negi	Director	Independent, non-executive Director

Board procedures :

A. Five board meetings were held in this period on the following dates:

30th April, 2010, 31ST July, 2010, 25th August, 2010, 13th November, 2010, 31st January, 2011

B. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorship and Committee Chairmanships / Memberships held by them in other companies is given below. Other Directorship do not include alternate directorships, directorships of private limited companies and of companies incorporated outside India. Chairmanship / Membership of Board Committee include only Audit and Shareholders / Investors Grievance Committees. The Company also has a mandatory annual requirement for every director to inform the company about the Committees/Board member position he occupies in other Companies and notify the change, if any.

Name	Category	Attendance at Board Meeting in year 2010-2011		Directorships in other Public Companies		Committee Position held in other Public Companies		Attendance at Last AGM
		Held	Attended	Chairman	Member	Chairman	Member	
Shri Bansilal I Vaghani	Chairman Non-Executive	5	5	NIL	NIL	NIL	NIL	Present
Shri Madhup B Vaghani	Non-Executive Director	5	5	NIL	NIL	NIL	NIL	Present
Shri Chiranjiv I Vaghani	Non-Managing Director	5	5	NIL	NIL	NIL	NIL	Present
Shri Vinay Jain	Independent Director, Non Executive	5	5	NIL	NIL	NIL	NIL	Present
Shri Devendra Negi	Independent Director Non Executive	5	5	NIL	NIL	NIL	NIL	Present

Management:

The matters that are required to be discussed under Management Discussion and Analysis report has been included in the directors report to the shareholders. Whenever commercial transaction and financial transactions have been entered with Company, where Directors are interested, the nature of interest is being disclosed to the Board of Directors.

During the year under review, there were no transactions of any material financial and commercial transactions, which had personal interest of the management that had a potential conflict with the interest of the Company at large.

C. Audit Committee:

Audit Committee as required by Clause 49 of the Listing Agreement was reconstituted on 23rd December, 2005 comprising the following Members:

Shri Bansilal I Vaghani : Chairman & Non Executive Director
Shri Vinay Jain : Independent & Non Executive Director
Shri Devendra Negi : Independent & Non Executive Director

Name	Category	No. of meeting for year 2010-2011	
		Held	Attended
Shri Bansilal I Vaghani	Non Executive Director	5	5
Shri Vinay Jain	Chairman & Non Executive Director	5	5
Shri Devendra Negi	Non Executive Director	5	5

D. Remuneration Committee.

Remuneration Committee as required by Clause 49 of the Listing Agreement was reconstituted on 23rd December, 2005 comprising following members.

SHRI BANSILAL I VAGHANI : Non Executive Director
SHRI VINAY JAIN : Chairman & Non Executive Director
SHRI DEVENDRA NEGI : Non Executive Director

The company has not paid any remuneration to Executive and Managing Director

The Company reimburses the out of pocket expenses incurred by Directors for the Company after the review of the same by the Committee members.

E. Shareholders / Investors Grievance Committee

Shareholders / Investors Grievance Committee as required by Clause 49 of the Listing Agreement was reconstituted on 23rd December, 2005 comprising following members.

SHRI BANSILAL I VAGHANI : Non Executive Director
SHRI VINAY JAIN : Chairman & Non Executive Director
SHRI DEVENDRA NEGI : Non Executive Director

Name	Category	No.of meeting for year 2010-2011	
		Held	Attended
Shri Bansilal I Vaghani	Non Executive Director	5	5
Shri Vinay Jain	Chairman & Non Executive Director	5	5
Shri Devendra Negi	Non Executive Director	5	5

Shri Pankaj Bhaya is the compliance officer, in terms of the listing agreement executed by the Company with the Stock Exchange. The Board had delegated power to approve the transfer of shares to executive Directors.

The Company has paid Annual Listing Fees for the year 2011-12 to Bombay Stock Exchange Limited.

Number of shareholders complaints received so far and number solved to the satisfaction of shareholder.

Sr. No.	Category	Received	Replied
1	Non Receipt of Warrant / Dividend / Interest	1	1
2	Non Receipt of Annual Report	1	1
3	Others	1	1
4	Change of Address	2	2
5	Stop Transfer / Procedure for Issue of Duplicate Share Certificates	3	3
6	Registration of Signatures	2	2
7	Procedure of Transfer / Transmission / Deletion	1	1
	Grand Total	11	11

F. General Body Meetings:

Location and time of last three AGMs held

Date of AGM	Time of AGM	Location
29 th September, 2008	9.30 a.m.	Asian building, 4 th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001
29 th September, 2009	9.30 a.m.	Asian building, 4 th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001
29 th September, 2010	9.30 a.m.	Asian building, 4 th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001

G. Related Party and other Disclosures :

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

None of the transactions with any of the related parties were in conflict with the interest of the Company.

The Company has not any Subsidiary Companies.

Disclosure of accounting treatment wherever applicable has been made in the Audited Financial Accounts for the year ended 31st March, 2011.

The Company has a laid down procedure to inform the Board Members about the risk assessment and minimization procedures of the material risks and they are being reviewed periodically.

The Company has complied with all the requirement of Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on matter relating to capital markets during the last three years and consequently no penalties of strictures have been imposed on the Company by these authorities.

H. Means of Communication

The quarterly results are published in “Free Press Journal” an English daily, in all India edition and in “NAVSHAKTI” a vernacular Marathi daily, in Mumbai edition.

I. General Shareholder Information

* *Annual General Meeting*

	Date	29 th September, 2011
	Time	9.30 a.m.
	Venue	Asian Building, 4 th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001
*	<i>Financial Calendar</i>	April to March
	Financial reporting for the quarter ending June, 2011	End July, 2011
	Financial reporting for the quarter ending September, 2011	End October 2011
	Financial reporting for the quarter ending December, 2011	End January, 2012
	Financial reporting for the quarter ending March, 2012	End April, 2012
*	Date of Book Closure	22 nd September, 2011 to 29 th September, 2011 (both days inclusive)
*	Dividend Payment Date	Not applicable
*	Registered Office and Address for Correspondence	Asian Building, 4 th floor, R.Kamani Marg, Ballard Estate, Mumbai 400 001 Phone – 2262 3333
*	Listing on Stock Exchanges	Bombay Stock Exchange Limited, Mumbai
		The Ahmedabad Stock Exchange Ltd.
		New Delhi Stock Exchange Association Ltd.
		Hyderabad Stock Exchange Ltd.
*	Stock Code	526143
	The Bombay Stock Exchange Ltd.	

* Monthly Highest and Lowest Closing Quotations of the Equity Shares for the year 2010-11.

Month	High (Rs.)	Low (Rs.)	Volume(Rs.)
April 2010	12.15	8.50	11,14,640
May 2010	12.20	8.10	4,67,114
June, 2010	10.99	8.56	3,79,265
July, 2010	16.62	9.89	38,42,316
August, 2010	19.40	12.85	70,09,229
September,2010	16.34	12.41	18,36,683
October,2010	21.00	14.00	48,84,083
November,2010	20.20	13.80	22,62,330
December,2010	15.15	12.22	7,58,569
January, 2011	14.40	12.70	6,01,835
February, 2011	13.88	12.57	4,69,358
March, 2011	11.92	10.41	5,34,072

*	Registrar and Share Transfer Agent	M/s. Link Intime India Pvt.Ltd. C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup (west), Mumbai 400 078.
*	Share Transfer System	
	Share Certificates received for transfer in physical form and requests for Demat are generally registered / confirmed within 21 days of receipt of the same, provided the documents are clear in all aspects. The Company also provides simultaneous transfer cum Demat facility to its equity shareholders.	

Distribution of holding and share holding pattern as on March, 31, 2011

No.of Equity Shares held	No.of Holders	% of Holders	No.of shares	% of Shares
Upto 500	8081	91.63	1196808	9.58
501 – 1000	367	4.16	317632	2.54
1001 – 2000	162	1.84	252462	2.01
2001 – 3000	61	0.69	153098	1.23
3001 – 4000	32	0.36	114259	0.91
4001 – 5000	32	0.36	149692	1.20
5001 – 10000	41	0.47	305101	2.44
1001 and above	43	0.49	10009498	80.09
Total	8819	100.00	12498550	100.00

Particulars of Shares held in physical / Electronic form as on March, 31, 2011

Particulars	Holders	Shares	% of shares
Shares in Physical Form	4096	6596695	52.78
Shares in Electronic form	4723	5901855	47.22
Total	8819	12498550	100.00

Shareholding Pattern as on March, 31, 2011

Category	No.of shares	Percentage
Indian Promoter	42,29,527	33.84
Mutual Funds and UTI	3,94,700	3.16
Foreign Institutional Investor	-	-
Private Corporate Bodies	35,63,946	28.51
Indian Public	25,63,247	20.51
Financial Institutions	100	0.00
NRI / OCBs	1,61,239	1.29
Trusts	15,00,000	12.0
Others	85,791	0.69
Total	1,24,98,550	100.00

Outstanding GDRs/ADRs/Warrants or any convertible instruments.

The Company has not issued any GDR/ADR/Warrants.

J. Management Discussion and Analysis

A Statement of Management Discussion and Analysis is appearing elsewhere in this Annual Report in terms of the requirement of the Code of Corporate Governance.

K. Code of Conduct:

As required by the amended Clause 49 of the Listing Agreement, the Board of Directors of the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The members of the Board of Directors and Senior Management have affirmed compliance of the said Code during the year under review. The Annual Report of the Company does contain a declaration to this effect duly signed by the Chairman as required by Clause 49 of the Listing Agreement.

L. CEO / CFO Certification

A Certificate from Chairman has been placed before the Board in accordance with Clause 49 (V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31st March, 2011

NON MANDATORY REQUIREMENTS

A. Chairman of the Board

The Company has a Non executive Chairman and reimburses expenses incurred by him in performance of his duties.

B. Remuneration Committee

The Company has constituted remuneration committee.

C. Shareholders Rights

The Company is not sending the half yearly results to each household of shareholders.

D. Postal Ballot

The Company will comply with the provisions of Postal Ballot in the matters necessary.

E. The Company has implemented Whistle Blower Policy.

Declaration on the Code of Conduct

All members of the Board of Directors of the Company and Senior Management of the Company have affirmed Compliance of the Code of Conduct for the year ended 31st March, 2011

For and on behalf of the Board

Place: Mumbai
Date: 25th August, 2011

Bansilal I Vaghani
Chairman

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **M/s.Milton Plastics Limited, Mumbai as at 31st March, 2011** and also the Profit & Loss Account of the Company for the year ended on that date annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining on 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the annexure referred to in paragraph 1 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 purposes 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 books.
 - (c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the above books of account.

- (d) In our opinion the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-clause (3C) of Section 211 of the Companies Act, 1956 to the extent applicable.
- (e) On the basis of the written representations received from the directors, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India:-

- (i) In the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2011,
- (ii) In the case of the Profit & Loss Account of the Profit for the year ended on that date and
- (iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

**For Mehta Chokshi & Shah
Chartered Accountants**

**Mumbai.
Dated : 25th August, 2011**

**R.T.Mehta
Partner.
M.No:5445
Firm Registration No: 106201W**

ANNEXURE

Referred to in paragraph 1 of our report of even date.

1. (a) *The complete records showing full particulars including quantitative details and location of fixed assets have not yet been compiled.*

(b) We are informed that the physical verification of fixed assets was carried out by the management during the year and no material discrepancies were noticed by the management on such verification.

(c) In our opinion, the Company has not disposed off the substantial part of fixed assets during the year, which would affect the going concern status of the Company.

2. (a) As explained to us, inventories were physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

3. (a) According to the information and explanation given to us the Company has granted loan to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.22.60 lacs. The maximum amount outstanding was Rs. 42.60 lacs.

(b) In our opinion and according to the information and explanation given to us, the above said loan given is free of interest and to that extent the same may be regarded as prima facie prejudicial to the interest of the Company.

(c) In our opinion and according to the information and explanation given to us, the above said loan given is receivable on demand.

(d) According to the information and explanation given to us the Company has taken loans from two directors and a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 aggregating to Rs.1.86 lacs. The maximum amount outstanding to the parties was Rs.1.86 lacs.

(e) In our opinion and according to the information and explanation given to us, the above said loans taken are free of interest and other terms and conditions are not prima facie prejudicial to the interest of the Company.

(f) In our opinion and according to the information and explanation given to us, the above said loans taken are repayable on demand.

4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and sale of goods.

5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that need to be entered into the register in pursuance of Section 301 of the Act have been so entered.

(b) According to the information and explanations given to us, where such transactions, are in excess of Rs. 5 lacs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time or the prices at which similar transactions have been made with other parties or as available with the Company.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

7. In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

8. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 in respect of any of the products manufactured by the Company.

9. (a) According to the records of the Company, the Company, *except for Income Tax*, is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, *except for Income Tax dues of Rs. 1.61 lacs*, there are no undisputed amounts payable in respect of aforesaid dues which were outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, following are the disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities:

NAME OF THE STATUTORY DUES	FORUM WHERE DISPUTE IS PENDING	UNPAID AMOUNT RS. IN LACS
Income Tax	Comm.of I.Tax(Appeals)	89.96
Excise Duty	Comm. Of Excise (Appeals)/CEGAT/CESTAT	635.89

10. The accumulated losses of the Company at the end of the financial year exceeded fifty percent of its net worth and the Company has incurred cash losses during the current year and in the immediately preceding financial year.

11. According to the information and explanations given to us and as per the audit in accordance with generally accepted auditing practices, in our opinion *the Company has defaulted in repayment of its dues to banks for amount aggregating to Rs. 11255.64 lacs for a period ranging between 3 months and 129 months and to debenture holders for amount aggregating to Rs.2013.90 lacs for a period ranging between 3 months and 147 months.*

12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion and according to information and explanations given to us, the Company is not a chit fund or nidhi/mutual benefit

fund or society. Therefore clause 4(xiii) of the order is not applicable to the Company.

14. In our opinion and according to information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments and therefore clause (xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief, and according to the information and explanations given to us, term loan availed by the Company was prima facie, applied by the Company during the year for the purpose for which the loan was obtained.
17. According to the Cash Flow Statement and other records examined and the information and explanation given to us, on overall basis, funds raised on short term basis have prima facie, not been used during the year for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act.
19. During the year, the Company has neither issued any debentures nor does it have any outstanding secured debentures.
20. During the year, the Company has not raised money through public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For Mehta Chokshi & Shah
Chartered Accountants**

Mumbai.

Dated : 25th August, 2011

**R.T.Mehta
Partner.
M.No:5445
Firm Registration No: 106201W**



Milton Plastics Limited

BALANCE SHEET AS AT 31ST MARCH, 2011

	SCH. NO.	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
		Rupees	Rupees	Rupees	Rupees
SOURCES OF FUNDS					
1		Shareholders' Funds :			
(a)	1	124,985,500		124,985,500	
(b)	2	283,633,908		283,633,908	
			408,619,408		408,619,408
2		Loan Funds :			
(a)	3	2,431,899,932		2,620,329,884	
(b)	4	412,451,840		346,850,980	
			2,844,351,772		2,967,180,864
			3,252,971,180		3,375,800,272
TOTAL :-					
APPLICATION OF FUNDS					
1	5	Fixed Assets :			
(a)		490,857,022		489,308,604	
(b)		422,273,190		417,266,002	
(c)			68,583,832		72,042,602
2	6		40,647,000		40,697,000
3		Current Assets, Loans and Advances :			
(a)	7	69,176,558		57,791,378	
(b)	8	107,955,134		145,841,513	
(c)	9	10,303,978		11,633,878	
(d)	10	188,021,231		207,347,082	
(e)	11	303,324,734		302,873,405	
			678,781,635		725,487,256
		Less: Current Liabilities and Provisions :			
(a)	12	226,116,191		220,321,076	
(b)	13	1,225,287		1,227,575	
			227,341,478		221,548,651
			451,440,157		503,938,605
4			2,692,300,191		2,759,122,065
TOTAL :-					
			3,252,971,180		3,375,800,272

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

For MILTON PLASTICS LIMITED

R.T.MEHTA
PARTNER
M.NO.5445
FRN No.106201W

DIRECTOR/S

25th August, 2011, Mumbai

25th August, 2011, Mumbai



Milton Plastics Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCH NO.	For the Year ended 31st March, 2011		For the Year ended 31st March, 2010	
		Rupees	Rupees	Rupees	Rupees
<u>INCOME</u>					
Sales & Other Income	14		459,107,795		390,664,284
Increase/(Decrease) in stocks of Finished Goods and Semi Finished Goods	15		(2,811,142)		1,281,250
			<u>456,296,653</u>		<u>391,945,534</u>
<u>EXPENDITURE</u>					
Materials Consumed	16	298,228,154		258,362,414	
Manufacturing Expenses	17	130,447,159		104,153,675	
Payments to and Provision for employees	18	13,345,168		22,133,396	
Office and Administrative Expenses	19	26,707,983		33,546,090	
Selling and Distribution Expenses	20	6,592,509		8,304,103	
			<u>475,320,973</u>		<u>426,499,678</u>
Loss Before Interest & Depreciation			(19,024,320)		(34,554,144)
Depreciation		5,007,188		7,144,742	
Financial Expenses	21	253,085,867		257,133,015	
			<u>(258,093,055)</u>		<u>(264,277,757)</u>
Loss Before Tax and Extraordinary Item			(277,117,375)		(298,831,901)
Income From Extraordinary Item (See Note No.6 of Schedule No.22, Part II)			332,482,249		-
Profit/(Loss) Before Tax and After Extraordinary Item			<u>55,364,874</u>		<u>(298,831,901)</u>
Provision for Taxation			-		-
Profit/ (Loss) After Tax			<u>55,364,874</u>		<u>(298,831,901)</u>
Balance brought forward from previous year		(2,759,122,065)			
Less : Waiver of Principal on OTS (See Note No.6 of Schedule No.22, Part II)		<u>11,457,000</u>	(2,747,665,065)		(2,460,290,164)
Balance Carried to Balance Sheet			<u>(2,692,300,191)</u>		<u>(2,759,122,065)</u>
Earning per Share (in Rs.) (Basic & Diluted) (Face Value Rs. 10/-)			4.43		(23.91)

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

For MILTON PLASTICS LIMITED

R.T.MEHTA
PARTNER
M.NO.5445
FRN No.106201W

DIRECTOR/S

25th August, 2011, Mumbai

25th August, 2011, Mumbai



Milton Plastics Limited

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
	Rupees	Rupees	Rupees	Rupees
<u>SCHEDULE : 1</u>				
SHARE CAPITAL :				
<u>Authorised :</u>				
2,50,00,000 Equity Share of Rs.10/-each		250,000,000		250,000,000
<u>Issued, Subscribed and Called up</u>				
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
TOTAL :-		124,985,500		124,985,500
<u>SCHEDULE 2 :</u>				
<u>RESERVE AND SURPLUS :</u>				
Share Premium Account	266,044,545		266,044,545	
Less: Premium on Forfeited Shares	130,500		130,500	
		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
TOTAL :-		283,633,908		283,633,908
<u>SCHEDULE 3 :</u>				
<u>SECURED LOANS :</u>				
Corporate Loans From Financial Institution (Due within one year Rs.435,320,549/-)		435,320,549		792,259,798
Acceptances		580,826,539		484,840,539
From Banks for Working Capital		1,390,720,844		1,312,797,547
From Banks for Working Capital Term Loan		25,032,000		30,432,000
TOTAL :-		2,431,899,932		2,620,329,884

Notes :

1. Corporate Loan from IFCI is 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.



Milton Plastics Limited

SCHEDULE 5 :

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH, 2011

(AMOUNT IN RUPEES)

SR. NO.		GROSS BLOCK			DEPRECIATION					NET BLOCK	
		AS AT	Additions	Deletions/ Adjustments	AS AT	UPTO	Accumulated Depreciation On Deletions/ Adjustments	Depreciation for the year	UPTO	AS AT	AS AT
		01.04.2010			31.03.2011	01.04.2010			31.03.2011	31.03.2011	31.03.2010
1	Land	797,559	-	-	797,559	-	-	-	-	797,559	797,559
2	Factory Building	29,295,338	-	-	29,295,338	14,903,862	-	978,463	15,882,325	13,413,013	14,391,476
3	Dies & Moulds	178,638,424	1,308,000	-	179,946,424	172,929,006	-	284,913	173,213,919	6,732,505	5,709,418
4	Machineries	165,820,942	68,493	-	165,889,435	151,453,476	-	2,365,247	153,818,723	12,070,712	14,367,466
5	Furniture & Fixtures	13,950,086	86,675	-	14,036,761	10,589,115	-	515,137	11,104,252	2,932,509	3,360,971
6	Electrical Installation	9,635,851	-	-	9,635,851	8,903,280	-	86,414	8,989,694	646,157	732,571
7	Vehicles	6,746,424	-	-	6,746,424	6,312,693	-	57,166	6,369,859	376,565	433,731
8	Office / Factory Equipments	8,656,754	-	-	8,656,754	5,737,861	-	411,196	6,149,057	2,507,697	2,918,893
9	Computer	18,758,417	85,250	-	18,843,667	17,669,738	-	104,427	17,774,165	1,069,502	1,088,679
10	Material Handling Equipments	15,066,981	-	-	15,066,981	13,975,057	-	36,066	14,011,123	1,055,858	1,091,924
11	Airconditioners	1,885,658	-	-	1,885,658	825,731	-	89,569	915,300	970,358	1,059,927
12	Plant & Machinery (Leased)	35,234,695	-	-	35,234,695	12,936,897	-	-	12,936,897	22,297,798	22,297,798
13	Godown	4,821,475	-	-	4,821,475	1,029,286	-	78,590	1,107,876	3,713,599	3,792,189
TOTAL RUPEES		489,308,604	1,548,418	-	490,857,022	417,266,002	-	5,007,188	422,273,190	68,583,832	72,042,602
PREVIOUS YEAR		485,536,798	3,771,806	-	489,308,604	410,121,260	-	7,144,742	417,266,002	72,042,602	75,415,538



Milton Plastics Limited

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31ST MARCH,2011		AS AT 31ST MARCH,2010	
	Rupees	Rupees	Rupees	Rupees
<u>SCHEDULE 4 :</u>				
<u>UNSECURED LOANS :</u>				
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		181,390,306		147,271,687
From Directors		71,177		71,177
From Others		210,990,357		179,508,116
TOTAL :-		412,451,840		346,850,980
<u>SCHEDULE 6 :</u>				
<u>INVESTMENTS (Non Trade) :</u>				
(a) 5000 Shares of Rising Star Plastics P Ltd of Rs. 100/- each.(Unquoted)		500,000		500,000
(b) 2000 Shares of Rs.25/- each of Janseva Sahakari Bk.Ltd. (Unquoted)		-		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) 4900 Shares of Rs.10/- each of Dena Bank @ Rs.30/- each. (Quoted) (Market Value Rs.510,825/-)		147,000		147,000
(e) 1500000 Equity Shares of Rs. 10/- each of Milton Global Ltd @ Rs. 20/-each (unquoted)		30,000,000		30,000,000
TOTAL :-		40,647,000		40,697,000
<u>SCHEDULE 7 :</u>				
<u>INVENTORIES</u>				
(As taken, valued and certified by the Management)				
Packing Materials		2,154,620		2,176,125
Stock-in-Trade:				
Raw Materials	56,535,561		42,317,734	
Finished Goods	7,504,872		7,683,961	
Semi Finished Goods	2,981,505		5,613,558	
TOTAL :-		67,021,938		55,615,253
		69,176,558		57,791,378
<u>SCHEDULE 8 :</u>				
<u>SUNDRY DEBTORS :</u>				
(Unsecured, Considered Good)				
Exceeding six months		24,645,546		44,492,298
Others		97,439,588		115,479,215
		122,085,134		159,971,513
Less: Provision for Doubtful Debts		14,130,000		14,130,000
TOTAL :-		107,955,134		145,841,513



Milton Plastics Limited

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2011

	AS AT 31ST MARCH, 2011		AS AT 31ST MARCH, 2010	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 9 :				
CASH AND BANK BALANCES :				
Cash on hand		42,388		182,828
Bank Balances : -				
With Scheduled Banks : -				
In Current Accounts	7,916,252		8,736,273	
In Fixed Deposit Accounts (including interest accrued Rs Nil) (Previous Year Rs.2,882/-) (Pledged with Banks against guarantees & margin money)	2,345,338		2,714,777	
		10,261,590		11,451,050
TOTAL :-		10,303,978		11,633,878
SCHEDULE 10 :				
LOANS AND ADVANCES				
(Unsecured, Considered Good)				
LOANS :				
To Staff		443,800		576,500
ADVANCES :				
Advances recoverable in cash or in kind or for value to be received		186,912,479		205,526,840
Advance Payment of Income-tax		664,952		1,243,742
TOTAL :-		188,021,231		207,347,082
SCHEDULE 11				
DEPOSITS :				
With Local Bodies		3,226,622		2,775,293
With Others		300,098,112		300,098,112
TOTAL :-		303,324,734		302,873,405
SCHEDULE 12 :				
LIABILITIES :				
Sundry Creditors		60,691,963		55,475,833
Other Liabilities		161,075,807		160,860,705
Advance against Orders		2,866,916		2,503,033
Advance recoveries towards liabilities		1,033,628		1,033,628
Import Duty Payable		447,877		447,877
TOTAL :-		226,116,191		220,321,076
SCHEDULE 13 :				
PROVISIONS :				
For Fringe Benefit Tax		305,317		606,560
For Gratuity		204,164		114,453
For Leave Encashment		715,806		506,562
TOTAL :-		1,225,287		1,227,575



Milton Plastics Limited

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	For the Year ended 31st March,2011		For the Year ended 31st March,2010	
	Rupees	Rupees	Rupees	Rupees
<u>SCHEDULE : 14</u>				
<u>SALES & OTHER INCOME :</u>				
Sales		455,573,383		390,023,560
<u>Other Income :</u>				
Dividend Received		33,600		34,860
Miscellaneous Income		3,500,812		605,864
	TOTAL :-	459,107,795		390,664,284
<u>SCHEDULE : 15</u>				
<u>INCREASE/(DECREASE) IN STOCKS OF FINISHED GOODS AND SEMI-FINISHED GOODS</u>				
<u>Closing Stock :</u>				
Finished Goods		7,504,872		7,683,961
Semi-Finished Goods		2,981,505		5,613,558
		10,486,377		13,297,519
<u>Less : Opening Stock :</u>				
Finished Goods		7,683,961		6,597,629
Semi-finished Goods		5,613,558		5,418,640
		13,297,519		12,016,269
	TOTAL :-	(2,811,142)		1,281,250
<u>SCHEDULE 16 :</u>				
<u>MATERIALS CONSUMED :</u>				
Raw Material Consumed		249,818,370		209,675,314
Traded Goods		2,927,254		12,243,116
Packing Materials		45,482,530		36,443,984
	TOTAL :-	298,228,154		258,362,414
<u>SCHEDULE 17 :</u>				
<u>MANUFACTURING EXPENSES :</u>				
Stores and Tools Consumed		38,650		128,907
Labour & Moulding Charges		44,700,536		40,798,680
Power & Fuel		1,681,977		1,548,691
Rates & Taxes		356,327		377,099
Central Excise Duty		79,928,189		57,124,201
Product Design and Development Expenses		-		1,760
R/M to Factory Building		275,246		392,080
R/M to Machinery		719,557		712,951
R/M to Dies and Moulds		1,322,752		984,678
R/M to Others		632,177		890,324
Security Charges		791,748		1,194,304
	TOTAL :-	130,447,159		104,153,675



Milton Plastics Limited

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	For the Year ended 31st March,2011		For the Year ended 31st March,2010	
	Rupees	Rupees	Rupees	Rupees
<u>SCHEDULE 18:</u>				
<u>PAYMENTS TO AND PROVISION FOR EMPLOYEES:</u>				
Salaries, Wages and Bonus		12,474,195		21,374,999
Contribution to Provident Funds		357,190		312,134
Staff Welfare Expenses		513,783		446,263
TOTAL :-		13,345,168		22,133,396
<u>SCHEDULE 19 :</u>				
<u>OFFICE & ADMINISTRATIVE EXPENSES :</u>				
Insurance		245,090		319,482
Postage, Telegram and Telephones		678,123		859,902
Printing and Stationery		392,926		330,131
Electricity		585,050		643,631
Vehicle Expenses		920,771		1,200,130
Travelling and Conveyance		814,293		532,465
Consultancy, Professional, Legal and Other Charges		1,644,294		2,586,023
Office Expense		489,645		342,931
Rent		2,559,575		2,076,890
Directors' Meeting Fees		6,000		10,000
Donations		15,352		16,501
Loss on Scrap of CWIP		-		3,181,249
Sundry Balances W/off		48,208		11,709
Miscellaneous Expenses		745,179		1,126,325
Bad Debts		17,563,477		20,308,721
TOTAL :-		26,707,983		33,546,090
<u>SCHEDULE 20 :</u>				
<u>SELLING & DISTRIBUTION EXPENSES:</u>				
Freight and Transport Charges		5,354,765		6,714,248
Commission and Discount		1,163,771		1,523,240
Advertisement and Sales Promotion Expenses		73,973		66,615
TOTAL :-		6,592,509		8,304,103
<u>SCHEDULE 21 :</u>				
<u>FINANCIAL EXPENSES :</u>				
Interest On Fixed Loans		34,118,619		72,092,986
Interest On Working Capital Borrowings		219,096,684		185,146,571
Interest Paid to Others		82,036		19,245
Bank Charges		39,186		66,027
		253,336,525		257,324,829
Less : Interest Income (TDS of Rs. 13053/-)		250,658		191,814
TOTAL :-		253,085,867		257,133,015

MILTON PLASTICS LIMITED

SCHEDULE 22:

ACCOUNTING POLICIES AND NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

I ACCOUNTING POLICIES:

1. GENERAL:

Unless otherwise stated hereunder the financial accounts have been drawn up on Historical Cost Convention generally following accrual basis of accounting.

2. FIXED ASSETS:

Fixed Assets are recorded at cost of acquisition/construction.

3. DEPRECIATION:

Depreciation on Fixed Assets has been provided on Straight Line Method in accordance with the rates prescribed in Schedule XIV of the Companies Act, 1956 as amended by the Notification GSR 756 (E) dated 16.12.93 issued by the department of Company Affairs.

4. INVESTMENTS:

Investments are recorded at cost.

5. INVENTORIES:

Inventories are valued on the basis given below:

- (a) Raw Material - At Cost.
- (b) Semi Finished Goods - At Direct Cost i.e. Raw Materials and Conversion Cost, except those purchased directly which are valued at cost.
- (c) Finished Goods - At Absorption Cost.
- (d) Packing Materials - At Cost.

6. EMPLOYEE BENEFIT SCHEMES:

- (a) Provident Fund- Eligible employees of the company receive benefits under the Provident Fund which is a defined contribution plan, where both the employee and the company make monthly contributions equal to specified percentage of the covered employee's salary. These contributions are made to the funds administered and managed by the Government. The Company's monthly contributions are charged to revenue in the period they are incurred.
- (b) Gratuity – In accordance with the Payment of Gratuity Act 1972, the company provides for gratuity a defined retirement benefit plan (“the Gratuity Plan”) covering eligible employees. Liabilities with regards to such Gratuity Plan are determined by actuarial valuation and the excess of actuarial valuation over the fund available as corpus under company's LIC Group Gratuity Policy is provided and charged to revenue in the period along with the contribution made to the said policy. The actuarial assumptions in arriving at the provision of gratuity liability as at the year end amounting to Rs. 2,04,164 are as follows;

- i) Discount Rate (p.a.) 8%
- ii) Salary escalation rate 4%
- iii) Retirement age 60 Years.

(c) Provision for unutilized Leave- The accrual for unutilized leave is determined for the entire available leave balance standing to the credit of the employees at the year end and charged to the revenue in the period.

7. FOREIGN CURRENCY TRANSACTIONS:

Transactions in Foreign Currency are accounted at the exchange rate prevailing on the date of the transaction. Year end balances of the foreign currency transactions are translated at the year end rate and the corresponding effect is given in the respective account.

8. EXCISE DUTY:

(a) Excise duty is charged to Profit and Loss Account in the year of clearance of goods.

(b) CENVAT credits on materials purchased for production are taken into account at the time of purchase and cenvat credits on purchase of capital items wherever applicable are taken into account as and when the assets are installed to the credit of respective purchase and asset accounts. The Cenvat credits so taken are utilised for payment of excise duty on goods manufactured. The unutilised Cenvat credit is carried forward in the books.

9. EARNING PER SHARE:

In determining earnings per share, the Company considers the net profit/(loss) after tax for the year attributable to equity shareholders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

II. NOTES TO BALANCE SHEET AND PROFIT AND LOSS ACCOUNT:

1. Estimated amount of contracts remaining to be executed on capital account and not provided Rs. Nil. (Previous year Rs.Nil)

2

Contingent Liability in respect of:	AS AT 31ST MARCH,2011 RUPEES IN LACS	AS AT 31ST MARCH,2010 RUPEES IN LACS
(a) Guarantee issued by Banks in favour of various Central & State Government Department and Local Bodies.	24.06	24.06
(b) Demands under Excise Act, disputed in appeal.	635.89	605.92
(c) Demands under Income Tax Act, disputed in appeal.	89.96	-

The demands at (b) to (c) above are payable with interest and penalty wherever applicable.

3. In the earlier year various writ petitions had been filed in the High Court of Bombay disputing the Customs duty liability and rate of customs duty on imported raw materials (for own consumption as well as sale on high seas basis). The Company has furnished to the Customs Authority bank guarantee totaling Rs.19,57,376/- (previous year Rs.19,57,376/-) against this disputed liability. In respect of imported raw material sold on high seas basis there are advance recoveries of Rs.10,33,628/- (Previous Year Rs.10,33,628/-) from the constituents towards the likely custom duty liability.

4. **Leased Assets:**

Assets taken on lease:

Interest, penalty and damages claimed by the lessor shall be considered in the year of award by the arbitrator.

Assets given on lease:

The lease period having expired during the F.Y. 2001-02, the Company has since initiated steps to recover possession of assets but has still not been able to take possession of the same.

5. **Registration of the Company with Board for Industrial and Financial Reconstruction(BIFR):**

The Company was declared a sick industrial undertaking in terms of Section 3(1)(0) of the Sick Industrial Companies (special provisions) Act, 1985.

The Industrial Development Bank of India Limited (IDBIL) was appointed as the Operating Agency to prepare a Techno Economic Viability Study and Revival Scheme for the Company.

In the hearing held on 18th June, 2009, the Hon'ble Board has appointed IFCIL as the Operating Agency in place of IDBIL.

The Company has submitted a Draft Rehabilitation Scheme with the Operating Agency, for onward submission to the Hon'ble BIFR. The same is under the consideration of the Operating Agency.

The Company continues its manufacturing operations, and the accounts are prepared on going concern basis.

6. **Borrowings from Banks and Term Lenders:**

Restructuring by Standard Chartered Bank (SCB):

The Company's proposal for restructuring of borrowings was approved by SCB (member of consortium of lenders) in 2002. The liability of SCB in accordance with the aforesaid sanction was accounted. The Company is amortizing borrowings in accordance with restructuring scheme as sanctioned by SCB.

Recall of working capital facilities by Dena Bank (DB), State Bank of Saurashtra (SBS) and Central Bank of India (CBI) :

The Company's proposal for restructuring of working capital facilities was rejected by DB, SBS and CBI (Banks) (all members of consortium of lenders), and the aforesaid facilities were recalled by the Banks followed up by recovery applications filed by them before the Debt Recovery Tribunal situated at Mumbai (DRT). By an interim order of November 2002 the DRT has restrained the Company from disposing its assets, except dealing with its stocks in its ordinary course of business. Aggrieved against a part of the aforesaid order of the Hon'ble DRT, the banks had preferred an appeal before the Debts Recovery Appellate Tribunal (DRAT) against the aforesaid order of DRT.

In view of reference of sickness of the company registered by the Hon'ble BIFR as stated in Para 5 above, the Company had filed an application before DRAT for stay of further proceedings in the matter, and the same was allowed by DRAT.

During the Financial Year 2008-09 the Company had entered into One Time Settlement (OTS) with Dena Bank on 29.12.2008. In terms thereof the OTS amounts is payable in 12 interest free quarterly installments, to be completed by December, 2011. The Company will give effect to the waiver allowed by Dena bank on complete discharge of OTS and release of charge over assets of the Company held by Dena Bank, as failure to discharge the OTS installments by the Company in accordance with stipulations thereof will result in revocation of OTS by Dena Bank and restoration of liability payable by the Company pre OTS. The company has started to repay the dues as per the terms of the OTS agreed with Dena Bank.

The Company had completed payment of dues of OTS with State Bank of Saurashtra (SBS) and the effect of the waiver has since been accounted.

The Company is in negotiations with Central Bank of India for a One Time Settlement (OTS) of the outstanding dues.

Term Loan from Industrial Development Bank of India Limited (IDBIL):

The Company had entered into One Time Settlement (OTS) with SASF, assignee of debt recoverable by IDBIL from the Company. In terms thereof the Company was required to pay OTS amounts towards principal and interest by November 2009. The Company during the year ended 31.3.2010 had completed payment of dues of OTS. However, as the release of charge over its assets was not fully discharged during the year ended 31st March, 2010 by IDBIL, the effect of waiver allowed by IDBIL was not accounted. During the year, Company has received the final letter for No Dues dated 07.05.2010 from IDBIL and the charge on the assets of the Company has also been released by IDBIL. During the year as the terms of OTS have been acknowledged by IDBIL as being complied with, and as the charge on the assets of the Company is released, the effect of the waiver allowed by IDBIL through the OTS has been given in the accounts and the write back on such waiver is accounted as income from Extra Ordinary item which amounts to Rs.33,24,82,249/-, and the effect of principal waiver to the extent of the Capital Expenditure amounting to Rs.1,14,57,000/- has been adjusted against brought forward debit balance of Profit & Loss Account..

Recovery Application of The Federal Bank Limited (FBL):

Pursuant to non payment by the Company of the amount payable on redemption of non-convertible debentures, FBL has filed an application for recovery before the Debt Recovery Tribunal situated at Chennai. The DRT passed an order dated 31st December, 2002 for issue of a Recovery Certificate for a total sum of Rs.2,86,79,344/- and simple interest at 11% till realization of the amount as per the Recovery Certificate. The Company has obtained stay of proceedings from DRAT, in view of registration of Company's reference before the Honorable BIFR.

Settlement of dues of IFCI Limited (IFCIL):

During the Financial year 2009-10 the Company had entered into One Time Settlement (OTS) with IFCIL on 16th December 2009. In terms thereof the OTS amount is payable in 8 interest free quarterly installments by December 2011. The Company will give effect to the waiver allowed by IFCIL on complete discharge of OTS and release of charge over assets of the Company held by IFCIL, as failure to discharge the OTS installments by the Company in accordance with stipulations

thereof will result in revocation of OTS by IFCIL and restoration of liability payable by the Company pre OTS. The company is regular in repayment of the due installments as per the terms of the OTS agreed with IFCIL

7. The Company is in negotiations for settlement of the outstanding dues with General Insurance Corporation of India and Federal Bank Ltd.
8. Pending settlement discussions with Central Bank of India, General Insurance Corporation of India and Federal Bank Ltd, the Company has accounted for interest liability as per the contracted rate of interest.
9. The Company does not have any deferred tax liability as envisaged in Accounting standard 22 issued by the ICAI.
10. The Basic Earning per share of the company is Rs.4.43 as defined in Accounting Standard 20 issued by ICAI.
11. The entire operation of the company relates to only one segment viz. Thermoware Products. Hence as per AS(17) issued by ICAI, there is only one reportable segment.

12. RELATED PARTY DISCLOSURE AS PER (AS-18) ISSUED BY ICAI:-

(a) List of Related Parties with whom transactions have taken place and Relationships:

Sr. No.	Name of the Related Party	Relationship
1.	Shri Chiranjiv Vaghani	Key Management Personnel
2.	Shri Madhup B. Vaghani	
3.	Vaghani Holdings	Key Management Personnel / Relatives of Directors are Co-owners of the AOP and controlling major share in AOP and have a significant Influence.

(b) Transactions during the year with Related Parties:

Sr. No.	Nature of Transaction		Key Management Personnel	Key Management Personnel / Relatives of Directors are Co-owners of the AOP and Controlling major share in AOP and have a significant Influence.	Total
1.	Loans, Advances & Deposits				
	Balance as on 1 st April 2010			300,000,000	300,000,000
	Given during the year			--	--
	Returned during the year			--	--
	Balance as on 31 st March, 2011			300,000,000	300,000,000
2.	Loans				
	Balance as on 1 st April 2010		6,817	--	6,817
	Taken during the year		--	--	--
	Repaid during the year		--	--	--
	Balance as on 31 st March, 2011		6,817	--	6,817

13. Payment to Auditors:

	For the year ended 31st March, 2011	For the year ended 31st March, 2010
	Rupees	Rupees
Audit Fees	90,000	90,000
Tax Audit Fees	20,000	20,000
Other Services (Certificates and Consultation)	40,000	150,000
	1,50,000	2,60,000

14. The Company has not yet identified the total amount due to micro, small and medium scale enterprises.

15. Additional information pursuant to the provisions of paragraphs 3, 4C & 4D of Part II of Schedule VI of the Companies Act, 1956 :

	Unit	For the year ended 31 st March 2011		For the year ended 31 st March 2010	
		Quantity	Value Rupees	Quantity	Value Rupees
(i) Turnover:					
(a) Manufacturing and Trading Products: Finished Goods	Numerous	---	444,143,037	---	371,470,310
(b) Trading Products: Polymer/Insulation Materials	KG	34,246	2,945,295	169,747	12,594,787
(c) Others			8,485,051		5,958,463
Total			<u>455,573,383</u>		<u>390,023,560</u>
(ii) Raw Materials Consumed:					
Polymers/Insulation Materials	KG	1,743,125	128,434,396	1,659,859	107,434,066
S.S. Coils		---	76,330,444	---	62,548,077
Others		---	45,053,530	---	39,693,171
Total			<u>249,818,370</u>		<u>209,675,314</u>

(iii) STOCKS :

	Unit	<u>Opening stock</u>		<u>Closing stock</u>	
		Quantity	Value/Rs.	Quantity	Value/Rs.
FINISHED GOODS:					
Plastics Moulded Articles & Traded Goods	Numerous	-	7,683,961 (6,597,629)	-	7,504,872 (7,683,961)
Note: Figures in bracket relate to previous year.					

(iv) CAPACITY AND PRODUCTION:

	Unit	For the year ended 31 st March, 2011		For the period ended 31 st March, 2010	
		*Capacity Installed	Actual Production	*Capacity Installed	Actual Production
Plastics Moulded Articles (In terms of Polymers Consumption)	MT	2,265	1,536**	2,265	1,467**
Note: * as certified by the Management					
** includes production by contract manufacturers					

(v) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:

	For the year ended 31st March, 2011 Rupees	For the year ended 31st March, 2010 Rupees
(i) Travelling Expenses	46,206	56,605

(vi) VALUE OF RAW MATERIALS, STORES AND SPARES CONSUMED DURING THE YEAR :

	Imported		Indigenous	
	Value Rupees	% of total Consumption	Value Rupees	% of total Consumption
(a) Raw Materials	--	--	249,818,370	100
	(--)	(--)	(209,675,314)	(100)
(b) Stores and Tools	--	--	38,650	100
	(--)	(--)	(128,907)	(100)

Note: Figures in Brackets relates to previous year

16. Sundry Creditors and Sundry Debtors are subject to confirmation by the respective parties.

17. Figures of the previous year have been regrouped and reclassified wherever necessary.

18. The amounts in the Balance Sheet & Profit & Loss Account are rounded off to the nearest rupee.

Signatures to Schedules 1 to 22

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

For **MILTON PLASTICS LIMITED**

R.T. MEHTA
Partner
M.NO.5445
FRN No.106201W
25th August, 2011, Mumbai.

Director/s

25th August, 2011, Mumbai.



Milton Plastics Limited

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACTS,1956

Balance Sheet Abstract and Company's General Business Profile :

I Registration Details :	
Registration No.	11-66635
State Code	11
Balance Sheet date	31st March,2011
II Capital Raised during the Period :	
Public issue	NIL
Right issue	NIL
Bonus issue	NIL
Private Placement	NIL
III Position of Mobilisation and Deployment of Funds : (In Rupees)	
Total Liabilities	3,480,312,658
Total assets	3,480,312,658
Sources of funds : (In Rupees)	
Paid up capital	124,985,500
Reserves & Surplus	283,633,908
Secured loans	2,431,899,932
Unsecured loans	412,451,840
Application of funds : (In Rupees)	
Net fixed assets	68,583,832
Investments	40,647,000
Net current assets	451,440,157
Accumulated losses	2,692,300,191
IV Performances of Company : (In Rupees)	
Turnover including other income	459,107,795
Total expenditure	736,225,170
Profit / (Loss) before tax	(277,117,375)
Profit / (Loss) after tax	55,364,874
Earning per share	4.43
Dividend rate %	-
V Generic Names of Principal Products of Company (as per monetary terms) :	ITC CODE
Tableware, Kichenware, other household articles of Plastics	3,925
Vacuum Flasks	9,617
Automobile Parts of Plastics	8,708

As per our attached report of even date

For MEHTA CHOKSHI & SHAH
Chartered Accountants

For Milton Plastics Limited

R.T.MEHTA
PARTNER
M.NO.5445
EPN NO. 106201W

DIRECTOR/S



Milton Plastics Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
	Rs.	Rs.
1 CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss Before Tax & Extra Ordinary Items	(277,117,375)	(298,831,901)
LESS :		
(i) Depreciation	5,007,188	7,144,742
(ii) Interest paid	253,215,303	257,239,557
(iii) Cash Discount	1,043,967	1,482,098
	(A) <u>(17,850,917)</u>	<u>(32,965,504)</u>
LESS :		
(i) Interest Received	250,658	191,814
(ii) Dividend Received	33,600	34,860
	(B) <u>284,258</u>	<u>226,674</u>
CASH FROM OPERATIONS (A) - (B)	(C) <u>(18,135,175)</u>	<u>(33,192,178)</u>
ADJUSTMENTS FOR WORKING CAPITAL CHANGES :		
(i) Inventories	11,385,181	20,347,863
(ii) Receivables	(37,886,378)	(79,052,468)
(iii) Loans & Advances	(18,336,438)	(25,580,150)
	(D) <u>(44,837,635)</u>	<u>(84,284,755)</u>
LESS : Trade and Other Payables	5,792,828	8,630,681
	(E) <u>(50,630,463)</u>	<u>(92,915,436)</u>
NET CASH GENERATED FROM OPERATIONS AFTER WORKING CAPITAL CHANGES (C) - (E)	(F) <u>32,495,288</u>	<u>59,723,258</u>
LESS :		
(i) Income Tax Paid / (Refund)	(578,791)	(165,711)
	(G) <u>(578,791)</u>	<u>(165,711)</u>
NET CASH FROM OPERATING ACTIVITIES (F) - (G)	(H) <u>33,074,079</u>	<u>59,888,969</u>
2 CASH FLOW FROM INVESTING ACTIVITIES		
(i) Dividend Received	33,600	34,860
(ii) Decrease in Investments	50,000	-
	(I) <u>83,600</u>	<u>34,860</u>
LESS :		
(i) Purchase of Fixed Assets	1,548,418	3,771,806
(ii) Increase/(Decrease) in Capital Work-in-Progress	-	(3,190,699)
	(J) <u>1,548,418</u>	<u>581,107</u>
NET CASH FROM INVESTING ACTIVITIES (I) - (J)	(K) <u>(1,464,818)</u>	<u>(546,247)</u>



Milton Plastics Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	YEAR ENDED 31ST MARCH, 2011	YEAR ENDED 31ST MARCH, 2010
	Rs.	Rs.
3 CASH FLOW FROM FINANCING ACTIVITIES		
(i) Working Capital Limits	77,923,297	51,704,650
(ii) Interest Received	209,952	230,939
(iii) Waiver of Principal and Interest on OTS	343,939,249	-
(iv) Increase in Term/Other Loans	-	92,638,919
(v) Increase in Unsecured Loans	65,600,860	55,085,559
	(L) <u>487,673,358</u>	<u>199,660,067</u>
Less:		
(i) Interest Paid	253,215,303	257,239,557
(ii) Cash Discount	1,043,967	1,482,098
(iii) Repayment of Term/Other Loans	266,353,249	-
	(M) <u>520,612,519</u>	<u>258,721,655</u>
NET CASH FROM FINANCING ACTIVITIES (L) - (M)	(N) <u>(32,939,161)</u>	<u>(59,061,588)</u>
NET CHANGE IN CASH & CASH EQUIVALENTS (H)+(K)+(N)	(1,329,900)	281,134
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	10,303,978	11,633,878
OPENING BALANCE OF CASH & CASH EQUIVALENTS	11,633,878	11,352,744

As per our attached report of even date

For MEHTA CHOKSHI & SHAH
Chartered Accountants

For MILTON PLASTICS LIMITED

R.T.MEHTA
PARTNER
M.NO.5445
FRN No.106201W
25th August, 2011, Mumbai

DIRECTOR/S

25th August, 2011, Mumbai