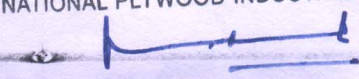
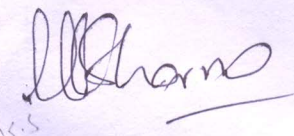


**FORM B**

**(Clause 31(a) of Listing Agreement)**

**Format of covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company	National Plywood Industries Limited
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2014.
3.	Type of Audit Observation	No Qualifications observed
4.	Frequency of observation	One observation repeated
5.	Additional comments from the Board/Audit Committee Chairman	As per disclosures made in the Annual Report
6.	To be signed by –	
	<ul style="list-style-type: none"> <li>CEO/Managing Director</li> </ul>	<p align="center">For NATIONAL PLYWOOD INDUSTRIES LTD.</p>  <p align="center">Vice Chairman &amp; Managing Director</p>
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	The Company does not have CFO.
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	<p align="center">For JHUNJHUNWALA &amp; CO</p> <p align="center">R. K. Hwals.</p> <p align="center">(R. K. Jhunjunwala, Proprietor M.N. 006604.</p>



**NATIONAL PLYWOOD INDUSTRIES LTD**

**(CIN: L20211AS1973PLC001856)**

**DIRECTORS' REPORT – 2013-14:**

**DIRECTORS' REPORT TO THE MEMBERS:**

The Directors' have pleasure in presenting herewith their 39th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2014.

**Reports: Financial**

<u>Particulars</u>	<u>2013-14</u> <u>(Rs.)</u>	<u>2012-13</u> <u>(Rs.)</u>
Revenue from Operations (Gross)	44,74,45,300	34,13,67,485
Less: Excise Duty & Sales Tax	<u>1,72,61,167</u>	<u>94,45,501</u>
Revenue from Operation (Net)	43,01,84,133	33,19,21,984
Add: Other Income	<u>23,89,204</u>	<u>94,14,803</u>
<b>Total Revenue</b>	<b>43,25,73,337</b>	<b>34,13,36,787</b>
Less : Total Expenses	<u>43,21,84,151</u>	<u>34,04,76,129</u>
Profit / (Loss) before Depreciation	3,89,186	8,60,658
Add / (Less) Depreciation	<u>(26,52,603)</u>	<u>30,58,026</u>
Profit / (Loss) before Tax	(22,63,417)	(21,97,368)
Less / Add: Provision for Income Tax	-----	-----
Add: Income Tax adjustment for earlier years	-----	-----
Profit / Loss after Tax	(22,63,417)	(21,97,368)
Debit Balance Brought-forward from previous year	(92,70,08,749)	(92,48,11,381)
Profit / (Loss) available for Appropriation	(92,92,72,166)	(92,70,08,749)
Loss: Carried to Balance-sheet	(92,92,72,166)	(92,70,08,749)

**DIVIDEND:**

In view of the continuous losses incurred, your Directors are unable to recommend any dividend for the year under review.

**OPERATIONS:**

The Company has achieved higher turnover of Rs.43,25,73,337 which is higher by 26.3% from that of the previous year despite the market being very competitive.

**PROSPECTS & FUTURE GROWTH:**

Considering the increase in the construction, building and infrastructure sectors, a steady growth is envisaged for this industry. Commercial production from the Company's Margherita Unit will start very shortly which will lead to increase in the turnover of your Company.

**QUALITY MANAGEMENT:**

The Company's commitment to high standards of quality and on time delivery continues against competitive price pressure.

**ENVIRONMENT, HEALTH AND SAFETY:**

The Company is committed to the high level of safety, health and environment for all its stake holders, employees, customers, vendors, business associates and neighborhood.

NATIONAL PLYWOOD INDUSTRIES LTD.  
CIN: L20211AS1973PLC001856  
REPORT ON CORPORATE GOVERNANCE (2013-14)

The Directors' present Company's Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchange for the year ended 31st March, 2014

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company has adopted a principle of good and ethical Corporate Governance in line with the requirement of Clause – 49 of the Listing Agreement with the Stock Exchange(s). As a part of its growth strategy, the Company believes in adopting the best practices that are followed in the area of Corporate Governance. The Company's philosophy of corporate Governance is to achieve business excellence by enhancing the Long term welfare of all its Stakeholders

BOARD OF DIRECTORS:

The Board of Directors is the apex authority who is managing the Company. The Board acts as the nerve centre of the organization. In addition to reviewing and approving, the specific corporate policies and actions as required by law (e.g. approval of accounts, declaration of dividends etc), it is actually involved in reviewing and guiding corporate strategy and major plans of action, monitoring implementation of plans and corporate performance, ensuring the integrity of the Company's accounting and financial reporting systems and over viewing compliance with all applicable legislations to the business.

The Composition of the Board are given below:

Name of Director	Category	DIN	No. of other Directorship		No. of Outside Committees.	
			Public	Private	Member	Chairman
Sri P. Periwal	Promoter, Executive, Chairman & Managing Director	00698796	1	-	2	1
Sri V. K. Periwal	Promoter, Non-Executive Director	00705848	-	-	-	-
Sri N. G. Paul	Executive Director	01576982	-	1	-	-
Sri V. K. Sharma	Non-Executive Director	05180005	-	-	-	-

None of the Directors of the Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees as per Clause – 49 (IV) (B) of the Listing Agreement, across all Companies in which he is a Director.

MEETING:

During the period from 1st April, 2013 to 31st March, 2014, 4 (Four) meetings of the Board of the Directors were held as under –

May	30/05/2013
July	30/07/2013
October	30/10/2013
January	30/01/2014



Name of Director	No. of Board Meeting		**Sitting Fees Paid	Attendance at the last AGM	Commission Paid.
	Held	Attended			
Sri P. Periwal	4	4	No	Yes	Nil
Sri V.K.Periwal	4	0	No	No	Nil
Sri N. G. Paul	4	4	Yes	Yes	Nil
Sri V.K.Sharma	4	4	Yes	Yes	Nil

#### **BOARD PROCEDURE:**

The meetings of the Board of Directors are scheduled well in advance and are generally held at the Head Office of the Company. A detailed agenda is prepared and circulated to the Directors in advance for meeting. This enables the Board to discharge its responsibilities effectively to take good decisions. The draft minutes of the Board and Audit Committee Meetings approved by the Chairman of the Meetings are circulated to all the Directors. The information generally provided to the Board for its consideration and approvals include –

- (i) Minutes of the proceeding of the meetings of the Board & Audit Committee,
- (ii) Confirmation of Circular Resolutions, if any,
- (iii) Quarterly, half yearly & annual financial results of the Company and performance report on the working
- (iv) Annual Budget & performance targets,
- (v) Appointment of statutory, cost and internal auditors
- (vi) Appointment of Key Management personnel,
- (vii) Issues relating to shareholders, i.e. issue of duplicate share certificates etc,
- (viii) Review of foreign exposures and exchange rate movement, (if material),
- (ix) Contracts in which Director(s) are interested or deemed to be interested,
- (x) Defaults in payment of statutory dues, if any,
- (xi) Matters requiring statutory / board approvals,
- (xii) Status on compliance of any regulatory or statutory nature or listing requirement,
- (xiii) Issue / revocation of Powers of Attorney,
- (xiv) Disclosures of interest, if any
- (xv) Compliance of various laws and accounting standards,
- (xvi) Any remarks / observances / findings made by the statutory and internal auditors of the Company,
- (xvii) Development in respect of Human Resources,
- (xviii) Making of loans and investment of surplus funds,
- (xix) Status of business risk exposures, its management & mitigation,
- (xx) Execution of bank / stock / mortgage documents/authority for opening of banking accounts,
- (xxi) All Policy related matters.

#### **\*\*\*COMMITTEE OF THE BOARD :**

The Company follows the procedures and practices in conformity with the code of Corporate Governance and terms thereof, the Board has constituted the following committees –

#### **AUDIT COMMITTEE:**

The scope of the activities of the Audit Committee is as set out in Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are broadly as follows:

- a. To review compliance with internal control systems;
- b. To review the findings of the Internal Auditor relating to various functions of the Company;
- c. To hold periodic discussions with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
- d. To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- e. To make recommendations to the Board on any matter relating to the financial management of the



- Company, including Statutory & Internal Audit Reports;
- f. Recommending the appointment of cost auditors and statutory auditors and fixation of their remuneration.
- g. Review of Cost Audit Report.
- h. Reviewing the Company's financial and risk management policies.

Four meetings of the Audit Committee were held during the Financial Year 2013-14 on 30/05/2013, 30/07/2013, 30/10/2013 and 30/01/2014.

The composition of the Audit Committee and the details of meetings attended by the Directors are given below:

Name of Director	Category.	No. of Audit Committee Meetings	
		Held	Attended
Sri V. K. Sharma	Chairman, Non-Executive Director	4	4
Sri P. Periwal	Member, Executive Director	4	4
Sri N. G. Paul	Member, Executive Director	4	4

Sri L. K. Surolia, Member, has resigned from the Audit Committee and Sri S. K. Jain, Compliance Officer, of the Company will be the Secretary of the Audit Committee. The Terms of reference of this committee cover the matters as listed under Clause 49 of the Listing Agreement with the Stock Exchange(s).

**\*\*MEETING FEES FOR THE ATTENDING DIRECTORS:**

The Company has paid to the Directors Rs.1,500/- as the sitting fees for attending each meeting of the Board and Rs.1,500/- for attending each meeting of the Audit Committee.

**REMUNERATION COMMITTEE:**

A Committee of Directors comprising of Sri V. K. Sharma, Sri V. K. Periwal and Sri P. Periwal has been formed in terms of reference of remuneration, compensation for the purpose of recommending of the Executive Director, Senior Executives' remuneration / revision / merit increment and related matters. The Committee met once during the financial year 2013 -14 on 31st January, 2014 and all the members of the Committee attended the meeting. Remuneration of the other directors of the company to be decided by the board of directors. No sitting fees are payable for the meetings of this committee.

**SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE :**

The Composition of the Shareholders / Investors' Grievances Committee as on 31st March, 2014 is as under

- Sri V K Sharma – Chairman, Non- Executive Director
- Sri P. Periwal – Member, Executive Director
- Sri N. G. Paul – Member, Executive Director

The Committee meets as often it needed. No sitting Fees are payable for the meetings of this committee. In accordance with the authority granted by the Board / Share Transfer Committee, Sri S.K.Jain, Compliance Officer, deals with the following matters concerning shareholders on monthly basis –

- Φ Transfer / Transmission of Physical Shares,
- Φ Split / Sub-Division, Consolidation and duplicate share certificates of physical shares as approved by the Board & Re-materialization of shares.

M/s. Maheshwari Datamatics Pvt Ltd., Registrar & Share Transfer Agent, deal with the matters relating to shares, whether physical or in demat form and dividends, if any. The communications received from the shareholders are generally pertaining to change of address, non-receipt of dividend warrants, annual reports, bank mandates, revalidation of dividend warrant / consolidation / split / remat / transmission of shares etc., these have been addressed and redressed to the satisfaction of the shareholders by Registrar & Share Transfer Agents.



There was neither any un-attended nor pending investor grievance as on 31st March, 2014.

The Board has consented to the understanding that complaints of non-receipt of Dividend and Annual Reports are not to be treated as complaints under Clause – 49 (G) (iii), as the Company's liability is discharged when the relevant articles are posted at the last known address of the investor. However, as an investor friendly measure, all such cases, the letters received from the investors are being serviced promptly in addition to the responsibility under clause – 49 of the Listing Agreement.

The Company has authorized the services of a Practising Company Secretary to deal independently verify and audit the share transfer records and Register of members every quarter at the office of the Registrar & Share Transfer Agents. No significant non-compliance from the established procedures is reported by them.

**\*\*\*Note : The Board of Director is in the process to reconstitute the Composition of Board and Committees as per the requirement of Clause 49 of the Listing Agreement.**

#### **CODE OF CONDUCT**

In order to comply with the SEBI regulations, the Company has laid down the code of conduct for prevention of Insider-Trading Practices for its management and staff. The Code lays guidelines, which advises the Board of Directors and Designated Senior Management Personnel of the company on procedures to be followed and disclosures to be made while dealing with shares of the company and cautioning them of the consequences of violations.

#### **DETAILS OF ANNUAL GENERAL MEETINGS:**

The last three Annual General Meetings (AGM) were held as under –

Financial Year	Date	Time	Location At: Registered Office of the Company.
2010-11	29/09/2011	12.30 PM	Makum Pathar, Margherita, Tinsukia, Assam
2011-12	28/09/2012	2.30 PM.	Do
2012-13	27/09/2013	2.30 PM	Do

No Special Resolution was passed in the aforesaid Annual General Meeting as well through Postal Ballot. For the Financial Year 2013-14, Annual General Meeting of the Company will be held on 29/09/2014 at 2.30 PM at the Registered Office of the Company at P.O. Makum Pathar, Margherita, Assam.

#### **DISCLOSURES:**

- A) The Company did not have any related party transactions which may have potential conflict with the interest of the Company at large. However, related party transactions have been disclosed under Note No. 25 to the accounts for the year under review.
- B) There were no instances of non-compliance and no penalties / strictures have been imposed / passed by The Stock Exchange(s), SEBI or any other statutory authority during last three years on any matter related to the capital markets.

#### **GENERAL SHAREHOLDER INFORMATION:**

Annual General Meeting will be held on :

Date : 29th September, 2014,

Time: 2.30 PM,

Venue : Registered Office of the Company at P.O. Makum Pathar, Margherita, Tinsukia, Assam.

#### **FINANCIAL CALENDAR:**

Financial Year	1st April, 2014 to 31st March, 2015
First Quarter Results	By 30th July, 2014
Second / Half Yearly Results	By 30th October, 2014
Third Quarter Results	By 30th January, 2015



Fourth Quarter/Audited	By 30th May, 2015
Registrars & Share Transfer Agent	M/s. Maheshwari Datamatics Pvt. Ltd. (2nd Floor), 6, Mangoe Lane, Kolkata-700001.
Dividend Payout Date	N. A.
Dates of Book Closures	25 <sup>th</sup> September, 2014 to 29 <sup>th</sup> September, 2014 (both days inclusive)
Listing on Stock Exchanges	BSE, CSE, Guwahati Stock Exchange*
Demat ISIN Number for N.S.D.L. & C.D.S.L.	INE497C01016
Corporate Identity Number (CIN)	L20211AS1973PLC 001856.

\*The management is taking steps to delist the shares from the Guwahati Stock Exchange, as they have asked for delisting due to their de-recognition from SEBI.

**PAYMENT OF LISTING FEES:** The Company has not paid listing fees for the financial year 2014-15 to the Stock Exchange(s) where the securities of the company is listed.

**DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2014:**

No. of Equity Share	No. of Shareholders	Percentage (%) of Shareholders	No. of Shares held	Percentage (%) of Shareholding
Upto 500	5036	90.7714	1052599	17.9816
501 – 1000	308	5.5516	261561	4.4683
1001 – 2000	109	1.9647	169950	2.9033
2001 – 3000	27	.4867	67600	1.548
3001 – 4000	7	.1262	25100	.4288
4001 – 5000	11	.1983	53300	.9105
5001 10,000	13	.2343	82000	1.4008
10,000 and above	37	.6669	4141640	70.7519
<b>TOTAL</b>	<b>5548</b>	<b>100.0000</b>	<b>5853750</b>	<b>100.0000</b>

Particulars	No. of Shares	Share (%)
<b>Promoters' Holding</b>		
- Promoters	30,86,680	52.73%
<b>Non-Promoters' Holding</b>		
- Non-Promoters	2,07,260	3.54%
<b>Public</b>		
- Others	25,59,810	43.73%
<b>Total</b>	<b>58,53,750</b>	<b>100.00%</b>

**SHARE TRANSFER SYSTEM:**

Shares in Physical Forms are processed by the Registrars and Share Transfer Agents within 15 (fifteen) days from the date of receipt. If the documents are complete in all respects they are forwarded to the Company for approval of the shareholders / investors' Grievance Committee. The Committee approves the same within 15 (fifteen) days of receipt from the Registrars and returns to the Registrars for onward transmission to the concerned shareholders.

**PLANT LOCATION :**

- 1) At Hosur: Thally Road, Kalukondapally – 635 114, Tamilnadu.
- 2) At Margherita: Makum Pathar, Margherita – 786 187, Dist.: Tinsukia, Assam.

**ADDRESS FOR COMMUNICATION :**

Shareholders may communicate for all matters relating to the share transfer / duplicate share certificate for dematerialization of shares and any other query relating to shares of the Company with



**i) REGISTRAR AND SHARE TRANSFER AGENT:-**

MAHESHWARI DATAMATICS PVT LTD.,  
SECOND FLOOR, 6, MANGO LANE,  
KOLKATA – 700001.

PHONE: 033-2243-5029/5809

E.MAIL ID: [mdpl@cal.vsnl.net](mailto:mdpl@cal.vsnl.net)

**ii) COMPLIANCE OFFICER OF THE COMPANY:-**

SRI S. K. JAIN, COMPLIANCE OFFICER,  
NATIONAL PLYWOOD INDUSTRIES LTD,  
5, FANCY LANE, KOLKATA – 700001, PHONE :033-2248-0116/0117.  
E.MAIL ID: [sk.jain@nationalplywood.net](mailto:sk.jain@nationalplywood.net)

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**DECLARATION**

I, Piyush Periwal, Vice-Chairman & Managing Director of the Company NATIONAL PLYWOOD INDUSTRIES LIMITED, hereby declare that all the Members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2014.

Place: Kolkata

Date : 30th May, 2014

PIYUSH PERIWAL

Vice-Chairman & Managing Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

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**CEO / CFO CERTIFICATION.**

As required by sub-clause – V of Clause – 49 of the Listing Agreement with the Stock Exchanges, we have certified to the Board that for the financial year ended 31st March 2014, the Company has complied with the requirements of the said sub-clause.

for NATIONAL PLYWOOD INDUSTRIES LTD.

P. Periwal

Vice-Chairman & Managing Director

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULE OF FIXED ASSETS 31ST MARCH, 2014

NOTES-9

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	COST AS AT 01.04.2013 Rs.	ADDITION DURING THE YEAR Rs.	SALES/ TRANSFER Rs.	TOTAL COST AS AT 31.03.2014 Rs.	UP TO 31.03.2013 Rs.	ADJUSTMENT DURING THE YEAR Rs.	FOR THE YEAR Rs.	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
LAND	743765	-	-	743765	-	-	-	743765	743765
BUILDINGS	5193965	-	-	5193965	31690599	-	1646497	18602869	20249366
PLANT & MACHINERY	199505973	3221226	-	202727199	180386983	-	523862	21816354	19118990
VEHICLES	8555066	0.00	-	8555066	7918104	-	173225	463737	636962
ELECTRIC FITTINGS	1506561	-	-	1506561	1401492	-	39400	65669	105069
FURNITURE & FIXTURES	10195721	-	-	10195721	10182247	-	1294	12180	13,474
OFFICE EQUIPMENTS	10850065	229590	-	11079655	10595882	-	138899	344873	254182
AIR CONDITIONERS	711157	38734	-	749891	610348	-	129426	10117	100809
BRAND GOODWILL	67410000	-	-	67410000	-	-	-	67410000	67410000
TOTAL ----->	351418273	3489550	-	354907823	242785655	-	2652603	109469563	108632617
WORK IN PROGRESS	6877301	1051998	-	17397299	-	-	-	17397299	6877301
TOTAL ----->	358295574	14009548	-	372305122	242785655	-	2652603	126866862	115509918
PREVIOUS YEAR	353582383	4713191	-	358295574	239727629	-	3058026	115509918	115509918



# National Plywood Industries Limited

Head Office : 5, Fancy Lane, Kolkata – 700 001, Phones : 033-2248 0116/17  
Fax : 033-2248 1246, Email : [info.npil.ho@nationalplywood.net](mailto:info.npil.ho@nationalplywood.net), Web : [www.nationalplywood.net](http://www.nationalplywood.net)

## Full and Complete Address of the branches including H.O.

- 1) Head Office : 5, Fancy Lane(7th Floor), Kolkata-700001,  
Phone: (033) 2248-0116/0117. Fax: (033) 2248-1248,  
E.Mail : [info.npil.ho@nationalplywood.net](mailto:info.npil.ho@nationalplywood.net)
- 2) Registered office : Makum Pathar – 786 187, Margherita,  
& Factory. (P.U.) Dist.: Tinsukia (Assam).  
Ph.(03751) 220133, Fax.(03751) 222044,  
E.Mail. [ngp.npi@hotmail.com](mailto:ngp.npi@hotmail.com)
- 3) Bangalore Branch : 45, Race Course Road, Industry House, Bangalore – 560 001.  
Ph.: ((080) 2225-9527. Fax: (080) 2225-1520.  
E.Mail. [info.npil.blr@nationalplywood.net](mailto:info.npil.blr@nationalplywood.net)
- 4) Hosur Factory : 215/2, Hosur-Thally Road, Kalukondapally – 635 114,  
(Laminate Divn.) Tamil Nadu. Ph.: (04347) 233592, 233064.  
Fax. (04347) 233408.
- 5) Delhi Office : 69, Deshbandhu Gupta Road, Pahargunj, Delhi – 110 055,  
Fax: (011) 23617100, Ph.(011) 2361-7105/2362-8001.  
E.Mail [info.npil.delhi@nationalplywood.net](mailto:info.npil.delhi@nationalplywood.net)
- 6) Mumbai Office : “Pydhonie”, 39, Abdul Rehman Street, Mumbai – 400003.  
Ph.(022) 2343-2058, 2341-1212, Fax: (022) 2340055.  
E.Mail : [naresh25@gmail.com](mailto:naresh25@gmail.com)

For National Plywood Industries Ltd

*Naresh*  
Authorised Signatory

**HUMAN RESOURCE MANEGMENT:**

Focused human resource (H.R) initiatives are being taken for training and development.The relations between the employees and the management continues to remain cordial.

**DIRECTORS:**

In terms of the relevant provisions of Articles of Association of the Company and the Companies Act 1956, Sri N G Paul, Director, will retire by rotation and being eligible offers himself for reappointment.

In terms of provisions of Sections 149,150,152 and other applicable provision of the Companies Act 2013 and the rules prescribed there under, the non-retiring Independent Directors shall be appointed with effect from the date of ensuing Annual General Meeting i.e. 29/09/2014 . To comply with these provisions Sri Abhijit Sarkar and Sri Brij Gopal Jaju, were appointed as independent directors for a period of 5 (five) years and they will retire thereafter. Miss Malvika Periwal has been appointed as a Lady Director in the board in terms of Listing Agreement, and recent changes in the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures,
- 2) 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 31,2014 and of the loss for the year ended on that date,
- 3) To the best of their knowledge ability, and proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with applicable provisions of the company act 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ,if any,
- 4) The annual accounts have been prepaid on a going concern basis,

**SECURED LOANS:**

The Company has paid in full a sum of Rs. 1246.78 Lacs as principal and a sum of Rs.1,48,62,284/- i.e. Rs.148.62 Lacs towards total interest. The Promoters have paid a sum of Rs. 93.10 Lacs towards purchase of shares as per the directions of BIFR from SASF, STANDARD CHARTERED BANK, SBI & STATE BANK OF MYSORE. No dues Certificate have been received from SCB, SBI, and SBM. The company awaits NOC from SASF.

**INFORMATION PURSUANT TO SECTION 217 OF THE ACT 1956:**

The information required under section 217 (2A) of the 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.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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 – 1.

STATUTORY AUDITOR:

The Members are requested to appoint the Auditors for the current year and fix their remuneration. M/s. JHUNJHUNWALA & CO., Chartered Accountants, having Firm Registration No. 302169E, Kolkata, the existing Auditors' of the Company have furnished the Certificates of their eligibility for re-appointment under Section 141 of the Companies Act, 2013 (Corresponding Section 224 of the Companies Act, 1956).

CORPORATE GOVERNANCE:

In terms of the Listing Agreement ,a report on Corporate Governance along with the Auditors' Certificate on its compliance is annexed which is forming part of the Annual Report.

APPRECIATION :

Your Directors' place on record their appreciation of the continued support, co-operation and assistance from our Shareholders, Customers, Suppliers, Employees and Employees' Union and other business associates including various Central and State Government Agencies and Bankers.

Head Office:  
5, Fancy Lane (7th Floor),  
Kolkata – 700 001.

On Behalf of the Board of Directors'

Date : May 30, 2014.

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

**Annexure Form A ( See Rule -2 )****A. Power and Fuel Consumption****Current Year**      **Previous Year**  
**2013-14 (in Rs.)**      **2012-13 (in Rs.)**

1. Electricity		
(a) Purchased (Units)	554464	287321
Total Amount (Rs.)	4155358	2281978
Rate / Unit	7.49	7.94
(b) Own Generation through Diesel Generator		
Units ( Litres)	37190	22500
Units per litre of Diesel Oil	3.00	3.40
Total Units of Power	111548	76452
Total Amount (Rs.)	2091892	1151652
Cost per Unit	18.75	15.06
2. Furnace Oil	0	0
Quantity (K.Litres)	0	0
Total Amount (Rs.)	0	0
Average rate per Litre	0	0
2(a) Wood		
Quantity (M.Tons)	480	436
Total Amount (Rs.)	1728232	1526427
Average rate per Ton	3600	3500

**B. Consumption per unit of Production**

Decorative Laminated Boards (Nos.) Total Prodn.	423527	240845
Electricity ( Unit / Unit of Prodn. )	1.57	1.19
Furnace Oil ( Ltr / Unit of Prodn. )	---	---
Wood ( Kgs./ Unit of Prodn. )	1.13	1.81



## AUDITOR'S REPORT

To the Members of

National Plywood Industries Limited.

We have audited the accompanying financial statements of National Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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.

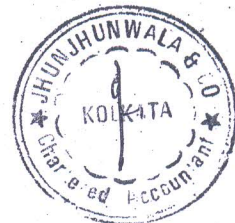
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform 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 judgment, 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 March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit and loss for the year ended on that date; and



- 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 account as required by law have been kept by the Company so far as appears from our examination of those books
  - c) the Balance Sheet, Statement of Profit and 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, 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-700001

Place: kolkata

Date: 30<sup>th</sup> May'2014

For JHUNJHUNWALA and Co.

**Chartered Accountants**

FRN: 302169E

✓ *R.K. Hunwala*

CA R.K.JHUNJHUNWALA

**Proprietor**

Membership No. : 006604



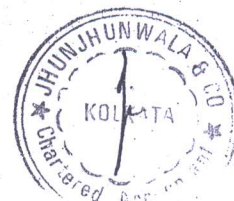


## ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of National Plywood Industries Limited. on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

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 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.  
  
(e) 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.

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 31<sup>st</sup> of March, 2014 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 which 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 in 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 Company.
14. According to 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 an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, 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-700001

Place: kolkata

Date: 30<sup>th</sup> May'2014

For JHUNJHUNWALA and Co.

**Chartered Accountants**

FRN: 302169E

✓ R.K.H. Wala

CA R.K.JHUNJHUNWALA

**Proprietor**

Membership No. : 006604



AUDITORS REPORT ON CORPORATE GOVERNANCE  
To the Shareholders of NATIONAL PLYWOOD INDUSTRIES LIMITED.

We have examined the compliance of conditions of Corporate Governance by NATIONAL PLYWOOD INDUSTRIES LTD for the year ended 31st March, 2014 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 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, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

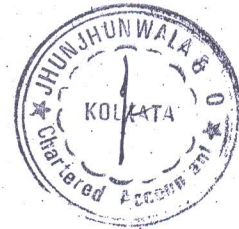
We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

✓ *R. K. JhunJhunwala*

( R. K. JHUNJHUNWALA )  
Proprietor  
Membership No. 006604.

Place : Kolkata  
Date : 30th May, 2014





M/s NATIONAL PLYWOOD INDUSTRIES LIMITED

Statement of Profit and Loss for the year ended 31.03.2014

(Amount in Rs)

Particulars	Note	For the year ended 31st March 2014	For the year ended 31st March 2013
I. Revenue from operations	16	430,184,133	331,921,984
II. Other income	17	2,389,204	9,414,803
<b>III. Total Revenue (I + II)</b>		<b>432,573,337</b>	<b>341,336,787</b>
IV. Expenses:			
Cost of material Consumed	18	134,085,605	76,815,336
Purchase of Stock -in-trade		242,025,682	234,087,584
Changes in inventories of stock-in-Trade	19	-2,847,132	-11,129,403
Employee benefits expense	20	25,546,276	18,014,772
Financial Expenses	21	637,688	589,878
Depreciation and Amortisation Expenses	22	2,652,603	3,058,026
Other expenses	23	32,736,032	22,097,962
Total expenses		434,836,754	343,534,155
<b>V Profit before tax</b>		<b>-2,263,417</b>	<b>-2,197,368</b>
VI Tax expense:			
(1) Current tax		-	-
(2) Income Tax adjustment for earlier year		-	-
<b>VII Profit (Loss) for the period (V - VI)</b>		<b>-2,263,417</b>	<b>-2,197,368</b>
VIII Earnings per equity share:			
(1) Basic	26	-0.39	-0.38
(2) Diluted	26	-0.39	-0.38

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

1  
2 to 34

For JHUNJHUNWALA & CO  
Chartered Accountants  
Firm Reg no: 302169E

*R. K. JhunJhunwala*

CA. R K JHUNJHUNWALA  
Proprietor  
Membership No. 006604

Place: Kolkata  
Date: 30th May, 2014

For NATIONAL PLYWOOD INDUSTRIES LTD

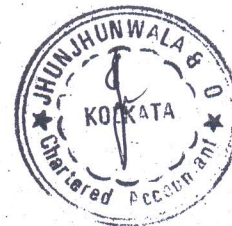
*[Signature]*  
Director

Directors

For NATIONAL PLYWOOD INDUSTRIES LTD.

*[Signature]*

Vice Chairman & Managing Director



M/s NATIONAL PLYWOOD INDUSTRIES LIMITED

Balance Sheet as at 31.03.2014

( Amount in Rs)

Particulars		Note	As at 31st March 2014	As at 31st March 2013
1		2	3	4
I.	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' funds</b>			
	Share capital	2	58,537,500	58,537,500
	Reserves and surplus	3	-788,783,431	-786,520,014
2	<b>Non-current Liabilities</b>			
	Long-term borrowings	4	142,703,571	155,129,704
	Long term Provisions	5	67,735,059	157,735,059
3	<b>Current liabilities</b>			
	Short-term borrowings	6	442,661,383	449,928,507
	Trade Payables	7	244,888,290	188,631,382
	Other current liabilities	8	296,289,603	180,934,304
	<b>TOTAL</b>		<b>464,031,975</b>	<b>404,376,442</b>
II.	<b>ASSETS</b>			
1	<b>Non-current assets</b>			
	Fixed assets			
	Intangible assets	9	67,410,000	67,410,000
	Tangible assets	9	42,059,563	41,222,617
	Capital Work in Progress	9	17,397,299	6,877,301
	Non-Current Investment	10	105,000	105,000
	Long-term loans and advances	11	33,519,363	36,759,043
2	<b>Current assets</b>			
	Inventories	12	127,838,095	90,501,825
	Trade receivables	13	159,674,781	143,841,873
	Cash and cash equivalents	14	2,588,516	3,975,010
	Short-term loans and advances	15	13,439,358	13,683,773
	<b>TOTAL</b>		<b>464,031,975</b>	<b>404,376,442</b>

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

1  
2 to 34

For JHUNJHUNWALA & CO  
Chartered Accountants  
Firm Reg no: 302169E

*R. K. JhunJhunwala*

CA. R K JHUNJHUNWALA  
Proprietor  
Membership No. 006604  
Place: Kolkata  
Date: 30th May, 2014

For NATIONAL PLYWOOD INDUSTRIES LTD

*[Signature]*  
Director

Directors

For NATIONAL PLYWOOD INDUSTRIES LTD

*[Signature]*

Vice Chairman & Managing Director





## M/s NATIONAL PLYWOOD INDUSTRIES LIMITED

## Notes forming part of the financial statement

Note	Particulars
<b>1</b>	<b><u>Significant accounting policies</u></b>
<b>A</b>	<b>Basis of accounting and preparation of financial statements</b> 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>B</b>	<b>Use of estimates</b> 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.
<b>C</b>	<b>Fixed assets</b> 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.
<b>D</b>	<b>Depreciation</b> 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.
<b>E</b>	<b>Impairment of assets</b> 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.
<b>F</b>	<b>Investments</b> 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.
<b>G</b>	<b>Inventories</b> 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.
<b>H</b>	<b>Revenue recognition</b> Revenue (income) is recognised when no significant uncertainty as to determination/ realisation exists.
	<b>Interest</b> Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
<b>I</b>	<b>Employee Benefit</b>  <b>Providend Fund</b> 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 CESTAT,

Kolkata.

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

iii) Refund claim of Rs 53.56 lacs pending in Appeal before Tribunal,Kolkata.

Total Contingent Refund is approx Rs 119.85 lacs.

**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.

\*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 oods 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 on duty Rs 182.68 lacs approx. 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 has been rejected and Appeal filed before the Guwahati High Court is pending.

iii) Demand of duty Rs 20.65 lacs confirmed. Appeal and stay petition filed before the Tribunal Kolkata,Stay petition has been allowed,Appeal is pending

Total Contingent liabilities on this account is approx Rs 250.49 lacs.





Provident Fund

Provident Fund Liabilities is being paid as per agreed stipulated term. Necessary applications were filed with concerned authorities to waive penal interes(s),penalties,damages & other charges on the liability of the company as on 31.03.2014.

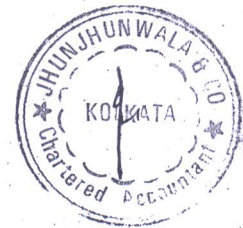
Sales Tax-Hosur, Tamilnadu:

Demand of Rs 345.69 lacs is outstanding against IFST Loan against which a stay has benn 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 Rs1284.72 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 sacrifices to be made by the promoter towards rehabilitation of the company through the Hon'ble BIFR. This sacrifice is part of the promoter contribution. The company proposes to issue share of the face value of Rs 10/- each at a 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 Advance 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 Instituions has been provided and paid in full in the previous year.
- 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 date and adjusted to reflect the current best estimates.



## Notes forming part of the financial statement

## 2 Share Capital

a) Share Capital	As at 31st March 2014		As at 31st March 2013	
	Number	Amount (Rs)	Number	Amount (Rs)
<b>Authorised</b>				
Equity Shares of Rs 10 each	25,000,000	250,000,000	25,000,000	250,000,000
Preference Shares of Rs 10 each	-	-	-	-
<b>Total</b>	<b>25,000,000</b>	<b>250,000,000</b>	<b>25,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10 each	5,853,750	58,537,500	5,853,750	58,537,500
Preference Shares of Rs 10 each	-	-	-	-
<b>Total</b>	<b>5,853,750</b>	<b>58,537,500</b>	<b>5,853,750</b>	<b>58,537,500</b>

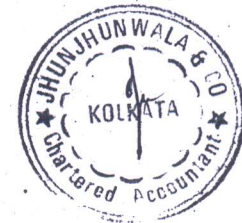
## b) The reconciliation of the Number of Shares Outstanding and the amounts of Share Capital:

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	<b>5,853,750</b>	<b>58,537,500</b>

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

Equity shares	Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
		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
		<b>1,851,105</b>	<b>31.62</b>	<b>1,851,105</b>	<b>31.62</b>

Preference Shares	Name of Shareholder	As at 31st March 2014		As at 31st March 2013	
		No. of Preference Shares held	% of Holding	No. of Equity Shares held	% of Holding
		-	0.00	-	0.00





### 3 Reserve and Surplus

Reserves & Surplus	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>General Reserve</b>		
Opening balance	85,000,000	85,000,000
Closing balance	85,000,000	85,000,000
<b>Capital Reserve</b>		
Opening balance	30,755,905	30,755,905
Add: Securities premium credited on share issue	-	-
Closing balance	30,755,905	30,755,905
<b>Investment Allowance Reserve</b>		
Opening balance	867,830	867,830
Add: Additions during the year	-	-
Closing balance	867,830	867,830
<b>Securities Premium Account</b>		
Opening balance	20,365,000	20,365,000
Closing balance	20,365,000	20,365,000
<b>Statutory Reserve</b>		
Capital Subsidy Account	1,500,000	1,500,000
Grant received	2,000,000	2,000,000
	3,500,000	3,500,000
<b>Surplus</b>		
Opening balance	(927,008,749)	(924,811,381)
Add: Net Profit for the current year	(2,263,417)	(2,197,368)
	(929,272,166)	(927,008,749)
Closing balance	-929,272,166	-927,008,749
<b>Total</b>	<b>-788,783,431</b>	<b>-784,322,646</b>

### 4 Long-term Borrowings

Long-term Borrowings	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>(a) Unsecured</b>		
From Sundry parties	104,944,276	117,370,409
Security Deposits	3,163,546	3,163,546
Others- Sales tax deferred scheme	34,595,749	34,595,749
<b>Total</b>	<b>142,703,571</b>	<b>155,129,704</b>

### 5 Long-term Provisions

Long-term Provisions	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	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
Unclaimed Dividends 1995-96	86,794	86,794
Share Application - Refund Account	50,165	50,165
<b>Total</b>	<b>67,735,059</b>	<b>157,735,059</b>



6 Short-term Borrowings

Short-term Borrowings	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
(a) Secured Working Capital Loans		
From Banks		
Rupee Loans	145,124,898	151,824,898
Term Loan	101,509,276	100,979,588
Interest Accrued on Term loan	195,675,400	195,675,400
Temporary overdraft from banks	351,809	1,448,621
<b>Total</b>	<b>442,661,383</b>	<b>449,928,507</b>

(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 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
(a) Due to Micro, Small and Medium enterprises	244,888,290	188,631,382
<b>Total</b>	<b>244,888,290</b>	<b>188,631,382</b>

8 Other Current Liabilities

Other Current Liabilities	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
(a) Payable for Expenses	11,741,570	12,273,183
(b) Other Payables	241,815,849	121,175,738
(c) Advance From Customers	42,732,184	47,485,383
<b>Total</b>	<b>296,289,603</b>	<b>180,934,304</b>

9 Fixed Assets  
(Separately annexed)

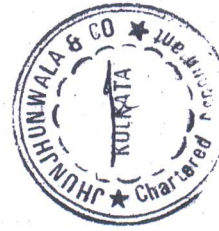




NATIONAL PLYWOOD INDUSTRIES LIMITED  
SCHEDULE OF FIXED ASSETS 31ST MARCH, 2014

NOTES-9

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	COST AS AT 01.04.2013 Rs.	ADDITION DURING THE YEAR Rs.	SALES/ TRANSFER Rs.	TOTAL COST AS AT 31.03.2014 Rs.	UP TO 31.03.2013 Rs.	ADJUSTMENT S DURING THE YEAR Rs.	FOR THE YEAR Rs.	AS AT 31.03.2014 Rs.	AS AT 31.03.2013 Rs.
LAND	743765	-	-	743765	-	-	-	743765	743765
BUILDINGS	51939965	-	-	51939965	31690599	-	1646497	18602869	20249366
PLANT & MACHINERY	199506973	3221226	-	202727199	180386983	-	523862	21816354	19118990
VEHICLES	855066	0.00	-	855066	7918104	-	173225	463737	636962
ELECTRIC FITTINGS	1506561	-	-	1506561	1401492	-	39400	65669	105069
FURNITURE & FIXTURES	10195721	-	-	10195721	10182247	-	1294	12180	13,474
OFFICE EQUIPMENTS	10850065	229590	-	11079655	10595882	-	138899	344873	254182
AIR CONDITIONERS	711157	38734	-	749891	610348	-	129426	10117	100809
BRAND GOODWILL	67410000	-	-	67410000	-	-	-	67410000	67410000
TOTAL ---->	351418273	3489550	-	354907823	242785655	-	2652603	109469563	108632617
WORK IN PROGRESS	6877301	10519998	-	17397299	-	-	-	17397299	6877301
TOTAL ---->	358295574	14009548	-	372305122	242785655	-	2652603	126866862	115509918
PREVIOUS YEAR	353582383	4713191	-	358295574	239727629	-	3058026	115509918	



10 Non-Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>Investments (Refer below)</b>		
Investment in Equity instruments	100,000	100,000
Others	5,000	5,000
<b>Total</b>	<b>105,000</b>	<b>105,000</b>

Details of Non-Trade

Name of the Body Corporate (1)	No. of Shares / Units		Amount (Rs)	
	2014	2013	2014	2013
	(2)	(3)	(4)	(5)
<b>a. Investment in Equity Instruments</b>				
<b>Unquoted, fully paid-Long Term Investments</b>				
Periwal Plastics Pvt Ltd of Rs 100 each	1,000	1,000	100,000	100,000
Total			100,000	100,000
<b>b. Others</b>				
Assam Petro chemicals Ltd of Rs 10 each	500	500	5,000	5,000
			5,000	5,000
<b>Grand Total</b>			<b>105,000</b>	<b>105,000</b>
<b>Aggregate amounts of Unquoted Investments</b>			<b>105,000</b>	<b>105,000</b>

11 Long Term Loans and Advances

Long Term Loans and Advances	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>a. Others</b>		
Advance Payment of taxes (Net)	2,774,170	2,619,890
Advance to Others	25,406,076	25,572,503
<b>b. Loans</b>	2,773,320	6,584,256
<b>c. Deposits</b>		
Sundry Deposits	2,565,797	1,982,394
	<b>33,519,363</b>	<b>36,759,043</b>





12 Inventories

Inventories	As at 31 March 2014		As at 31 March 2013	
	Quantity	Amount (Rs)	Quantity	Amount (Rs)
a.) Finished goods (Valued at cost)		47,829,839		32,080,892
b.) Work-in-progress		5,418,809		5,466,319
c.) Raw Materials		74,589,447		52,954,614
<b>Total</b>		<b>127,838,095</b>		<b>90,501,825</b>

13 Trade - Receivables

Trade - Receivables	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
Trade receivables outstanding for a period more than six months from the date they are due for payment Unsecured, considered good Unsecured, considered Doubtful	50,665,542	26,036,309
	1,091,588	1,091,588
Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	107,917,651	116,713,976
<b>Total</b>	<b>159,674,781</b>	<b>143,841,873</b>

14 Cash and Cash Equivalents

Cash and cash equivalents	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
a. Cash in hand	1,283,615	1,358,151
b. Balances with banks	1,029,421	2,341,379
c. Fixed Deposits with banks	275,480	275,480
	<b>2,588,516</b>	<b>3,975,010</b>

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



15 Short Term Loans and Advances

Short-term loans and advances	As at 31st March 2014	As at 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>a. Advance to related Party</b> Advances to Related Party	568,540	568,540
<b>b. Others</b> Advance to Staff	3,204,954	1,540,845
Advance Against Property	-	-
Advance To Others	-	-
Advance Payment of taxes (Net)	-	-
Balance with Gov. Authorities	9,665,864	11,574,388
Accrued Interest on Fixed Deposits	-	-
<b>c. Deposits</b> Sundry Deposits	-	-
<b>Total</b>	<b>13,439,358</b>	<b>13,683,773</b>

16 Revenue from Operations

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>Sale of Products</b> Gross Sale	447,445,300	341,367,485
Less: Excise Duty	17,261,167	9,445,501
Drawback on Export Sale	-	-
<b>Total</b>	<b>430,184,133</b>	<b>331,921,984</b>

17 Other Income

Other Income	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Other Income	995,141	9,410,555
Sundry Balance written off	5,397	4,248
Liabilities/Creditors no longer payable W/Back	1,388,666	-
Interest on Fixed Deposits	-	-
Interest from others	-	-
<b>Total</b>	<b>2,389,204</b>	<b>9,414,803</b>





18 Cost of material Consumed

Cost of material Consumed	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Consumption of - Raw Materials	134,085,605	76,815,336
<b>Total</b>	<b>134,085,605</b>	<b>76,815,336</b>

19 Changes in inventories of Stock-in-Trade

Changes in inventories of Stock-in-Trade	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Closing Stock of Finished/trading items	47,829,839	44,982,707
Less: Opening Stock of Finished/ trading items	44,982,707	33,853,304
<b>Total</b>	<b>2,847,132</b>	<b>11,129,403</b>

20 Employee Benefits Expense

Employee Benefits Expense	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Salaries, bonus and leave pay	23,887,338	16,810,671
Contribution to Provident Fund and Others Fund	1,267,647	1,077,097
Staff welfare expenses	391,291	127,004
<b>Total</b>	<b>25,546,276</b>	<b>18,014,772</b>

21 Financial Expense

Financial Expense	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Interest To Bank	637,688	589,878
<b>Total</b>	<b>637,688</b>	<b>589,878</b>

22 Depreciation and Amortisation Expense

Depreciation and Amortisation Expense	For the year	For the year
	Amount (Rs)	Amount (Rs)
Depreciation and Amortisation	2,652,603	3,057,026
<b>Total</b>	<b>2,652,603</b>	<b>3,057,026</b>



## 23 Other Expenses

Other Expenses	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
<b>Manufacturing, Administrative &amp; Selling Expenses</b>		
Stores and Spares Consumed	1,609,308	1,858,553
Packing & Forwarding Charges	9,886,255	7,449,392
Repair to Plant & Machinery	1,338,337	746,477
Repair to Building	12,120	64,156
Repair to Others	53,740	32,529
Payments to Auditors	35,000	35,000
Power & Fuel	9,020,434	5,085,472
Service Tax on Freight	113,572	-
Miscellaneous Expenses	5,031,340	4,134,431
Vehicle Maintenance Expenses	374,178	213,282
Rates & taxes	16,700	35,682
Insurance	407,774	244,781
Rent (Office & Godown)	1,713,118	1,466,678
Sampling Charges	3,034,915	718,037
Sales Tax	89,241	13,492
Value of Fixed Asset discarded.	-	-
<b>Total</b>	<b>32,736,032</b>	<b>22,097,962</b>





24 Payment to auditor

Payment to auditor	For the year ended 31st March 2014	For the year ended 31st March 2013
	Amount (Rs)	Amount (Rs)
Statutory audit	35,000	35,000
<b>Total</b>	<b>35,000</b>	<b>35,000</b>

25 Disclosures 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

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

(b)

- (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	Associate/ Joint Venture Concerns	Enterprise owned or significantly influenced by Director and their relatives	Key Manage- ment Personnel	Relatives	Amount in Rs	
					Particulars	Total
	Amounts(Rs)				Amounts(Rs)	
Unsecured Loan	19,943,968		Shri P.Periwal		19,943,968	
Other Current Liabilities	12,923,209		Shri P.Periwal		12,923,209	
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.



**26 Earning per share (EPS)**

Particulars		For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Profit after tax	Rs.	(2,263,417)	(2,197,368)
Weighted average number of equity shares outstanding during the	Nos.	5,853,750	5,853,750
Nominal value of equity per share	Rs.	10	10
Basic earning per share (EPS)	Rs.	-0.39	-0.38

27 To Make regular monthly Contribution to Varies Providend 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 actrial 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 2014. 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

32 The financial statements for the year ended 31st March, 2013 had been prepared as per the then applicable 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, 2014 are also 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

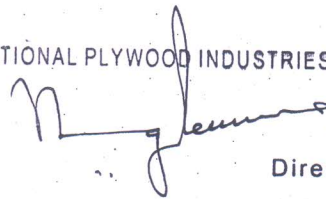
For JHUNJHUNWALA & CO  
Chartered Accountants  
Firm Reg no: 302169E



CA. R K JHUNJHUNWALA  
Proprietor  
Membership No. 006604

Place: Kolkata  
Date: 30th May, 2014

For NATIONAL PLYWOOD INDUSTRIES LTD



Director

Directors

For NATIONAL PLYWOOD INDUSTRIES LTD.



Vice Chairman & Managing Director



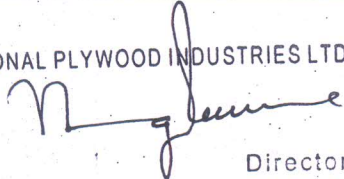


**NATIONAL PLYWOOD INDUSTRIES LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

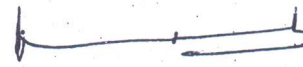
	For the year ended 31.03.2014	For the year ended 31.03.2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax	(2,263,417)	(2,197,368)
Adjustments for :		
Depreciation	2,652,603	3,058,026
Loss /(Profit) on sale of Fixed Assets	-	-
Interest	637,688	589,878
Interest written back for earlier year	-	-
<b>Operating Profit before Working Capital changes</b>	<b>1,026,874</b>	<b>1,450,536</b>
Adjustments for :		
Trade and Other Receivables	(15,832,908)	(38,346,689)
Inventories	37,336,270	4,772,418
Trade payables	56,256,908	8,588,741
Investments	-	-
Term Loan	529,688	1,539,658
Working Capital Loan from bank	-	-
OTS Settlement	-	-
Preliminary Expenses	-	-
<b>Cash generated from operations</b>	<b>79,316,832</b>	<b>(21,995,336)</b>
Income Tax refund	-	-
Income Tax paid	-	-
Wealth Tax paid	-	-
<b>Net Cash Flow from Operating Activities(A)</b>	<b>79,316,832</b>	<b>(21,995,336)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Dividend income	-	-
Purchase of Fixed Assets	(14,009,548)	(4,713,191)
Sale of Fixed Assets	-	-
Sale of Share	-	-
<b>Net Cash Flow from Investing Activities(B)</b>	<b>(14,009,548)</b>	<b>(4,713,191)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Grant Received		
Proceeds from Long Term Borrowings	12,426,133	42,748,825
Decrease /Increase in Financial Lease Liability	(78,482,223)	(14,872,260)
Interest Paid	(637,688)	(589,878)
<b>Net Cash Flow from Financing Activities©</b>	<b>(66,693,778)</b>	<b>27,286,687</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents(A+B+C)</b>	<b>(1,386,494)</b>	<b>578,160</b>
Cash and Cash equivalents as on 01.04.2013	3,975,010	3,396,850
Cash and Cash equivalents as on 31.03.2014	2,588,516	3,975,010

For NATIONAL PLYWOOD INDUSTRIES LTD

  
Director

Kolkata,  
Dated: 30.05.2014

For NATIONAL PLYWOOD INDUSTRIES LTD


  
Vice Chairman & Managing Director

Directors

**AUDITORS' CERTIFICATE**

We have examined the above Cash Flow Statement of NATIONAL PLYWOOD INDUSTRIES LIMITED for the year ended 31st March, 2014. 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



R.K. Jhunjunwala  
Proprietor  
(Membership No.006604)

Kolkata  
Dated : 30.05.2014

