

**ANNUAL
REPORT
2012-2013**



NATIONAL PLYWOOD INDUSTRIES LIMITED

NATIONAL PLYWOOD INDUSTRIES LIMITED

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NATIONAL PLYWOOD INDUSTRIES LIMITED

BOARD OF DIRECTORS :

P. PERIWAL
Vice Chairman & Managing Director
V. K. PERIWAL
V. K. SHARMA
N.G. PAUL
Directors

AUDITORS :

JHUNJHUNWALA & CO.
KOLKATA

BANKERS :

ICICI BANK LTD.
LAKSHMI VILAS BANK LTD.

REGISTERED OFFICE & WORKS :

PLYWOOD DIVISION
MAKUM PATHAR, MARGHERITA 786 187
DIST. TINSUKIA, ASSAM

LAMINATES DIVISION

THALLY ROAD, KALUKONDAPALLI
DISTRICT : DHARMAPURI
HOSUR, TAMILNADU

HEAD OFFICE & SHARE DEPT. :

5, FANCY LANE, 7TH FLOOR
KOLKATA 700 001
E-mail : info.npil.ho@nationalplywood.net

REGISTRAR FOR SHARE TRANSFER :

MAHESHWARI DATAMATICS PVT. LTD.
6, MANGOE LANE, 2ND FLOOR
KOLKATA - 700 069
PHONE : 2243-5029 / 5809
FAX : 033-2248-4787
E-mail : mdpl@cal.vsnl.net.in

NATIONAL PLYWOOD INDUSTRIES LIMITED

DIRECTORS' REPORT TO THE MEMBERS,

Your Directors have pleasure in presenting herewith their 38th Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS :

The Company has achieved net sales amounting to Rs. 34,13,36,787/- (Previous Year Rs. 31,24,85,579/-) and Net Loss after Depreciation and Tax (PAT) of Rs. 21,97,368/- (Previous Year Rs. 11,27,411/-) during the year under review –

<u>PARTICULARS</u>	<u>2012-13</u> <u>(in ₹)</u>	<u>2011-12</u> <u>(in ₹)</u>
Gross Sales	34,13,67,485	32,47,19,247
Less : Excise Duty	<u>94,45,501</u>	<u>1,22,33,668</u>
Net Sales :	33,19,21,984	31,24,85,579
Add. : Other Income	<u>94,14,803</u>	<u>5,51,150</u>
Total Income	<u>34,13,36,787</u>	<u>31,30,36,729</u>
Profit/(Loss) before Depreciaton	<u>52,55,394</u>	<u>42,06,456</u>
Less : Depreciation	<u>30,58,026</u>	<u>30,79,045</u>
	(21,97,368)	(11,27,411)
Profit / (Loss) before Taxation	(21,97,368)	(11,27,411)
Previous year Adjustment	—	—
Less : Provision for Income Tax	—	—
Add : Income Tax adjustment of previous year	—	—
Profit / (Loss) After Tax	(21,97,368)	(11,27,411)
Debit Balance of P & L A/c. brought forward	<u>(92,48,11,381)</u>	<u>(92,36,83,970)</u>
Balance carried to Balance Sheet	(92,70,08,749)	92,48,11,381

DIVIDEND :

Due to continued losses in the Company, your Directors are unable to recommend any dividend for the year under review.

NATIONAL PLYWOOD INDUSTRIES LIMITED

OPERATION & CURRENT WORKING :

The Company has achieved a turnover of Rs. 34,13,36,787/- which is higher by 5.12% from that of previous year, even though, Hosur Unit was closed down due to workers agitation from 23/04/2012 till 22/07/2012. After suitable settlement with the Labour Union(s) the unit restarted operation from 23/07/2012 after which normal operations have commenced and the Company is trying to gradually increase its level of production.

PROSPECTS & FUTURE GROWTH :

Considering the increase in the construction, building and infrastructure sectors, a steady growth is envisaged for this industry and there is a positive outlook for growth of your Company.

SECURED LENDERS :

The Company has paid a sum of Rs. 13,38,40,284/- (Rupees Thirteen Crores Thirty Eight Lacs Forty Thousand Two Hundred Eighty four only) as per the directions of BIFR to IDBI, SCB, SBI & SBM. A sum of Rs. 1247.00 Lacs has been paid as Principal and a sum of Rs. 91.62 Lacs has been paid towards 50% interest for the delayed period payment to the Secured Lenders. The Company has not yet paid the delayed period interest to State Bank of Mysore (SBM) as on date. During the year there were 4 (Four) Hearings of BIFR held on 30/10/2012, 29/11/2012, 21/02/2013 & 29/04/2013. The Company has duly paid as per the directions of BIFR. It is hoped that State Bank of Mysore (SBM) will confirm 50% interest waiver for the delayed payment of One Time Settlement (OTS) shortly.

DIRECTOR :

Sri V. K. Periwal, Director, is going to retire by rotation and is eligible for re-appointment. There was not other change in the Board of Directors' of the Company during the year under review.

DIRECTOR'S RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that –

NATIONAL PLYWOOD INDUSTRIES LIMITED

- i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures.
- ii) In consultation with the Statutory Auditors, appropriate accounting policies have been followed and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013, and of the loss for the year ended as on that date.
- iii) To the best of their knowledge and ability, proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, if any.
- iv) The Annual Accounts have been prepared on a going concern basis.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956 :

The information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by the Companies (Particulars of Employees) Amended Rules, 2011 is not furnished as there is no employee drawing remuneration exceeding the prescribed limits.

INFORMATION PURSUANT TO SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 :

The information required under Section 217(1) (e) of the Companies Act, 1956 read with companies (disclosure of Particulars in the report of Board of Directors), Rules-1988 is enclosed as Annexure-I

CORPORATION GOVERNANCE :

In terms of the Listing agreement, Corporate Governance Report is annexed to and forms part of the Directors' Report along with the Auditors' Certificate on its compliance is also annexed forming part of the Annual Report.

NATIONAL PLYWOOD INDUSTRIES LIMITED

AUDITORS :

The Members are requested to appoint the Auditors for the current year and fix their remuneration. M/s. Jhunjhunwala & Co., Chartered Accountants, Kolkata, the existing Auditors of the Company, have furnished the certificate of their eligibility for re-appointment under Section 224(1) of the Companies Act. 1956.

APPRECIATION :

Your Directors' place on record their appreciation to the continued support, co-operation and assistance from the shareholders, customers, suppliers, employees and other business associates including various agencies of the Central and State Government and the Banks.

Head Office :
5, Fancy Lane
Kolkata - 700 001

Dated : 30th May, 2013.

For and on behalf of the Board

P. PERIWAL
(Vice-Chairman & Mg. Director)

NATIONAL PLYWOOD INDUSTRIES LIMITED

ANNEXURE - I

A. Power and Fuel Consumption

	Current Year 2012-13 (in Rs.)	Previous Year 2011-12 (in Rs.)
1. Electricity		
(a) Purchased (Units)	287321	483784
Total Amount (Rs.)	2281978	2803877
Rate / Unit	7.94	5.80
(b) Own Generation through Diesel Generator		
Units (Litres)	22500	8400
Units per litre of diesel Oil	3.40	2.70
Total Units of Power	76452	22680
Total Amount (Rs.)	1151652	369963
Cost per Unit	15.06	16.31
2. Furnace Oil	0	0
Quantity (K. Litre)	0	0
Total Amount (Rs.)	0	0
Average rate per Litre	0	0
2(a) Wood		
Quantity (M. Tons)	436	615
Total Amount (Rs.)	1526427	1967730
Average rate per Ton	3500	3200
B. Consumption per unit of Production		
Decorative Laminated Boards (Nos.) Total Prod.	240845	378368
Electricity (Unit / Unit of Prod.)	1.19	1.28
Furnace Oil (Ltr. / Unit of Prod.)	-	-
Wood (Kgs. / Unit of Prod.)	1.81	1.63

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 Government in line with the requirements of Clause-49 of the Listing Agreement entered into by the Company with Stock Exchange(s). The Company aims to achieve transparency by making adequate disclosures.

Board of Directors :

A) Composition :

The Company's Board presently comprises of 4(four) Directors, out of which 2(two) are Executive Directors and 2(two) are Non-Executive & Independent Director (NED).

None of the Directors on the Board is a Member of more than 10(Ten) Committees or Chairman of more than 4 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 meet Five times on the following dates during the financial year 2012-13 on 30th April 2012, 30th July, 2012, 30th August, 2012, 30th October, 2012 and 28th January, 2013.

C) Directors' Attendance record at the Board Meeting :

Name of Director	Category	No. of Board Meetings Attended	Whether Attended last AGM held in Sept. 2012	No. of Directorship held in other Indian Public Limited Companies	No. of Committee* Positions held in other Indian Public Limited Companies
Sri P. Periwal	Vice Chairman & Managing Director	5	Yes	1	1 3
Sri N. G. Paul	Whole Time Director	5	No.	1	2 3
Sri V. K. Periwal	Director	0	No.	0	0 0
Sri V. K. Sharma	Independent Director	5	No	0	0 0

D) Information required under Clause 49 IV-G of the Listing Agreement :

The Particulars of Directors, who are proposed to be appointed /re-appointed at the ensuing Annual General Meeting are given below pursuant to Clause 49 of the Listing Agreement.

- i) Mr. Vijay Kumar Periwal – Director
Qualification - B. Com (Hons.)
Experience - Has 49 years' of experience in Administration, Marketing, Finance etc.
Other Directorship – None
Other Membership – None
Sri. Vijay Kumar Periwal hold 1,78,925 Equity Shares in the Company.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Audit Committee

a) Terms of Reference :

The Board Terms of Reference & working of the Audit Committee are as follows :

1. To discuss and review the Quarterly/Half Yearly Un-audited Report prepared by Internal Audit Department.
2. To discuss Quarterly 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, comprised of Three Members, namely – Mr. V. K. Sharma, Mr. P. Periwal, Directors and Independent Member Mr. L. K. Surolia.

Mr. P. Periwal – Director,

Mr. V. K. Sharma – Chairman,

Mr. L. K. Surolia – Member.

c) Meeting and Attendance during the year :

The Committee met five times during the financial year ended 31st March, 2013, on the following dates –

30th April, 2012, 30th July, 2012, 30th August, 2012, 30th October, 2012, and 28th January, 2013. All the Committee Members on the relevant dates of the respective meetings were present in all the five meetings. Sri V. K. Sharma, Director, was the Chairman of the Committee.

Share Transfer and Shareholders / Investors Grievance Committee :

The Committee approves and monitors transfer, transmission, splitting and consolidation of share(s) 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 :

Sri. P. Periwal – Chairman

Sri. N. G. Paul – Director

Sri. S. K. Jain – Member

The Committee's met two times during the financial year ended on 31st March, 2013, on the following dates, on 30-08-2012, and 28-03-2013.

All the Members have attended the Committee Meeting.

Mr. P. Periwal and Mr. S. K. Jain were severally authorized 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 upto 31st March, 2013, have been processed.

NATIONAL PLYWOOD INDUSTRIES LIMITED

During the year ended 31st March, 2013 the Company received 10 complaints/queries from shareholders / investors which were suitably replied. No complaint is pending as on 31st March, 2013.

Compliance Officer :

Sri. S. K. Jain, Contact No. 033-2248-0116 / 0117,

E-mail No. : sk.jain@nationalplywood.net

Remuneration Committee :

The Remuneration Committee comprises of –

Sri. P. Periwal — Vice-Chairman

Sri. Vinod Kumar Sharma – Director

Sri. V. K. Periwal – Director.

The broad terms of reference of Remuneration Committee are to determine on behalf of the Board and on behalf of 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 2012-2013 on 30th July, 2012.

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

General Body Meeting :

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
2009-10	Regd. Office At Makum Pather, Margherita-786187 Tinsukia, Assam.	AGM	29/09/10	Wednesday	2.30 P.M.	None.
2010-11	– do –	AGM	29/09/11	Thursday	2.30 P.M.	None.
2011-12	– do –	AGM	28/09/12	Friday	2.30 P.M.	None.

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.

(ii) The Company does not have related party transactions, which may have potential conflict with its interest at large.

NATIONAL PLYWOOD INDUSTRIES LIMITED

(iii) **Statutory Compliance, Penalties and Strictures :**

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

General Shareholder Information :

Annual General Meeting :

Date and time	:	Friday, 27th September 2013 at 12.30 P.M.
Venue	:	Regd. Office at Makum Pathar, Margherita 786187 Dist. : Tinsukia, Assam
Financial Calendar	:	Year Ending — 31st March, 2014
Quarterly Results	:	First Quarter — 4th week of July 2013 Second Quarter — 4th week of October 2013 Third Quarter — 4th week of January 2014 Fourth Quarter — 4th week of April 2014
Date of Book closure	:	From : Tuesday, 24/09/2013 To : Friday, 27/09/2013. (Both days inclusive)
Dividend Date	:	Not applicable.
Listing on Stock Exchanges	:	(i) Bombay Stock Exchange Limited (ii) The Calcutta Stock Exchange Association Limited (iii) The Gauhati Stock Exchange Ltd.

Note : Annual Listing fees for the year 2013-14 has been paid to Bombay Stock Exchange Limited and to The Calcutta Stock Exchange Ltd.. The Company could not pay to the Gauhati Stock Exchange Ltd., due to paucity of fund.

Demat ISIN in NSDL & CDSL : INE497C01016

Share Transfer System :

Physical Share Transfer work is being looked after by M/s. Maheswari Datamatics Pvt. Ltd. (R.T.A.) at their Office at : 6, Mangoe Lane (2nd Floor), Kolkata - 700 001, Tel. No(s) 033-2243-5029 / 5809, E-mail - mdpl@cal.vsnl.net.in.

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

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

NATIONAL PLYWOOD INDUSTRIES LIMITED

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 :

59.10% of the Company's Equity Shares capital is dematerialized as on 31/03/2013. The Company's shares are traded on Bombay Stock Exchange Limited and spordically traded on other Stock Exchanges.

Plant Locations :

- (i) Makum Pathar, Margherita, Assam.
- (ii) 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. E-mail : sk.jain@nationalplywood.net

Non-Mandatory Requirements :

The Non-Executive Directors are entitled to reimbursement of expenses incurred in performance of their duties. 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.

Head Office :
5, Fancy Lane
7th Floor
Kolkata - 700 001
Dated : 30th May, 2013

For and on behalf of the Board

P. Periwal
(Vice-Chairman & Mg. Director)

NATIONAL PLYWOOD INDUSTRIES LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF NATIONAL PLYWOOD INDUSTRIES LTD.

We have examined the Compliance of Conditions of Corporate Governance by M/s. National Plywood Industries Ltd., for the year ended 31st March, 2013, as stipulated in Clause - 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 of 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 representations made by the Directors and 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 have to state that as per the records maintained, there were no investors grievances remaining unattended / pending for more than 30 days as at 31st March, 2013, except those under litigation, disputes or court orders.

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 that affairs of the Company.

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
Firm Registration No. 302169E
R. K. JHUNJHUNWALA
Proprietor
Membership No. 006604

Dated : 30th May, 2013

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.

I, Piyush Periwal, Vice-Chairman & Managing Director of the Company is to confirm that the Board has adopted a Code of Conduct for its Directors and Senior Management Staff.

I confirm that the Company has received from the Senior Management Staff of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31st March, 2013

5, Fancy Lane
7th Floor
Kolkata - 700 001
Dated : 30th May, 2013

P. Periwal
(Vice-Chairman & Mg. Director)

NATIONAL PLYWOOD INDUSTRIES LIMITED

C.E.O. AND C.F.O. CERTIFICATION

To
The Board of Directors,
National Plywood Industries Limited.

We, to the best of our knowledge and belief, certify that —

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2013 and that of the best of our knowledge and belief.
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations,
2. They are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violating the Company's code of conduct.
3. We accept responsibility for establishment and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls, pertaining to financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the audit committee –
 - i) Significant Changes in internal controls for financial reporting, during the year,
 - ii) Significant Changes in accounting policies during the year and that the same have been disclosed in the Notes, if applicable, to the Financial Statements, and,
 - iii) No instance of fraud of any employee was found in the internal control system of the Company over financial reporting.

Kolkata
30th May, 2013

N. G. Paul
Director

Piyush Periwal
Vice-Chairman & Managing Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT.

TO THE MEMBERS OF

NATIONAL PLYWOOD INDUSTRIES LIMITED.

REPORT ON THE FINANCIAL STATEMENTS :

We have audited the accompanying financial statements of National Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013. and
- b) In the case of the Statement of Profit & Loss Account, of the profit and loss for the year ended on that date; and

NATIONAL PLYWOOD INDUSTRIES LIMITED

- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of 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 the Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Balance Sheet, Statment of Profit and Loss, Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001

Dated : 30th May, 2013

For JHUNJHUNWALA & CO.
Chartered Accountants
Firm Registration No. 302169E
R. K. JHUNJHUNWALA
Proprietor
Membership No. 006604

NATIONAL PLYWOOD INDUSTRIES LIMITED

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to the paragraph 1 of Our Report of even date to the members of National Plywood industries Limited. on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed off during the year and therefore does not affect the going concern assumption.
2. a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii (c) and iii(d) of the order are not applicable to the Company.
b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

NATIONAL PLYWOOD INDUSTRIES LIMITED

5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
 6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
 7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
 8. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
 9.
 - a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there is an amount payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty with have not been deposited on account of any disputes.
 10. The Company does have accumulated loss and has incurred cash loss during the financial year covered by our audit and the immediately preceding financial year.
 11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
 12. According to the information and explanations given to 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. The Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Comapny.
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NATIONAL PLYWOOD INDUSTRIES LIMITED

14. According to the information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

6, Commercial Building
23, Netaji Subhas Road
Kolkata - 700 001

Dated : 30th May, 2013

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
Firm Registration No. 302169E
CA. R. K. JHUNJHUNWALA
Proprietor
Membership No. 006604

NATIONAL PLYWOOD INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
I. EQUITY AND LIABILITIES			
1) Shareholders' Funds			
Share Capital	2	58,537,500	58,537,500
Reserves & Surplus	3	-786,520,014	-784,322,647
2) Non-current Liabilities			
Long-term borrowings	4	155,129,704	155,492,521
Long-term Provisions	5	157,735,059	157,735,059
3) Current Liabilities			
Short-term borrowings	6	449,928,507	458,381,300
Trade Payables	7	188,631,382	54,343,900
Other current liabilities	8	180,934,304	277,004,891
	TOTAL	404,376,442	377,172,524
II. ASSETS			
1) Non-current assets			
Fixed assets			
Intangible Assets	9	67,410,000	67,410,000
Tangible assets	9	41,222,617	43,935,925
Capital Work in Progress	9	6,877,301	2,508,828
Non-Current Investment	10	105,000	105,000
Long-term loans and advances	11	36,759,043	37,356,454
2) Current Assets			
Inventories	12	90,501,825	76,082,521
Trade receivables	13	143,841,873	132,657,525
Cash and cash equivalents	14	3,975,010	3,396,850
Short-term loans and advances	15	13,683,773	13,719,421
	TOTAL	404,376,442	377,172,524

Significant Accounting Policies
Notes on Financial Statements
As per our report of even date

1
2 to 34

For **JHUNJHUNWALA & CO.**
Chartered Accountants
Firm Registration No. 302169E
R. K. JHUNJHUNWALA
Proprietor
Membership No. 006604

Kolkata, Dated 30th May, 2013

P. PERIWAL
Vice Chairman & Managing Director

N. G. PAUL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Note	For the year ended 31st March, 2013 Rs.	For the year ended 31st March, 2012 Rs.
I. Revenue from operations	16	331,921,984	312,485,579
II. Other Income	17	9,414,803	551,150
III. Total Revenue (I+II)		341,336,787	313,036,729
IV. Expenses :			
Cost of material Consumed	18	76,815,336	108,573,987
Purchase of Stock-in-trade		234,087,584	165,729,122
Changes in inventories of stock-in-trade	19	-11,129,403	1,360,176
Employee benefits expense	20	18,014,772	19,714,245
Financial Expenses	21	589,878	448,643
Depreciation and Amortisation Expenses	22	3,058,026	3,079,045
Other Expenses	23	22,097,962	15,258,922
Total expenses		343,534,155	314,164,140
V. Profit before tax		-2,197,368	-1,127,411
VI. Tax expense :			
1) Current Tax		-	-
2) Income Tax adjustment for earlier year		-	-
VII. Profit (Loss) for the period (V-VI)		-2,197,368	-1,127,411
VIII. Earnings per equity share :			
1) Basic	26	-0.38	-0.19
2) Diluted	26	-0.38	-0.19

Significant Accounting Policies
Notes on Financial Statements
As per our report of even date

1
2 to 34

For JHUNJHUNWALA & CO.

Chartered Accountants

Firm Registration No. 302169E

R. K. JHUNJHUNWALA

Proprietor

Membership No. 006604

Kolkata, Dated 30th May, 2013

P. PERIWAL
Vice Chairman & Managing Director

N. G. PAUL

Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

Note

Particulars

1) Significant accounting policies

A. Basis of accounting and preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out.

B. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. Fixed Assets

Fixed assets are stated at cost of acquisition inclusive of duties (net of CENVAT and other credits, wherever applicable), taxes, incidental expenses, erection / commissioning expenses and borrowing costs etc. up to the date the assets are ready for their intended use.

D. Depreciation

Depreciation on Fixed Assets is provided on written down value method at the rates prescribed in Schedule XIV of the Companies Act, 1956 or at rates determined based on the useful life of the assets, whichever is higher.

E. Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value at appropriate rate arrived at after considering the prevailing interest rates and weighted average cost of capital.

F. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, but provision for diminution in value is made to recognise a decline other than temporary in the value of such investments.

NATIONAL PLYWOOD INDUSTRIES LIMITED

G Inventories

Inventories are stated at lower of cost and net realisable value. The cost of finished goods and Stock-in-process comprises raw materials, direct labour, other direct cost and related production overheads upto the relevant stage of completion, Purchased finished goods are valued at cost of Purchase.

H Revenue recognition

Revenue (income) is recognised when no significant uncertainty as to determination/realisation exists.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

I Employee Benefit

Providend Fund

Contribution towards providend fund for certain employee is made to the regulatory authorities, where the company has no further obligation.

Gratuity

The Company does not provides for gratuity a defined benefit plan (the Gratuity Plan) covering eligible employee in accordance with the Payments of Gratuity Act, 1972, which are admissible through Life-Insurance Corporation (LIC) and trust which is administered by the trustee.

J Excise : Re Aqueous Solution Case

- i) Refund claim of Rs. 66.29 lacs transferred to Consumer Welfare Fund, Appeal filed is pending with Commissioner C.Ex. (Appeals), Guwahati.
- 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 Divn. Assam.
- iv) Refund claim of Rs. 53.56 lacs pending in Appeal before Tribunal.

K Earnings per share

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders, by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjusted for the effects of all diluted potential equity shares.

L Taxation

Tax expense comprises of current and deferred tax.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Current income-tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax is recognized on a prudent basis for timing differences, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax asset is recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such asset can be realised against future taxable income. Unrecognised deferred tax asset of earlier periods are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

a) Disputed Income for Rs. 2,50,82,624/- for assessment year 1996-97 for which the appeal is pending at Kolkata High Court.

M. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

N. Contingent liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the accounts.

Central Excise

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. 19.03 lacs(approx) has been confirmed by Central Excise Department. Department has been requested to adjust the amount against refund claim pending with the department.

ii) Demand of duty of Rs. 182.68 lacs aprox. confirmed by the commissioner C.E. on 10.10.2001, against show cause notice dated 12.12.1985. Appeal petitions filed in Tribunal, Kolkata against the order which is pending, hence subjudice.

iii) Demand of duty of Rs. 20.65 lacs confirmed. Appeal and stay petition filed before the Tribunal Kolkata are pending. Total Contingent liabilities on this account is approx Rs. 232.00 lacs.

NATIONAL PLYWOOD INDUSTRIES LIMITED

Provident Fund

Provident Fund Liabilities is being paid as per agreed stipulated term. Necessary applications were filed with concerned authorities to waive penal interest(s), penalties, damages & other charges on the liability of the company as on 31.03.2013.

Sales Tax-Hosur, Tamilnadu:

Demand of Rs. 345.69 lacs is outstanding against IFST Loan against which a stay has been granted by the Madras High Court.

Sales Tax-West Bengal:

The Sales Tax department has raised several ex-parte demands pertaining to WBST & CST on the Company along with interest and penalty for non submission of forms, way bills and old records from 1995-96 to 2005-06. The Principal Amount demanded is Rs. 1284.72 lacs and Interest Rs. 986.64 lacs. Demands for the year 1995-96 and 1996-97 have been assessed and demands for Rs. 874.77 lacs has been set aside leaving a total liability of Rs. 1396.00 lacs against these demands which are pending before the Appellate & Revision Authorities. Even though the company is hopeful for favourable order(s) in most of the cases, as per Hon'ble BIFR directions a contingent liability of Rs. 1396.00 lacs is being taken on record.

- O In order to bring value to the company and help the company to overcome the crisis pursuant to it becoming sick, the promoter, Late Mr. M. L. Periwal had decided to sell the 'National' brand for Plywood & laminates and other allied products to the company at a cost of Rs. 674.10 lakhs arrived as per Independent report. This justifies the sacrifice is part of the promoter contribution. The company proposes to issue share of the face value of Rs. 10/- each premium of Rs. 5/- per share to acquire the brand at cost. This issues of shares against the value of brand goodwill shall be part of the scheme to be approved by the Hon'ble BIFR pending which the amount shall be kept as current liability in the company as Advances against Brand. This will be distinguished from the other current liabilities and there will not be any compromise on this liability as part of the proposed scheme.
- P The company has entered into a One Time Settlement(OTS) with its secured lenders. On account of the OTS entered into with all the secured lenders (Banks) the company has paid full and final sum of Rs. 1246.78 Lacs in the previous year.
- Q Interest on loans from Banks & Financial Institutions has been provided for a sum of Rs. 85,19,212/- as on 31.03.13. Some Banks and Financial institutions are yet to finalise the waiver on Interest and the respective amount to be paid accordingly in the future.
- R **Provisions**

A provision is recognised when the company has a present, obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

2. Share Capital

a) Share Capital	As at 31st March 2013		As at 31st march 2012	
	Number	Amount (Rs.)	Number	Amount (Rs.)
Authorised				
Equity Shares of Rs. 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of Rs. 10 each	-	-	-	-
Total	25,000,000	250,000,000	25,000,000	250,000,000
Issued, Subscribed & Paid up				
Equity Shares of Rs. 10 each	5,853,750	58,537,500	5,853,750	58,537,500
Preference Shares of Rs. 10 each	-	-	-	-
Total	5,853,750	58,537,500	5,853,750	58,537,500

b) The reconciliation of the Number of Shares Outstanding and the amounts of Share Capital :

Equity Shares

Particulars	Equity Shares	
	Number	Amount (Rs.)
Shares outstanding at the beginning of the year	5,853,750	58,537,500
Shares Issued during the year	-	-
Shares outstanding at the end of the year	5,853,750	58,537,500

c) The details of Shareholders holding more than 5% shares

Equity Shares

Name of Shareholder	As at 31st March 2013		As at 31st march 2012	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Smt. Chandrakanta Periwal	342450	5.85	342450	5.85
Madhulika Periwal	300490	5.13	300490	5.13
Piyush Kumar Periwal	303425	5.18	303425	5.18
Amrex Marketing Pvt. Ltd.	598740	10.23	598740	10.23
Mahendra G. Wadhvani	306000	5.23	306000	5.23
	1,851,105	31.62	1,851,105	31.62

Preference Shares

Name of Shareholder	As at 31st March 2013		As at 31st march 2012	
	No. of Preference Shares held	% of Holding	No. of Preference Shares held	% of Holding
	-	-	-	-
	-	0.00	-	0.00

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

3. Reserve and Surplus

Reserves & Surplus	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
General Reserve		
Opening Balance	85,000,000	85,000,000
Closing balance	85,000,000	85,000,000
Capital Reserve		
Opening Balance	30,755,905	30,755,905
Add : Securities premium credited on share issue	-	-
Closing balance	30,755,905	30,755,905
Investment Allowance Reserve		
Opening balance	867,830	867,830
Add : Additions during the year	-	-
Closing balance	867,830	867,830
Securities Premium Account		
Opening balance	20,365,000	20,365,000
Closing balance	20,365,000	20,365,000
Statutory Reserve		
Capital Subsidy Account	1,500,000	1,500,000
Grant received	2,000,000	2,000,000
	3,500,000	3,500,000
Surplus		
Opening Balance	(924,811,381)	(923,683,970)
Add : Net Profit for the current year	(2,197,368)	(1,127,411)
	(927,008,749)	(924,811,381)
Closing balance	(927,008,749)	(924,811,381)
Total	-786,520,014	-784,322,646

4. Long-term Borrowings

Long-term Borrowings	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
(a) Unsecured		
From Sundry parties	117,370,409	107,733,226
Security Deposits	3,163,546	13,163,546
Others - Sales tax deferred scheme	34,595,749	34,595,749
Total	155,129,704	155,492,521

5. Long-term Provisions

Long-term Provisions	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
Provision for Fringe Benefit Tax A. Y. 2006-07	188,100	188,100
Advance for Brand	67,410,000	67,410,000
Advance from Investors	90,000,000	90,000,000
Unclaimed Dividends 1995-96	86,794	86,794
Share Application - Refund Account	50,165	50,165
Total	157,735,059	157,735,059

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

6. Short-term Borrowings

Short-term Borrowings	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
(a) Secured		
Working Capital Loans		
From Banks		
Rupee Loans	151,824,898	151,824,898
Term Loans	100,979,588	108,956,272
Interest Accrued on Term loan	195,675,400	195,675,400
Temporary overdraft from banks	1,448,621	1,924,730
Total	449,928,507	458,381,300

(a) Working capital is secured by hypothecation of present and future stocks of raw materials, stock-in-process, finished goods, stores & spare parts, books debts and other moveable assets and personal guarantees of some of the directors of the company.

(b) Term loans are partly secured by pari-passu first charge on the fixed assets of the company & personal guarantees of some of the directors of the company and partly by exclusive charge on the specific assets and personal guarantees of the directors.

7. Trade Payables

Trade Payables	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
(a) Due to Micro, Small and Medium enterprises	188,631,382	54,343,900
Total	188,631,382	54,343,900

8. Other Current Liabilities

Other Current Liabilities	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
(a) Payable for expenses	12,273,183	12,136,911
(b) Other Payables	121,175,738	211,325,814
(c) Advance From Customers	47,485,383	53,542,165
Total	180,934,304	277,004,891

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES - 9

SCHEDULE OF FIXED ASSETS AS AT 31ST MARCH, 2013

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	COST AS AT 01.04.2012	ADDITIONS DURING THE YEAR	SALES/ TRANSFER	COST AS AT 31.03.2013	UP TO 31.03.2012	ADJUST- MENTS DURING THE YEAR	FOR THE YEAR	AS AT	AS AT
								31.03.2013	31.03.2012
LAND	RS. 7,43,765	RS. —	RS. —	RS. 7,43,765	RS. —	RS. —	RS. —	RS. 7,43,765	RS. 7,43,765
BUILDING	5,19,39,965	—	—	5,19,39,965	2,99,55,804	—	17,34,795	2,02,49,366	2,19,84,161
PLANT & MACHINERY	19,94,32,151	73,822	—	19,95,05,973	17,96,82,542	—	7,04,441	1,91,18,990	1,97,49,609
VEHICLES	83,55,066	2,00,000	—	85,55,066	77,93,220	—	1,24,884	6,36,962	5,61,846
ELECTRIC FITTINGS	15,06,561	—	—	15,06,561	13,81,792	—	19,700	1,05,069	1,24,769
FURNITURE & FIXTURES	1,01,82,101	13,620	—	1,01,95,721	1,01,82,101	—	146	13,474	—
OFFICE EQUIPMENTS	1,07,92,789	57,276	—	1,08,50,065	1,01,55,389	—	4,40,493	2,54,182	6,37,399
AIR CONDITIONERS	7,11,157	—	—	7,11,157	5,76,781	—	33,567	1,00,809	1,34,376
BRAND GOODWILL	6,74,10,000	—	—	6,74,10,000	—	—	—	6,74,10,000	6,74,10,000
TOTAL	35,10,73,554	3,44,718	—	35,14,18,272	23,97,27,629	—	30,58,026	10,86,32,617	11,13,45,925
WORK IN PROGRESS	25,08,828	43,68,473	—	68,77,301	—	—	—	68,77,301	25,08,828
TOTAL	35,35,82,383	47,13,191	—	35,82,95,574	23,97,27,629	—	30,58,026	11,55,09,918	11,38,54,753
PREVIOUS YEAR	35,31,70,637	4,11,745	—	35,35,82,382	23,66,48,584	—	30,79,045	23,97,27,629	11,38,54,753

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

10 Non-Current Investments

Particulars	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
Investments (Refer below)		
Investment in Equity instruments	100,000	100,000
Others	5,000	5,000
Total	105,000	105,000

Details of Non-Trade

Name of the Body Corporate	No. of shares / Units		Amount (Rs.)	
	2013	2012	2013	2012
(1)	(2)	(3)	(4)	(5)
a. Investment in Equity Instruments Unquoted, fully paid-Long Term Investments				
Periwal Plastics Pvt. Ltd. of Rs. 100 each	1,000	1,000	100,000	100,000
Total			100,000	100,000
b. Others				
Assam Petro Chemicals Ltd. Rs. 10 each	500	500	5,000	5,000
			5,000	5,000
Grand Total			105,000	105,000
Aggregate amounts of Unquoted Investmens			105,000	105,000

11 Long Term Loans and Advances

Long Term Loans and Advances	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
a. Others		
Advance Payment of taxes (Net)	2,619,890	2,396,890
Advance to Others	25,572,503	26,485,514
b. Loans	6,584,256	6,584,256
c. Deposits		
Sundry Deposits	1,982,394	1,889,794
	36,759,043	37,356,454

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

12 Inventories

Inventories	As at 31st March 2013		As at 31st March 2012	
	Quantity	Amount (Rs.)	Quantity	Amount (Rs.)
a) Finished goods (Valued at cost)		32,080,892		33,853,304
b) Work-in-progress		5,466,319		6,297,164
c) Raw Materials		52,954,614		35,932,053
Total		90,501,825		76,082,521

13 Trade - Receivables

Trade - Receivables	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
Trade receivables outstanding for a period more than six months from the date they are due for payment	26,036,309	36,356,982
Unsecured, considered good		
Unsecured, considered Doubtful	1,091,588	1,091,588
Trade receivables outstanding for a period less than six months from the date they are due for payment	116,713,976	95,208,955
Unsecured, considered good		
Total	143,841,873	132,657,525

14 Cash and Cash Equivalents

Cash and Cash Equivalents	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
a. Cash in hand	1,358,151	1,490,531
b. Balances with banks	2,341,379	1,630,839
c. Fixed Deposits with banks	275,480	275,480
Total	3,975,010	3,396,850

(a) Fixed deposits with banks include maturity of more than 12 months

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

15 Short Term Loans and advances

Short-term Loans & Advances	As at 31st March 2013 Amount (Rs.)	As at 31st March 2012 Amount (Rs.)
a. Advance to related Party		
Advance to Related Party	568,540	637,414
b. Others		
Advance to Staff	1,540,845	1,426,680
Advance Against Property	—	—
Advance To Others	—	—
Advance Payment of taxes (Net)	—	—
Balance with Govt. Authorities	11,574,388	11,655,327
Accrued Interest on Fixed Deposits	—	—
c. Deposits		
Sundry Deposits	—	—
Total	13,683,773	13,719,421

16 Revenue from Operations

Particulars	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Sale of Products		
Gross Sale	341,367,485	324,719,247
Less : Excise duty	9,445,501	12,233,668
Drawback on Export Sale	—	—
Total	331,921,984	312,485,579

17 Other Income

Other Income	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Other Income	9,410,555	—
Excise Duty refund	—	—
Sundry Balance written off	4,248	1,041
Liabilities/Creditors no longer payable W/Back	—	—
Interest on Fixed Deposits	—	545,532
Interest from others	—	4,577
Total	9,414,803	551,150

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

18 Cost of material Consumed

Cost of material Consumed	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Consumption of - Raw Materials	76,815,336	108,573,987
Total	76,815,336	108,573,987

19 Changes in Inventories of Stock-in-Trade

Changes in Inventories of Stock-in-Trade	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Closing Stock of Finished/trading items	44,982,707	33,853,305
Less : Opening Stock of Finished/trading items	33,853,304	35,213,481
Total	11,129,403	(1,360,176)

20 Employee Benefits Expenses

Employee Benefits Expenses	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Salaries, bonus and leave pay	16,810,671	18,222,550
Contribution to Provident Fund and Others Fund	1,077,097	1,256,102
Staff Welfare expenses	127,004	235,593
Total	18,014,772	19,714,245

21 Financial Expenses

Financial Expenses	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Interest To Bank	589,878	448,643
Total	589,878	448,643

22 Depreciation and Amortisation Expenses

Depreciation and Amortisation Expenses	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Depreciation and Amortisation	3,058,026	3,079,045
Total	3,058,026	3,079,045

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

23 Other Expenses

Other Expenses	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Manufacturing, Administrative & Selling Expenses		
Stores and Spares Consumed	1,858,553	994,602
Packing & Forwarding Charges	7,449,392	3,737,895
Repair to Plant & Machinery	746,477	408,382
Repair to Building	64,156	—
Repair to Others	32,529	51,084
Payments to Auditors	35,000	35,000
Power & Fuel	5,085,472	4,910,822
Brokerage & Commission	—	—
Miscellaneous Expenses	4,134,431	2,902,801
Vehicle Maintenance Expenses	213,282	269,094
Rates & taxes	35,682	84,140
Insurance	244,781	212,908
Rent (Office & Godown)	1,466,678	1,130,817
Sampling Charges	718,037	421,944
Sales Tax	13,492	99,433
Value of Fixed Asset Discarded	—	—
Total	22,097,962	15,258,922

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

24 Payment to auditor

Payment to auditor	For the year ended 31st March 2013 Amount (Rs.)	For the Year ended 31st March 2012 Amount (Rs.)
Statutory audit	35,000	35,000
Total	35,000	35,000

25 Disclosure of related party transactions (as identified & certified by the management) :

As per Accounting Standard-18 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India, the names of the related parties are given below :

(a) Key Management

- (a) Shri Piyush Periwal Vice Chairman & Managing Director
- (b) Shri Vijay Kumar Periwal Director
- (c) Shri N. G. Paul Director

(b) Enterprise owned or significantly influenced by Key Management Personnel and their relatives

(c) Relatives/Associate Concern

- M/s Hazarimal Laxminarayan (Unsecured Loan)
- National Boards Ltd. (Other Current Liabilities)
- Hanutram Ramchander (Advances)
- M/s Plynex (Other Current Liabilities)
- National Boards Ltd. (Advances)

(d) Transaction with related parties during the year and year end outstanding balance thereof are as follows :

Nature of Transactions	Amount in Rs.				
	Associate/ Joint Venture Concerns	Enterprise owned or Significantly Influenced by Director and their relatives	Key Management Personnel	Relatives	Total
Particulars	Amount (Rs.)				Amounts (Rs.)
Unsecured Loan	29,134,467		Shri P. Periwal		29,134,467
Other current liabilities	2,074,169		Shri P. Periwal		2,074,169
Advances	568,540		Shri P. Periwal		568,540

Note :

The above transactions do not include reimbursement of expenses made / received during the year.

Previous year figures are in the brackets.

NATIONAL PLYWOOD INDUSTRIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENT

26 Earning per share (EPS)

Particulars		For the year ended 31st March 2013	For the Year ended 31st March 2012
Profit after tax	Rs.	(2,197,368)	(1,127,411)
Weighted average number of Equity Shares outstanding during the year	Nos.	5,853,750	5,853,750
Nominal value of equity per share	Rs.	10	10
Basic earning per share (EPS)	Rs.	-0.38	-0.19

27 To make regular monthly Contribution to Various Provident Funds which are in the nature of defined Contribution schemes and such paid/payable amount are charged against revenue. To administer through duly constituted and approved independents trusts, various gratuity and pension funds, which are in the nature of defined benefit/contribution schemes. To determine the liabilities towards such schemes as applicable by an independent actuarial valuations as per the requirements of Accounting.

28 Micro, Small and Medium Enterprises

There are Micro, Small & Medium enterprises, to whom the Company owes dues, which are outstanding as at 31st March 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

29 In the opinion of the Board of Directors, the Current Assets, Loans & Advances are approximately of the value stated in accounts, if realised in ordinary course of business, unless otherwise stated. The provision for all known liabilities is adequate and not in excess/short of the amount considered reasonable/necessary.

30 Balances of some of the Sundry creditors, Loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The management however is of the view that there will be no material discrepancies in this regard.

31 Historically, the company's investment in unquoted shares has been done with a view to hold them for long term and thereby earn capital gains, since dividend payout on such investments has generally been nil. The aforesaid policy has been taken into consideration while computing the provision for income-tax as applicable.

NATIONAL PLYWOOD INDUSTRIES LIMITED

- 32 The financial statements for the year ended 31st March, 2013 had been prepared as per the then applicable pre-revised Schedule VI to the Companies Act, 1956, Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2013 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's notifications.
- 33 Figures in the bracket relate to previous year.
- 34 Figures have been rounded off to nearest rupee.

As per our report of even date attached

For JHUNJHUNWALA & COMPANY
Chartered Accountants
Firm Registration No. 302169E

CA. R. K. JHUNJHUNWALA
Proprietor
Membership No. 006604
Kolkata, Dated 30th May, 2013

P. PERIWAL
Vice Chairman & Managing Director

N. G. PAUL
Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31.03.2013	For the year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	(21,97,368)	(11,27,411)
Adjustments for :		
Depreciation	30,58,026	30,79,045
Loss/(Profit) on Sale of Fixed Assets	—	—
Interest	5,89,878	4,48,643
Interest written back for earlier year	—	—
Operating Profit before Working Capital changes	14,50,536	24,00,277
Adjustments for :		
Trade and other Receivables	(3,83,46,689)	(2,88,27,931)
Inventories	47,72,418	24,83,689
Trade payables	85,88,741	1,40,35,827
Investments	—	—
Term Loan	15,39,658	15,39,658
Working Capital Loan from bank	—	—
OTS Settlement	—	—
Preliminary Expenses	—	—
Cash generated from operations	(2,19,95,336)	(83,68,480)
Income Tax refund	—	—
Income Tax paid	—	—
Wealth Tax paid	—	—
Net Cash Flow from Operating Activities (A)	(2,19,95,336)	(83,68,480)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Income	—	—
Purchase of Fixed Assets	(47,13,191)	(4,11,745)
Sale of Fixed Assets	—	—
Sale of Share	—	—
Net Cash Flow in Investing Activities (B)	(47,13,191)	(4,11,745)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Grant Received		
Proceeds from Long Term Borrowings	4,27,48,825	3,40,06,000
Decrease/Increase in Financial Lease Liability	(1,48,72,260)	(2,32,47,505)
Interest paid	(5,89,878)	(4,48,643)
Net Cash Flow from Financing Activities (C)	2,72,86,687	1,03,09,852
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	5,78,160	15,29,627
Cash and Cash equivalents as on 01.04.2012	33,96,850	18,67,223
Cash and Cash equivalents as on 31.03.2013	39,75,010	33,96,850

Kolkata

Dated 30th May, 2013

P. PERIWAL

Vice Chairman & Managing Director

N. G. PAUL

Director

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of NATIONAL PLYWOOD INDUSTRIES LIMITED for the year ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirements of clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the books and records of the Company and also the Statement of Profit and Loss Account and Balance Sheet covered by our report of even date to the members of the Company.

For JHUNJHUNWALA & COMPANY

Chartered Accountants

Firm Registration No. 302169E

Kolkata

Dated 30th May, 2013

R. K. JHUNJHUNWALA

Proprietor

Membership No. 006604

National Addresses

Head Office

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

Registered Office :

MAKUM PATHAR, MARGHERITA - 786187

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Branches & Offices

Bangalore ● Bhubaneswar ● Mumbai ● New Delhi ● Guwahati.