

ANNUAL REPORT 2003-2004



NATIONAL PLYWOOD INDUSTRIES LIMITED

NATIONAL PLYWOOD INDUSTRIES LIMITED

CONTENTS

BOARD OF DIRECTORS	3
DIRECTORS' REPORT	4
CORPORATE GOVERNANCE REPORT	7
AUDITORS' REPORT	13
BALANCE SHEET	16
PROFIT & LOSS ACCOUNT	17
SCHEDULES TO BALANCE SHEET	18
SCHEDULES TO PROFIT & LOSS A/C.	23
CASH FLOW STATEMENT	30
NATIONAL ADDRESSES	31

NATIONAL PLYWOOD INDUSTRIES LIMITED

BOARD OF DIRECTORS :

M. L. PERIWAL

Chairman

P. PERIWAL

Vice Chairman

V. K. PERIWAL

ABHYUDAY PERIWAL (Upto 30.01.04)

N. N. SHARMA (Upto 09.06.04)

HEAD OFFICE :

5, FANCY LANE

KOLKATA 700 001

SHARE DEPARTMENT :

5, FANCY LANE, 7TH FLOOR

KOLKATA 700 001

AUDITORS :

JHUNJHUNWALA & CO.

KOLKATA

BANKERS :

STATE BANK OF INDIA

STATE BANK OF MYSORE

UNITED BANK OF INDIA

REGISTERED OFFICE :

MAKUM ROAD, TINSUKIA 786 125

ASSAM

WORKS :

PLYWOOD DIVISION

- MAKUM ROAD, TINSUKIA 786 125
ASSAM
- MAKUM PATHER, MARGHERITA 786 181
ASSAM
- D. H. ROAD, BANGANAGAR, WEST BENGAL

LAMINATES DIVISION

- THALLY ROAD, KALUKONDAPALLI
DISTRICT : DHARMAPURI
HOSUR, TAMILNADU
- GAYESHPUR, KULIA ROAD
KALYANI, DISTRICT : NADIA
WEST BENGAL

NATIONAL PLYWOOD INDUSTRIES LIMITED

DIRECTORS' REPORT

Your Directors present their Twenty Eighth Annual Report alongwith the Audited Accounts of the Company for the year ended 31st March, 2004.

1. FINANCIAL RESULTS :

	2003-04 (Rs.)	2002-03 (Rs.)
Loss	5,21,37,694	13,25,62,706
Wealth Tax	--	29,215
Loss brought forward from previous period	<u>80,75,63,844</u>	<u>67,49,71,923</u>
Loss carried to Balance Sheet	<u>85,97,01,538</u>	<u>80,75,63,844</u>

The working of Plywood Divisions located at Tinsukia and Margherita continue to remain suspended pursuant to the Hon'ble Supreme Court Order dated 12/12/1996 on Forest Conservation. Working of the Plywood Division located at Banganagar and the Laminate unit at Kalyani was closed due to labour problems and paucity of working capital. Company has orders in hand, but was unable to execute due to aforesaid reasons. The units are therefore, almost closed. Due to paucity of funds, the Company could not stand committed for the repayment of secured loans' installments to the Banks, and Financial Institutions. Company has written off irrecoverable advances given in the North-Eastern Region due to continued closure of factories in the North-East, during the year. This has been the losses for the year under review.

The final Accounts were not ready for adoption at the 29th Annual General Meeting held on 29/09/2004, which was adjourned and reconvened on Tuesday, the 30th November, 2004 for adoption of Annual Accounts for the year ended 31st March, 2004.

This year the Managing Director and/or other Directors have also foregone their remuneration in view of continued losses suffered by the Company, during the year.

2. CASH FLOW STATEMENT

Cash Flow Statement signed on behalf of the Board of Directors and certified by the Auditors forming part of the Balance Sheet and Profit and Loss Account is also annexed as required under the Listing Agreement.

3. B.I.F.R.

In response to the Company's application dt. 20/02/2003, the B.I.F.R. has registered as Case No. 259/2003.

4. DIRECTORS

Shri P. Periwal, Director retires by rotation but being eligible, offers himself for reappointment. During the year Shri Abhyuday Periwal and Shri N. N. Sharma, Directors have resigned from the Board. The Board placed on record their sincere appreciation for the valuable services extended by them during their tenure as Directors of the Company.

NATIONAL PLYWOOD INDUSTRIES LIMITED

5. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby state :

- a) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed alongwith proper explanation to material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year.
- c) That the Directors have taken suitable and all possible care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That the Directors have prepared the Annual Accounts on a going concern basis.

6. AUDITORS

The Company's Auditors, M/s. Jhunjhunwala & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

7. DEMATERIALISATION OF COMPANY'S EQUITY SHARES :

The Equity Shares of your Company are traded compulsorily in dematerialized form. Connectivity has been established with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). In view of the numerous advantages available in holding and trading of Share in demat form, shareholders are requested to avail this facility. The ISIN NO. allotted to the Company's Equity Share is INE 497C 01016.

8. LISTING OF SHARES :

The names & addresses of the Stock Exchanges where the Company's Equity Shares are listed is as under :

1. The Stock Exchange. Mumbai
Phiroze Jeejeebhoy Tower, Dalal Street
Mumbai - 400 001
2. The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata - 700 001
3. The Guwahati Stock Exchange Ltd.
Saraf Building Annexe
A. T. Road, Guwahati - 781 001, Assam.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Listing fees for the year could not be paid to the Calcutta and Guwahati Stock Exchanges till date due to acute financial crunch.

9. CORPORATE GOVERNANCE :

Your Company has adopted the principles of good Corporate Governance. A separate Section on Corporate Governance is included in the Annual Report, in terms of Clause 49 of the Listing Agreement.

10. TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO.

There is no information to submit in respect of absorption of technology. The Company has earned foreign exchange of Rs. Nil (Previous Year Rs. 6,37,47,612/-) and spent foreign exchange of Rs. Nil (Previous Year Rs. 1,82,13,034/-) and purchase of raw materials and on traveling for Rs. 24,052/- (Previous year Rs. 3,16,664/-) during the year.

11. PARTICULARS OF EMPLOYEES :

None of the employees of the Company receive remuneration attracting provision of Section 217(2A) of the Companies Act. 1956, read with the Companies particulars of employees rule 1975, as amended.

Acknowledgement :

Your Directors acknowledge the support received from Bankers, Financial Institutions, Government Agencies, and Customers.

Head Office :
5, Fancy Lane
Kolkata - 700 001
Dated 28th October, 2004

For and on behalf of the Board
M. L. Periwai
Chairman

NATIONAL PLYWOOD INDUSTRIES LIMITED

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchange)

Company's Philosophy on code of governance

The Board has adopted the principles of good Corporate Governance in line with the requirements of the corporate practices enumerated in Clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges. The Company aims to achieve transparency by making adequate disclosures.

Board of Directors :

a) Composition :

The Company has two Executive Directors who are taking steps to appoint more than one-third of the total number of Directors as Independent Directors.

The Company's Board presently comprises of 3 Directors, out of which 2 are Executive Directors and 1 is Non-Executive Directors (NED).

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 Committees [as per the Clause 49(IV)(B)] across all the companies in which he is a Director. All the Directors have made requisite disclosures regarding committee positions occupied by them in other companies.

b) Number of Board Meetings :

The Board met six times on the following dates during the financial year 2003-2004.

30th April 2003, 30th July 2003, 31st Aug. 2003, 27th Oct. 2003, 30th January 2004 and 25th March 2004.

c) Directors' attendance record and directorship held :

Name	Category	No. of Board Meetings Attended	Whether Attended last AGM held in Sept. 2003	No. of Directorship held in other Indian Public Limited Companies	No. of Committee* Positions held in Indian Public Limited Companies	
					Chairman	Member
Mr. M. L. Periwal	Chairman	6	Yes	2	2	4
Mr. P. Periwal	Vice-Chairman	5	No.	2	2	3
Mr. V. K. Periwal	Non-Executive	6	No.	0	1	1

* For this purpose, only three Committees as per explanation in Clause 49 IV have been considered

Audit Committee

a) Terms of Reference :

The broad Terms of Reference of the Audit Committee are as follows :

NATIONAL PLYWOOD INDUSTRIES LIMITED

1. To discuss and review the Quarterly/Half Yearly Audited Report prepared by Internal Audit Department.
2. To discuss half yearly and Annual Financial Results of the Company and submit the observation to the Board of Directors.
3. To interact with statutory Auditor on the Annual Accounts and other accounting matters.
4. To ensure compliance of internal control systems.

b) Composition, Name of Members and Chairman :

The Audit Committee of the Company as on 31st March 2004 comprised of Two Members being Executive Directors. Except Mr. M. L. Periwal and Mr. P. Periwal, other members are independent members. Sri Navin Nayar, member, has resigned from the committee on 23.6.03. Sri L. K. Surolia has been nominated as new member in place of Sri Navin Nayar

Mr. M. L. Periwal, Chairman

Mr. P. Periwal

Mr. L. K. Surolia

c) Meetings and attendance during the year :

The Committee met four times during the financial year ended 31st March 2004 on the following dates :

27th June 2003, 18th September 2003, 28th Nov. 2003 and 30th January 2004. Mr. P. Periwal was granted leave of absence in respect of meeting held on 30th January, 2004. This apart, all the Committee Members on the relevant dates of the respective meetings were present in all the four meetings.

Share Transfer and Shareholders/Investors Grievance Committee :

This Committee approves and monitors transfer, transmission, splitting and consolidates of share issued by the Company. The Committee also monitors redressal/replies to investors' complaints, queries and requests relating to transfer of shares, non-receipt of annual reports, etc.

Composition of Committee :

Mr. P. Periwal – Chairman

Mr. V. K. Periwal

Mr. S. K. Jain

The Committee met seven times during the financial year ended on 31st March, 2004 on the following dates :

On 30/04/03, 30/07/03, 03/09/03, 27/10/03, 30/12/03, 30/01/04 and 26/03/04.

Mr. P. Periwal and Mr. V. K. Periwal attended 6 meetings and Mr. S. K. Jain Attended 7 meetings.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Mr. P. Periwal and Mr. S. K. Jain were severally authorised to approve share transfer work up to one percent of paid up capital for each case. The power to approve share transfers request of more than one percent of paid up capital for each has been given to the Committee.

All share transfer applications received up to 31st March 2004 have been processed in time.

During the year ended 31st March 2004 the Company received 2 complaints/queries from share-holders/investors, apart from these complaints, 18 other letters were received, which were suitably replied.

Compliance Officer : Mr. S. K. Jain
Sr. Executive (Legal)

Remuneration Committee :

The Remuneration Committee comprises of :

Mr. M. L. Periwal, Chairman
Mr. P. Periwal, Vice-Chairman
Mr. N. N. Sharma, Member

The broad terms of reference of Remuneration Committee are to determine on behalf of the Board and on behalf of the Shareholders with agreed terms of reference, the Company's policy on specific remuneration package(s) for Managing Director and other Directors.

The Committee met once during the financial year 2003-2004 on 30th July, 2003.

The remuneration of the Non-Executive Directors (NEDs) of the Company is decided by the Board of Directors of Company. The NEDs were not paid remuneration by way of remuneration and the Directors have waived sitting fees of Rs. 1,500/- for each meeting of the Board and its Committees attended by them.

General Body Meetings :

Location, date and time of General Meetings held during the last 3 years :

Year	Location	AGM/ EGM	Date	Day	Time	No. of Special Resolutions Passed
2000-2001	Regd. Office, at Makum Road Tinsukia-786125 (Assam)	AGM	28/09/01	Friday	4.00 P.M.	None
2001-2002	-do-	AGM	28/09/02	Saturday	11.30 A.M.	None
2002-2003	-do-	AGM	29/09/03	Monday	2.30 P.M.	One
2003-2004	-do-	EGM	20/07/04	Tuesday	2.30 P.M.	One

None of the Resolutions were put through postal ballot.

Whether Management Discussion & Analysis Report is a part of Annual Report or not : Yes.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Disclosures :

(i) Related Party Transactions :

Related party transactions i.e. transactions of the Company of a material nature, with its Promoters, the Directors of the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

The Company does not have related party transactions, which may have potential conflict with its interest at large. The details of related party transactions have been given in note No 12 of Schedule 20-B of the Notes to the Accounts forming part of the Balance Sheet.

(ii) Statutory compliance, penalties and strictures :

The Company has complied with the requirements of the Stock Exchange/SEBI and/or Statutory Authority on all matters related to capital markets during last 3 years.

Details of Directors appointment/re-appointment :

Relevant details are furnished in the Notice convening the Annual General Meeting held on 29th September 2004 was sent to the members.

General Shareholder Information :

Annual General Meeting

Date and time	:	29th September 2004 at 2.30 P.M. convened and adjourned, and then reconvened on Tuesday, 30th November, 2004.
Venue	:	Regd. Office at Makum Road, Tinsukia-786125, Assam
Financial Calendar	:	Year Ending — March 31, 2005
Quarterly Results	:	First Quarter — 4th week of July 2004 Second Quarter — 4th week of October 2004 Third Quarter — 4th week of January 2005 Fourth Quarter — 4th week of April 2005
Date of Book Closure	:	24th September 2004 to 29th September 2004 (Both days inclusive)
Dividend Date	:	Not applicable.
Listing on Stock Exchanges	:	(i) The Stock Exchange, Mumbai (ii) The Calcutta Stock Exchange Association Ltd. (iii) The Gauhati Stock Exchange Ltd.

Note : Annual Listing fee for the year 2003-04 has been paid to The Stock Exchange, Mumbai, only and as regards to other two Stock Exchanges, the Company could not pay the same due to paucity of fund.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Demat ISIN in NSDL & CDSL : INE497C01016

Share Transfer System :

Share Transfer in physical form can be lodged with the Head Office of the Company

National Plywood Industries Ltd.
5, Fancy Lane, 7th Floor
Kolkata - 700 001

The transfers are normally processed within 15 to 30 days from the date of receipt, if the documents are complete in all respects.

Dematerialization of shares and liquidity :

43.97% of the Company's Equity Shares capital is dematerialized as on 31/03/2004. The Company's shares are traded on The Stock Exchange, Mumbai and sporadically traded on other Stock Exchanges.

Plant Locations :

- (i) Makum Road, Tinsukia-786 125, Assam.
- (ii) Makum Pathar, Margherita, Assam
- (iii) Industrial Growth Centre, Gayeshpur, Kalyani, West Bengal
- (iv) Kalukondapally, Hosur, Tamilnadu.

Shareholders correspondence may be addressed to the Head Office of the Company at –

5, Fancy Lane, 7th Floor, Kolkata - 700 001, for the attention of Mr. S. K. Jain, Compliance Officer.

Non-Mandatory Requirements :

The Non-Executive Chairman is entitled to reimbursement of expenses incurred in performance of his duty. The Company has already set up a remuneration Committee. The Company shall adopt postal ballot system, where compulsory, under the Companies Act, 1956. The other suggestions have not yet been adopted.

NATIONAL PLYWOOD INDUSTRIES LIMITED

AUDITORS' CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S).

TO THE MEMBERS OF NATIONAL PLYWOOD INDUSTRIES LIMITED.

We have examined the compliance of conditions of Corporate Governance by NATIONAL PLYWOOD INDUSTRIES LIMITED (the Company) for the year ended 31st March, 2004, as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the 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, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per records maintained by the Shareholders/Investor Grievance Committee based on reports furnished by the Share Transfer Register of the Company to the said Committee, there was no investors grievance matter pending for a period exceeding one month against the Company as on 31st March, 2004.

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 JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001
Dated : 28th October, 2004

NATIONAL PLYWOOD INDUSTRIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the attached Balance Sheet of M/s. National Plywood Industries Limited as at 31st March, 2004 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto and cash flow statement for the period ended on that date. 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.

1. 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 material 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Manufacturing and Other Companies (Auditor's Report) Order 1988, issued by the Company Law Board, Government of India, in terms of section 227 (4A) of the Companies Act, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph (1) above :
 - 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 Accounts as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit & Loss Account are in agreement with the Books of Account.
 - d) In our opinion, these accounts have been prepared in compliance with the applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 except for provision for gratuity as indicated in Note No. 9 of Schedule Q.
 - e) In the absence of any representation from the Directors, we are unable to comment as to their compliance under section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us and read together with the notes appearing in Schedule 'Q', the said accounts give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view :
 - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2004. and
 - ii) In the case of the Profit & Loss Account, of the loss of the Company for the year ended on that date.

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001
Dated : 28th October, 2004

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor

NATIONAL PLYWOOD INDUSTRIES LIMITED

ANNEXURE TO THE AUDITORS' REPORT

Schedule referred to in paragraph 1 of our Report of even date

1. (a) The Company has maintained proper records to show full particulars including quantitative details and location of its fixed assets.
(b) All fixed assets except those located at factories in Assam have been physically verified by the management according to the regular programme of periodical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets.
(c) None of the fixed assets have been revalued during the year.
2. The management has conducted physical verification at adequate intervals in respect of stocks of the finished goods, semi-finished goods, stores, spare parts and raw materials at all its locations except those located at factories in Assam and stock of timber lying in the ponds which are included in the inventory on the basis of the pond register maintained.
3. In our opinion the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
4. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
5. In our opinion and on the basis of our examination of the stock records, the valuation of stock of finished goods, semi-finished goods, stores, spare parts and raw materials are fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
6. The Company has not taken any loans from companies, firms or other parties listed in the register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956. The provisions of Section 370 (1-B) of the Act are not applicable to the Company on and after 31st October, 1998.
7. The Company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956. The provisions of Section 370 (1-B) of the Act are not applicable to the Company on and after 31st October, 1998.
8. The principal amount and interest wherever applicable thereon in respect of loans and /or advances in the nature of loans given by the Company to bodies corporate, employees and others have been recovered regularly as stipulated.
9. In our opinion and according to the information and explanations given to us, internal control procedures for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods are commensurate with the size of the Company and nature of its business.

NATIONAL PLYWOOD INDUSTRIES LIMITED

10. In our opinion, the transactions of purchase of goods and materials and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party were made at prices which were reasonable having regard to the prevalent market price for such goods or materials or the prices at which transaction for similar goods or materials were made with other parties.
11. The Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on items so determined.
12. The Company has not accepted any deposits from the public as stipulated under the provisions of Section 58A of the Companies Act, 1956 and rules framed thereunder.
13. The scrap generated during the period is not significant and the Company has no by-products.
14. The Company has an adequate internal control system commensurate with the size and nature of its business.
15. The Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956 for the products of the Company.
16. According to the records of the Company, Provident Fund and Employees State Insurance dues have generally been deposited during the year with the appropriate authorities and in some cases irregularities have been noticed.
17. There are no undisputed amounts of Income Tax, Sales Tax, Custom duty and Excise duty outstanding as on 31st March, 2004 for a period of more than six months from the date they became payable.
18. During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices, we have not come across any personal expenses which has been charged to the Profit & Loss Account.
19. The Company is a sick industrial company, within the meaning of clauses 3 (1) (0) of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of the Company's activities, we are informed that there are no damaged stocks.

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001
Dated : 28th October, 2004

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor

NATIONAL PLYWOOD INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2004

	Schedule	AS AT		AS AT	
		2003-2004		2002-2003	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	5,85,37,500		5,85,37,500	
Reserves & Surplus	B	10,97,32,830	16,82,70,330	10,97,32,830	16,82,70,330
Loan Funds					
Secured Loans	C	66,42,15,659		65,55,23,528	
Unsecured loans	D	10,84,95,893	77,27,11,552	11,26,01,430	76,81,24,958
Total			94,09,81,882		93,63,95,288
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	38,38,15,188		38,38,75,341	
Less : Depreciation		26,33,96,179		23,83,44,556	
Net Block		12,04,19,009		14,55,30,785	
Add : Capital Work-in-progress		72,21,784	12,76,40,793	72,21,784	15,27,52,569
Investments	F		1,00,000		5,68,000
Current Assets, Loans & Advances					
Inventories	G	6,50,79,218		7,70,08,355	
Sundry Debtors	H	3,31,76,215		3,68,81,807	
Cash & Bank Balances	I	28,33,018		43,49,258	
Loans, Advances & Deposits	J	3,96,44,911		4,54,74,271	
		14,07,33,362		16,37,13,691	
Less : Current Liabilities & Provisions	K	18,71,93,811		18,85,73,469	
Net Current Assets		18,71,93,811	(4,64,60,449)	18,85,73,469	(2,48,59,778)
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Preliminary expenses					3,70,653
Profit & Loss Account	Current year		85,97,01,538		80,75,63,844
	Total		94,09,81,882		93,63,95,288
Accounting Policies and Notes on Accounts					
	Q				

The Schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor
Kolkata
Dated 28th October, 2004

M. L. PERIWAL
Chairman

VIJAY KUMAR PERIWAL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Schedule	Year ended 2003-2004 <u>Rs.</u>	Year ended 2002-2003 <u>Rs.</u>
INCOME			
Sales		1,28,87,884	21,47,25,808
Other Income	L	81,18,371	79,07,100
Profit on Sale of Fixed Assets (Net)		—	2,28,717
Accretion/(Decretion) in stocks		(55,61,920)	(40,38,870)
		<u>1,54,44,335</u>	<u>21,88,22,755</u>
EXPENDITURE			
Purchases		71,33,052	1,20,21,730
Raw Materials Consumed	M	60,10,911	16,38,00,845
Salaries, Wages & Other Employees' Benefits	N	1,47,07,683	3,26,69,821
Manufacturing, Administrative & Selling Expenses	O	1,20,94,080	5,37,41,193
Loss on Sale of Fixed Assets		2,46,739	—
Loss Sale of Shares		2,39,192	—
Previous year Adjustment		2,40,000	—
Central Excise Duty		—	1,78,41,598
		<u>4,06,71,657</u>	<u>28,00,75,187</u>
Profit before Interest & Depreciation		<u>(2,52,27,322)</u>	<u>(6,12,52,432)</u>
Interest	P	16,01,152	4,14,04,596
Depreciation		2,53,09,220	2,99,05,678
		<u>2,69,10,372</u>	<u>7,13,10,274</u>
Loss Before Taxation		(5,21,37,694)	(13,25,62,706)
Wealth Tax		—	(29,215)
Loss brought forward from Last Year		(80,75,63,844)	(67,49,71,923)
Loss carried to Balance Sheet		<u>(85,97,01,538)</u>	<u>(80,75,63,844)</u>
Accounting Policies and Notes on Accounts Q			

The Schedules referred to above form an integral part of the Accounts.
This is the Profit & Loss Account referred to in our report of even date

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor
Kolkata
Dated 28th October, 2004

M. L. PERIWAL
Chairman

VIJAY KUMAR PERIWAL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2004

	AS AT 31.03.2004 Rs.	AS AT 31.03.2004 Rs.
A. SHARE CAPITAL		
Authorised		
2,50,00,000 (Previous year 2,50,00,000) Equity Shares of Rs. 10 each	25,00,00,000	25,00,00,000
Issued, Subscribed & Paid up –		
58,53,750 (Previous year 58,53,750) Fully paid up Equity Shares of Rs. 10 each. Of the above –	5,85,37,500	5,85,37,500
a) 1,00,000 Shares are allotted as fully paid up pursuant to a contract without payment being received in cash.		
b) 2,50,000 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the shareholders of Pioneer Wood Products Ltd.		
c) 6,25,000 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the share holders of Delta Panel Products Pvt. Ltd.		
d) 12,31,250 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the shareholders of Pankaj Plywood Industries Pvt. Ltd.		
	<u>5,85,37,500</u>	<u>5,85,37,500</u>
B. RESERVES & SURPLUS		
General Reserve	8,50,00,000	8,50,00,000
Share Premium Account	2,03,65,000	2,03,65,000
Capital Subsidy Account	15,00,000	15,00,000
Grant Received	20,00,000	20,00,000
Investment Allowance Reserve	8,67,830	8,67,830
	<u>10,97,32,830</u>	<u>10,97,32,830</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
C. SECURED LOANS		
a) Term Loan -		
From Financial Institutions	18,23,89,062	18,23,89,062
Interest accrued thereon	19,56,75,400	19,56,75,400
From Scheduled Banks	—	25,00,000
b) Other Loans	17,01,627	9,90,684
c) Working Capital Loans		
From Scheduled Banks	28,44,49,570	27,39,68,382
	66,42,15,659	65,55,23,528

NOTES

Nature of Security :-

- 1) Term Loans are partly secured by pari-passu first charge on the fixed assets of the Company & personal guarantee of some of the directors of the Company and partly by exclusive charge on the specific assets and personal guarantees of some of the directors of the Company.
- 2) Working Capital is secured by hypothecation of present and future stocks of raw materials, stock-in-process, finished goods, stores & spares, book debts and other moveable assets and personal guarantee of some of the directors of the company.

D. UNSECURED LOANS

From Sundry Parties	7,06,18,762	7,43,96,052
Security Deposits	33,54,449	35,04,449
Sales Tax Deferment Loan	3,45,22,682	3,47,00,929
	10,84,95,893	11,26,01,430

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULE - E

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH, 2004

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	TOTAL COST AS AT 01.04.2003	ADDITIONS DURING THE YEAR	SALES/ TRANSFER	TOTAL COST AS AT 31.03.2004	UP TO 31.03.2003	ADJUST- MENTS DURING THE YEAR	FOR THE YEAR	TOTAL	AS AT 31.03.2004	AS AT 31.03.2003
	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
LAND & BUILDING	8,22,89,770	—	—	8,22,89,770	2,25,45,514	—	26,23,422	2,51,68,936	5,71,20,834	5,97,44,256
PLANT & MACHINERY	26,30,84,615	—	—	26,30,84,615	19,35,09,769	—	2,00,52,112	21,35,61,881	4,95,22,734	6,95,74,846
LORRIES & CRANES	18,98,611	—	—	18,98,611	18,48,528	—	50,083	18,98,611	—	50,083
VEHICLES	97,25,456	4,85,207	6,64,337	95,46,326	61,35,601	2,57,597	9,06,901	67,64,905	27,61,421	35,89,855
ELECTRIC FITTINGS	53,57,323	—	—	53,57,323	35,37,939	—	3,01,530	38,39,469	15,17,854	18,19,384
FURNITURE & FIXTURES	1,05,24,843	—	—	1,05,24,843	54,76,507	—	6,66,223	61,42,730	43,82,113	50,48,336
OFFICE EQUIPMENTS	1,03,14,388	1,18,977	—	1,04,33,365	49,81,855	—	6,76,217	56,58,072	47,75,293	53,32,533
AIR CONDITIONERS	6,62,395	—	—	6,62,395	2,94,672	—	31,464	3,26,136	3,36,259	3,67,723
CYCLES	17,940	—	—	17,940	14,171	—	1,268	15,439	2,501	3,769
TOTAL	38,38,75,341	6,04,184	6,64,337	38,38,15,188	23,83,44,556	2,57,597	2,53,09,220	26,33,96,179	12,04,19,009	14,55,30,785
WORK IN PROGRESS	72,21,784	—	—	72,21,784	—	—	—	—	72,21,784	72,21,784
TOTAL	39,10,97,125	6,04,184	6,64,337	39,10,36,972	23,83,44,556	2,57,597	2,53,09,220	26,33,96,179	12,76,40,793	15,27,52,569
PREVIOUS YEAR	39,19,73,632	12,75,740	21,52,247	39,10,97,125	20,98,99,341	14,60,464	2,99,05,679	23,83,44,556	15,27,52,569	

NATIONAL PLYWOOD INDUSTRIES LIMITED

	AS AT 31.03.2004 Rs.	AS AT 31.03.2003 Rs.
F. INVESTMENTS		
Quoted -		
5760 (5760) Fully Paid-up Equity Shares of Industrial Development Bank of India of Rs. 10/- each.	—	4,68,000
Unquoted -		
1000 (1000) Fully Paid-up Equity Shares of Periwai Plastics Pvt. Ltd. of Rs. 100/- each.	1,00,000	1,00,000
	1,00,000	5,68,000
 G. INVENTORIES		
(As per verification & valuation duly certified by the Management)		
Raw Materials	2,59,48,504	3,22,41,407
Stores, Spare Parts	1,17,80,566	1,17,88,471
Fuel	—	66,410
Finished & Semi-finished goods (including in-transit)	2,73,50,148	3,29,12,067
	6,50,79,218	7,70,08,355
 H. SUNDRY DEBTORS (Unsecured)		
Over six months - Considered good	2,36,36,875	2,42,56,349
- Considered Doubtful	30,11,871	30,11,871
Other Debts (Considered good)	65,27,469	96,13,587
	3,31,76,215	3,68,81,807

NATIONAL PLYWOOD INDUSTRIES LIMITED

	AS AT 31.03.2004 <u>Rs.</u>	AS AT 31.03.2003 <u>Rs.</u>
I. CASH & BANK BALANCES		
Cash in hand	10,26,407	9,62,171
Balance with Scheduled Banks –		
On Current Account	3,66,272	15,08,498
On Unclaimed Dividend Account	1,14,694	1,14,694
Share Application Money	50,165	50,165
Margin Money Account	12,75,480	17,13,730
	<u>28,33,018</u>	<u>43,49,258</u>
J. LOANS, ADVANCES & DEPOSITS		
Loans (Unsecured, Considered good)	87,80,638	1,48,18,469
Advances (Recoverable in cash or in kind or for value to be received)	2,26,09,445	2,24,08,745
Prepaid Expenses	4,905	553
Balance with Excise Department	19,31,895	16,43,145
Sundry Deposits	63,18,028	66,03,359
	<u>3,96,44,911</u>	<u>4,54,74,271</u>
K. CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	16,66,99,730	16,78,35,540
Credit Balances of Customers	1,87,03,246	1,86,87,768
Temporary Overdraft from Banks	16,25,976	18,85,302
Unclaimed Dividend	1,14,694	1,14,694
Share Application Money	50,165	50,165
	<u>18,71,93,811</u>	<u>18,85,73,469</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2004

	Year ended 31.03.2004 Rs.	Year ended 31.03.2003 Rs.
L. OTHER INCOME		
Export Incentives	—	33,77,823
Other income	81,18,371	45,20,637
Dividend Received	—	8,640
	<u>81,18,371</u>	<u>79,07,100</u>
M. RAW MATERIALS CONSUMED		
Opening stock	3,22,41,407	5,93,26,431
Add : Purchases	29,66,902	13,67,15,821
	<u>3,52,08,309</u>	<u>19,60,42,252</u>
Less : Sales/Adjustment	32,48,894	—
	<u>3,19,59,415</u>	—
Less : Closing Stock	2,59,48,504	3,22,41,407
	<u>60,10,911</u>	<u>16,38,00,845</u>
N. SALARIES, WAGES & OTHER EMPLOYEES' BENEFITS		
Salary, Wages, Bonus & Gratuity	1,32,55,820	2,92,55,173
Contribution to Provident Fund & Pension Fund	11,61,818	21,36,423
Contribution to Link Insurance	3,883	6,698
Contribution to Employee State Insurance	18,152	4,76,743
Workmen & Staff Welfare	2,68,010	7,94,784
	<u>1,47,07,683</u>	<u>3,26,69,821</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

	Year ended 31.03.2004 Rs.	Year ended 31.03.2003 Rs.
O. MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Stores & Spares Parts Consumed	99,800	17,30,592
Power & Fuel	6,14,880	2,02,12,131
Rates & Taxes	2,26,169	2,28,725
Repairs & Maintenance :		
Building	28,750	77,022
Machinery	76,579	15,06,971
Others	63,396	2,45,565
Rent (Net)	6,47,649	7,60,334
Insurance	48,738	15,67,856
Vehicle Operating Expenses	8,30,486	12,32,146
Miscellaneous Expenses	86,46,537	1,64,56,397
Sales Tax	44,610	4,36,796
Packing & Forwarding Charges	3,45,358	78,40,018
Auditors' Remuneration :		
Audit Fee	21,000	21,000
Taxation Matters	4,000	4,000
Company Matters	2,000	2,000
Tax Audit Fees	8,000	8,000
Commission	1,741	10,30,232
Sundry Balance Written off	13,734	10,755
Preliminary Expenses Written off	3,70,653	3,70,653
	1,20,94,080	5,37,41,193
P. INTEREST		
Financial Institutions	---	3,62,67,931
Banks	9,42,133	29,56,787
Others	6,59,019	21,79,878
	16,01,152	4,14,04,596

NATIONAL PLYWOOD INDUSTRIES LIMITED

Q., ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1) **Basis of preparation of financial statements.**

The financial statements are prepared under the historical cost convention and in accordance with the applicable accounting standards and the provisions of the Companies Act, 1956 as adopted consistently by the Company. Insurance claim, leave payments and bonus to employees are accounted for on cash basis.

2) **Fixed Assets**

i) Depreciation is provided on Straight Line Method applying the rates specified in Schedule XIV to the Companies Act.

ii) All fixed assets are stated at cost which includes taxes, duties and other identifiable direct expenses.

iii) On assets acquired or disposed off during the year, depreciation is charged on pro-rata basis with reference to the date of acquisition or disposal.

v) Capital work in progress includes advances.

3) Investments are stated at cost. No provision has been made in respect of diminution in value of investments as the management is of the opinion that there is no permanent diminution in value, these being long term investments in nature.

4) **Valuation of Inventories :**

Inventories are valued as follows :

Raw materials, stores & spare - At Cost.

Work-in-progress-At ex-factory selling prices, less estimated cost of further processing.

Finished goods-At ex-factory selling price-if lying at factory. At ex-factory selling prices plus freight and octroi etc, if lying at branches. However, on and from 1-4-99, the inventories are to be valued at **lower of cost or net realizable value**. In absence of such valuation it is not possible to determine increase/decrease in the value of inventories and its impact on the loss of the Company during the year.

Finished goods - At ex-factory selling price net of selling expenses and freight.

5) **Excise Duty**

As per past practice, excise duty payable on finished goods is accounted for on the clearance of goods from the factory premises.

6) **Sales**

Sales include excise duty and freight but excludes rebate and discount.

7) **Gratuity**

No provision has been made for gratuity in the accounts. Since payment on account of gratuity is accounted for as and when paid and hence the loss/liability to that extent is provided on cash basis.

8) **Excise : Re Aqueous Solution Case**

i) Refund claims amount of Rs. 66.29 lacs transferred to Consumer Welfare Fund, writ petition filed by the company which is pending in Hon'ble Guwahati High Court.

ii) Refund claim of Rs. 19.11 lacs sanctioned and paid but department has filed appeal before tribunal

iii) Refund claim of Rs. 28.05 lacs pending with A.C. Tinsukia Div., Assam.

NATIONAL PLYWOOD INDUSTRIES LIMITED

9) **Contingent Liability not provided for in respect of :**

- i) Due to dispute in classification and/or valuation of certain items of finished goods under the Central Excise & Salt Act, 1944, a demand of Rs. 90.05 lacs (approx) for the period 25.07.1989 to 17.03.1993 has been raised by Central Excise Department after the Supreme Court Judgement on 20.09.1995. Matter has been settled under KVS scheme but the matter is pending before Hon'ble Guwahati High Court.
 - ii) Demand of duty Rs. 182.68 lacs approxed confirmed by the commissioner C.E. on 10.10.2001, against show cause notice dated 12.12.1985. Writ petition filed in Guwahati High Court against the said order is pending, hence subjudice.
 - iii) Demand of duty Rs. 20.65 lacs confirmed and penalty equivalent to duty was also imposed by the commissioner C.E. on 21.08.2002. Appeal and stay petition filed before the Tribunal Kolkata is pending, hence subjudice.
- 10) The interest on loans from Financial Institutions and certain Banks have been provided on the basis of management's estimates based on past experience/ advices received and considering expected concessions in compounding interest/ penal interest. The Company is in the process of negotiation with Financial Institutions for one time settlement (OTS). The proposal is under their active consideration.
- 11) Physical stock has not been taken of Store/ Finished Stock & Fixed Assets as factories located in Assam & Kolkata were closed. The loss, if any, will be accounted for on physical verification after re-opening of the factory. However, depletion in the value of raw materials due to efflux of time during the closure period has been written off as consumption.
- 12) M/s. United Bank of India & IDBI have initiated legal proceeding against the company under DRT for recovery of their outstanding.
- 13) The balance in unpaid dividend account of Rs. 114694.35 relating to the year 1994-95 & is yet to be reconciled and transferred to the credit of Central Government as per the provisions of the Companies Act, 1956.

14) **Managing Directors' Remuneration :**

	Year ended 31.03.2004 Rs.	Year ended 31.03.2003 Rs.
Salary	Nil	Nil

- 15) The quantum of dues to small scale and ancillary industrial undertakings being not readily ascertainable in the absence of relevant documents/information, could not be identified and disclosed separately in the accounts. Steps have been initiated to collect the necessary particulars for disclosure of the required information in the coming year.
- 16) Balances of certain debtors, advances, creditors and loans from Financial Institutions and Banks are subject to confirmation and consequential reconciliations/ adjustments etc.
- 17) Previous year's figures are regrouped and rearranged wherever necessary.
- 18) Figures have been rounded off to the nearest rupee.
-

NATIONAL PLYWOOD INDUSTRIES LIMITED

ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

a) **Quantitative Details :**

	Plywood Quantity (Sq. Mtrs. on 4 mm basis)	Decorative Laminates Quantity (Nos)	Industrial Laminates Quantity (MT)	Prelam Hard- Board (Nos)	Value (Rs.)
Installed Capacity	1,13,50,000 (1,13,50,000)	18,00,000 (18,00,000)	1,500 (1,500)	— (—)	—
Production	— (4,68,904)	— (4,75,808)	— (713.994)	— (—)	
Purchase	1,097 (9,809)	— (—)	— (—)	— (—)	71,33,052 (1,20,21,731)
Sales	16,642 (5,46,344)	12,057 (5,13,563)	10,052 (678.088)	105 (5)	1,28,87,884 (21,47,25,808)
Opening Stock	42,885 (1,10,516)	15,558 (53,313)	126.242 (90.336)	105 (110)	3,29,12,067 (3,69,50,937)
Closing Stock	27,340 (42,885)	3,501 (15,558)	116.190 (126.242)	— (105)	2,73,50,148 (3,29,12,067)

i) Plywood includes Block Boards & Flush Doors.

ii) Opening Stock, Purchases, Sales & Closing stock value of purchased for resale quantitative of traded items given below.

b) **Traded items :**

	Plywood (Sq. Mtr.)	Ind. Lam Pcs.
Opening Stock	7,736.34 (—)	1200 (—)
Purchase	1,27,372.92 (1,86,873.43)	— (—)
Sales	1,29,531.55 (1,80,407.84)	— (—)
Closing Stock	5577.71 (7736.34)	1200 (—)

c) **Raw Material Consumed / Wasted**

i) Plywood and Blockboard

	Unit	Quantity	Value
Timber	Cu.Mtr.	— (1,822.486)	— (1,33,73,227)
Veneer	Sq.Mtr.	9,191.41 (1,40,546.94)	77,201 (18,76,427)
Chemical	M. Ton	— (238.240)	— (52,84,724)

NATIONAL PLYWOOD INDUSTRIES LIMITED

	Unit	Quantity	Value
ii) Laminate Paper	M. Ton	276.438 (1,771.520)	47,55,963 (9,19,21,212)
Chemical	M. Ton	220.781 (1,907.330)	11,77,746 (5,13,45,255)
<hr/>			
d) Consumption of Raw Materials, store & spare and components :		Value (Rs)	Percentage of total consumption
i) Imported Raw Materials		— (1,82,13,034)	— (12.91)
Stores & Spares		— (—)	— (—)
ii) Indigenous Raw Materials		60,10,910 (14,55,87,811)	100.00 (87.09)
Stores & Spares		99,800 (17,30,592)	100 (100)
e) Value of Imports on CIF Basis :			
Raw Materials & Trading Goods		8,51,050 (1,17,36,168)	
Stores & Spares		— (—)	
Capital Goods		— (—)	
f) Expenditure in Foreign Currency :			
Travelling Expenses		24,052 (3,16,664)	
g) Earning in Foreign Exchange:			
Export of goods calculated on FOB basis		— (6,37,47,612)	
Consultancy Fee		— (9,55,150)	

Signatories to Schedule 'A' to 'Q'

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor
Kolkata
Dated 28th October, 2004

M. L. PERIWAL
Chairman

VIJAY KUMAR PERIWAL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue Right Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities Total Assets

Source of Funds

Paid up Capital Reserve & Surplus

Secured Loans Unsecured Loans

Application of Funds

Net Fixed Assets Investment

Net Current Assets Misc. Expenditure

Accumulated Losses

IV. Performance of the Company (Amount in Rs. thousands)

Turnover Total Expenditure

Loss before Tax Tax

Earning per Share Dividend rate %

*Including Other Income

V. Generic Names of Three Principal Products of Company

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

Signatories to Schedule 'A' to 'Q'

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor
Kolkata
Dated 28th October, 2004

M. L. PERIWAL
Chairman

VIJAY KUMAR PERIWAL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2004

	For the year ended 31.03.2004	For the year ended 31.03.2003
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	(5,21,37,694)	(13,25,62,706)
Adjustments for :		
Depreciation	2,53,09,220	2,99,05,678
Loss/(Profit) on Sale of Fixed Assets	2,46,739	(2,28,717)
Loss/(Profit) on sale of Share	2,39,192	—
Interest (Net)	16,01,152	4,14,04,596
Preliminary Expenses written off	—	3,70,652
Dividend Received	—	(8,640)
Operating Profit before Working Capital changes	(2 47,41,391)	(6,11,19,137)
Adjustments for :		
Trade and other Receivables	95,34,952	5,46,36,177
Inventories	1,19,29,136	3,31,72,169
Trade payables	(13,79,658)	(6,03,25,122)
Term Loan	(25,00,000)	—
Working Capital Loan from bank	1,04,81,188	2,06,70,959
Preliminary Expenses	3,70,653	—
Cash generated from operations	36,94,880	(1,29,64,954)
Income Tax refund	—	—
Income Tax paid	—	—
Wealth Tax paid	—	(29,215)
Net Cash Flow from Operating Activities	36,94,880	(1,29,94,169)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	—	8,640
Purchase of Fixed Assets	(6,04,184)	(12,75,740)
Sale of Fixed Assets	1,60,001	9,20,500
Sale of Share	2,28,808	—
Net Cash Flow in Investing Activities	(2,15,375)	(3,46,600)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Grant Received		
Proceeds from Long Term Borrowings	(41,05,537)	(21,95,612)
Decrease in Financial Lease Liability	7,10,943	(27,027)
Interest paid	(16,01,152)	(51,36,665)
Net Cash Flow from Financing Activities	(49,95,746)	(73,59,304)
Net Increase/(Decrease)in Cash & Cash equivalents	(15,16,241)	(2,07,00,073)
Cash and Cash equivalents as on 01.04.2003	43,49,259	2,50,49,332
Cash and Cash equivalents as on 31.03.2004	28,33,018	43,49,259

Kolkata, 28th October, 2004

M. L. PERIWAL
Chairman

VIJAY KUMAR PERIWAL
Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of NATIONAL PLYWOOD INDUSTRIES LIMITED for the year ended 31st March, 2004. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreements with Stock Exchanges and is based on and in agreement with the books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R. K. JHUNJHUNWALA
Proprietor

Kolkata, 28th October, 2004

NATIONAL PLYWOOD INDUSTRIES LIMITED

National Addresses

Head Office

5, Fancy Lane, **Calcutta** 700 001, Phones : 2248 0116/7, Fax : 2248 1246

Registered Office :

Makum Road, **Tinsukia** 786 125

Branches & Offices

Amritsar ● Bangalore ● Bhubaneswar ● Cochin ● Chennai ● Goa ● Jaipur ● Kanpur
● Mumbai ● New Delhi.