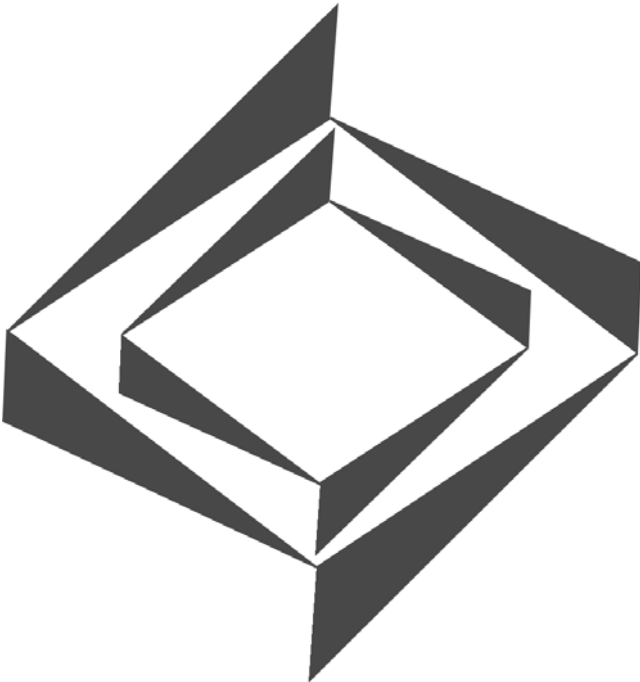


UNIPLY INDUSTRIES LIMITED



for all reasons & seasons

15th Annual Report 2011

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COMPANY INFORMATION

B.L. Bengani	Chairman & Managing Director
M.L. Pramod Kumar	Whole Time Director
Sudhir Kumar Jena	Director
Satya Prathaap Bhatara	Director
R. Kuppu Rao	Director
Raghuram Nath	Company Secretary
Bankers	State Bank of India Axis Bank Ltd
Auditors	C. Ramasamy & B. Srinivasan Chartered Accountants
Registered Office & Factory	#69, Nelveli Viillage, Uthiramerur Block, Kancheepuram, Tamilnadu – 603 107
Corporate office	#52, Harleys Road, Kilpauk, Chennai, Tamilnadu - 600 010.

NOTICE

NOTICE is hereby given that the 15th Annual General Meeting of the members of M/s. Uniply industries Limited will be held on Tuesday the 2nd Day of August, 2011 at 10 a.m. at its Registered Office at # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the accounts of the Company for the financial year ended 31st March 2011, the Balance Sheet as at that date and the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. R. Kuppu Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution:-

“Resolved that M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold such office until the conclusion of next Annual General Meeting, to conduct the audit for the financial year 2011-12.”

“Resolved further that the Board of Directors be and are hereby authorized to fix the remuneration and other terms & conditions of appointment of the Auditors.”

SPECIAL BUSINESS

4. **To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as a Special Resolution.**

“RESOLVED THAT in accordance with the provision of the section 198, 269,309, 310 and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or reenactment thereof and subject to the provisions of schedule XIII of the Companies Act, 1956 and as approved by the Remuneration Committee consent be and is hereby accorded to reappoint Mr. M.L. Pramod Kumar, whole time director of the Company with a remuneration of Rs. 1,00,000/- p.m. and perquisites as per schedule XIII of the Companies Act, 1956 for a further period of 3 years w.e.f. 15.09.2011.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of schedule XIII and other applicable provisions of the Companies Act, 1956.”

5. **To consider and, if thought fit to pass with or without modification the following resolution which will be proposed as a special resolution**

“RESOLVED THAT in accordance with the provision of the section 198, 269,309, 310 and other applicable provisions if any of the Companies Act, 1956 including any statutory modifications or reenactment thereof and subject to the provisions of schedule XIII of the Companies Act, 1956 and as approved by Remuneration Committee consent be and is hereby accorded to re-appoint Mr. B.L. Bengani Managing Director of the Company with a remuneration of Rs. 2,50,000/- p.m. and perquisites as per schedule XIII of the Companies Act, 1956 for a further period of three years w.e.f. 01.04.2012.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of schedule XIII and other applicable provisions of the Companies Act, 1956.”

6. **To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:**

“RESOLVED that in accordance with the provision of section 314(1) of the Companies Act, 1956 including any statutory modifications or reenactment thereof, the Company hereby consent to Mr. Varun Bengani, son of Mr. B.L. Bengani, Chairman and Managing Director of the company, to continue to hold an office of profit in the Company in the grade of Executive assistant, with

effect from 01.04.2011, with a consolidated salary of Rs. 25000/- p.m.

FURTHER RESOLVED THAT consent be and is hereby accorded to the board to revise the same from time to time subject to the provision of section 314(1) of the Companies Act, 1956 including any statutory modifications or reenactment thereof.”

By order of the Board

Place: Chennai

Date: 13.05.2011

Raghuram Nath
Company Secretary

NOTES

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the company. Proxies, in order to be effective should be lodged with the company at the Registered Office not less than 48 hours before the meeting.
2. Explanatory Statement Pursuant to section 173 of the Companies Act, 1956 relating to special business to be transacted at the Annual General Meeting is annexed.
3. Corporate members are requested to send to the Company's registered office a duly certified copy of the Board resolution, pursuant to section 187 of the Companies Act, 1956, authorizing their representative(s) to attend and vote at the Annual General Meeting.
4. Members are requested to bring their admission slips along with copy of the Annual Report to the Annual General Meeting.
5. Members holding shares in the physical form are requested to notify / send the following to Company to facilitate better servicing:-
 - i) Any change in their address / mandate / bank details,
 - ii) Particulars of their bank account, in case the same have not been furnished earlier, and
 - iii) Share certificates held on in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such share holdings into a single account.
6. The Register of Members and Transfer Registers will remain closed from 26.07.2011 to 02.08.2011(both days inclusive).
7. Unclaimed dividend for the years 2005-06 & 2006-07, which may remain unpaid or unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed their dividend warrants for the above said years are requested to contact the Registrar & Share Transfer Agent.
8. **As per the MCA circular No. 18/2011 dated 29.04.2011 The Ministry of Corporate Affairs has taken Green Initiative in Corporate Governance – by allowing paperless compliances by companies. As per the said circular, companies are permitted to send the annual reports to the members through electronic mode. Hence, members are requested to update their e-mail id and changes there in from time to time with RTA and the Company at investorservices@uniply.in**
9. As required under clause 49IV G of the Listing agreements with stock exchanges, given below the details of director who are proposed to be reappointed

Mr. R. Kuppu Rao

Mr. R. Kuppu. Rao aged about 62 years is a Cost Accountant, Company Secretary, by profession a financial professional. Presently he is serving as an Independent Director in the board. He is having more than 3 decades of rich experience in the field of project finance, accounts and taxation. He is instrumental in advising company in various project matters.

Mr. R. Kuppu Rao does not hold any shares in the company as per the information furnished by him.

Except Mr. R. Kuppu Rao, none of the directors of the company may be deemed to be concerned or interested in this.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 4**

Mr. M.L. Pramod Kumar was earlier appointed as Whole time Director on 15.09.2006 with a remuneration of Rs.40,000/- p.m. and perquisites as per schedule XIII of the Companies act 1956 and again his remuneration was increased to Rs. 1,50,000/- p.m. w.e.f. 15.09.2009. However, Mr. M.L Pramod Kumar had voluntarily requested the management to fix his remuneration Rs. 1,00,000/- p.m. instead of Rs. 1,50,000/- p.m. The board/management took a note of the same and accordingly company is paying him Rs. 1,00,000/- p.m. with Perquisites as per Schedule XIII of the Companies act, 1956.

Mr. M.L. Pramod Kumar aged about 54 years, is a Business Management graduate has been instrumental in the improvement in sales and marketing of Company's products in the Indian markets. His contribution in the growth of Company's business is worth noting. Keeping in view his contribution and potentiality to contribute further, the Board recommends his reappointment as whole time director of the company for a period of 3 years w.e.f. 15.09.2011 with a remuneration of Rs. 1,00,000/- p.m. and perquisites as per schedule XIII of the Companies Act 1956, with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.

The general information as required in section II (iv) of part II of Schedule XIII of the Companies Act, 1956 is enclosed.

None of the Directors except Mr. M.L. Pramod Kumar is interested in the resolution, to the extent of his shareholding, re-appointment and remuneration.

Item No. 5

Mr. B.L. Bengani was last appointed as Chairman and Managing Director of the company for a period of three years from 01.04.2009 to 31.03.2012 with a remuneration of Rs.2,50,000/- p.m. and perquisites as per Schedule XIII of the companies Act, 1956.

Mr. B.L. Bengani aged about 51 years and is a commerce graduate. He is the founder promoter of the company. He is the key person behind the growth and development of the company. His knowledge, expertise and efforts are the main reasons behind the growth of the company. He has extended his personal guarantee for all secured loans and liabilities of the company. His day-to-day involvement in the company's activities is inevitable. Keeping in view his roles and responsibilities, the Board recommends his re-appointment as Chairman and Managing Director for a period of 3 years w.e.f 01.04.2012 with a remuneration of Rs.2,50,000/- p.m. and other perquisites as per Schedule XIII of The Companies Act, 1956 with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.

The general information as required in section II (iv) of part II of Schedule XIII of the Companies Act, 1956 is enclosed.

None of the directors except Mr. B.L. Bengani is interested in the resolution except to the extent of his shareholding, re-appointment and remuneration.

Item No. 6.

Mr. Varun Bengani, B.E. in Mechanical Engineering aged 22 years, was appointed as executive assistant to Chairman & Managing Director with effect from 01.07.2010. Presently, he is drawing a consolidated salary of Rs. 7000/- p.m. as approved by the Board of Director. Considering Mr. Varun Bengani's excellent performance and the contribution made by him to the working of the company, the Board of Directors by their Resolution dated 29.04.2011 decided to promote him with more responsibilities with effect from 01.04.2011 on the terms as mentioned in the Resolution.

Mr. Varun Bengani is the son of Mr. B.L. Bengani, Chairman and Managing Director of the Company and hence the revision in the terms of his appointment requires consent of the Company by a Special Resolution under Section 314(1) of the Companies Act, 1956. Accordingly, the enclosed draft Special Resolution is submitted for consideration of the shareholders and the Board commends that the resolution be passed.

None of the directors except Mr. B.L. Bengani, Chairman and Managing Director, is interested in the subject as father of Mr. Varun Bengani

By order of the Board

Place: Chennai

Date: 13.05.2011

Raghuram Nath
Company Secretary

GENERAL INFORMATION FURNISHED AS REQUIRED IN SECTION II(iv) OF PART II OF SCHEDULE XIII OF COMPANIES ACT, 1956 RELATING TO APPOINTMENT AND PAYMENT OF REMUNERATION TO MR. M.L. PRAMOD KUMAR, WHOLE TIME DIRECTOR & MR. B.L. BENGANI, CHAIRMAN AND MANAGING DIRECTOR.

M.L. PRAMOD KUMAR

I. GENERAL INFORMATION:

1. Nature of Industry: - The Company is in the business of manufacturing and marketing of plywood and panel products.
2. Date of commercial production:- 01.01.2001
3. Financial Performance:- As furnished in the Directors Report
4. Export Performance & Net foreign exchange outgo:- As furnished in the Directors Report.

II. INFORMATION ABOUT THE APPOINTEE (MR. M.L. PRAMOD KUMAR):

1. Background details: Mr. M.L. Pramod Kumar is a graduate in Business Management. He started his career with Laminates and Plywood Industry in the year 1982. He is associated with UNIPLY since the year 1997 and has been instrumental in the marketing of the company's products. He has a major contribution in establishing market for the company's product especially in the State of Karnataka, Goa, Kerala, Andhra Pradesh and the western part of India.
2. Past remuneration: Mr. M.L. Pramod Kumar was earlier appointed as Whole time Director on 15.09.2006 with a remuneration of Rs.40,000/- p.m. and perquisites as per schedule XIII of the Companies act 1956 and again his remuneration was increased to Rs. 1,50,000/- p.m. w.e.f. 15.09.2009. However, Mr. M.L Pramod Kumar had voluntarily requested the management to fix his remuneration Rs. 1,00,000/- instead of Rs. 1,50,000/- p.m. The board/management took a note of the same and accordingly revised the remuneration to Rs. 1,00,000/- p.m.
3. Job Profile and his suitability: Mr. M.L. Pramod Kumar is Whole time Director, looking after the Marketing activities of the company. He has rich experience in marketing of Plywood and panel products.
4. Remuneration proposed: The proposed remuneration of Mr. M.L. Pramod Kumar w.e.f. 15.09.2011 is Rs. 1,00,000/- p.m. with power to the board to revise his remuneration from time to time, subject to the provisions of schedule XIII and other applicable provision of the Companies Act 1956.
5. Pecuniary relationship with company and with other managerial personnel: Mr. M.L. Pramod Kumar is a shareholder, holding 59450 equity shares of the company. He has no other pecuniary relationship with the company except his shareholdings, remuneration and perquisites. He has no relationship with other managerial personnel.

III. OTHER INFORMATION:

1. Reasons for loss or inadequate profits: The inadequacy of profit is due to the accumulated losses on account of Derivative loss, loss on wind mill and thin margin on account of increase in the Raw material price and market competition.
2. Steps taken or proposed to be taken for improvement: Company has taken all round steps to reduce costs, optimize and improve production and productivity.

B.L. BENGANI

I GENERAL INFORMATION:

1. Nature of Industry: - The Company is in the business of manufacturing and marketing of plywood and panel products.
2. Date of commercial production:- 01.01.2001

3. Financial Performance:- As furnished in the Directors Report

4. Export Performance & Net foreign exchange outgo:- As furnished in the Directors Report.

II INFORMATION ABOUT THE APPOINTEE (MR. B.L. BENGANI):

1. Background details: Mr. B.L. Bengani is a commerce graduate and is the founder promoter of the company. He is the key person behind the growth and development of the company. His knowledge, expertise and efforts are the main reasons behind the growth of the company. He has also extended his personal guarantee for all secured loans and liabilities of the company. His day-to-day involvement in the company's activities is commendable and inevitable. Keeping in view his roles and responsibilities, the Board, on the conclusion of the Annual General Meeting, recommends his re-appointment as Chairman and Managing Director for a further period of 3 years w.e.f. 01.04.2012 with the remuneration of Rs.2,50,000/- p.m. and other perquisites as per Schedule XIII of The Companies Act, 1956.
2. Past remuneration: Mr. B.L. Bengani was reappointed as Managing Director on 01.04.2009 for a period of 3 years with remuneration of Rs. 2,50,000/- p.m.
3. Job Profile and his suitability: Mr. B.L. Bengani is the key person in all the functions and overall management of the company. He has rich experience in the Plywood and panel industry.
4. Remuneration proposed: The proposed remuneration of Mr. B.L. Bengani w.e.f. 01.04.2012 is Rs. 2,50,000/- p.m.
5. Pecuniary relationship with company and with other managerial personnel: Mr. B.L. Bengani is the founder promoter and a shareholder of the company holding 55,16,516 shares with relatives and associates. He has no other pecuniary relationship with the company except his shareholdings, remuneration and perquisites. He has no relationship with other managerial personnel.

III OTHER INFORMATION:

1. Reasons for loss or inadequate profits: The inadequacy of profit is due to the accumulated losses on account of Derivative loss, loss on wind mill and thin margin on account of increase in the Raw material price and market competition.

2. Steps taken or proposed to be taken for improvement:

Company has taken all round steps to reduce costs, optimize and improve production and productivity.

Place: Chennai
Date: 13.05.2011

By order of the Board

Raghuram Nath
Company Secretary

Directors' Report

To All members,

Your Directors have pleasure in presenting the 15th Annual Report of the company along with the Audited Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS

The highlights of the financial results of the company for the year ended 31.03.2011 as compared with the previous year are as follows:

Rs. In Lacs

	For the year ended 31.03.2011	For the year ended 31.03.2010
Gross Turn Over	11954.39	9817.26
Profit before Interest, Depreciation, Loss on sale of wind mills, Derivative Loss and Tax	914.87	919.95
Less Interest	487.78	501.07
Less Loss on sale of windmill	—	370.73
Less Derivative Loss	—	282.20
Profit/(Loss) before Depreciation & Tax	427.09	(234.05)
Less Depreciation	136.08	258.20
Profit/(Loss) before Taxation	291.01	(492.25)
Less Provision for Taxation		
Wealth Tax	0.30	0.25
Fringe Benefit Tax	—	—
Deferred Tax	89.92	(149.61)
Profit/(Loss) after Tax	200.79	(342.89)
Prior period expenses/(income)	—	—
Net Profit/(Loss)	200.79	(342.89)
Balance brought forward	(662.21)	(319.32)
Provision for Dividend and Dividend tax	—	—
Transfer from General Reserve	—	—
Balance carried forward to next year	(461.42)	(662.21)

PERFORMANCE REVIEW

During the year of operation, your company has achieved a gross turnover of Rs. 11954.39 lacs an increase of 21.73 % as against the previous year gross turnover of Rs. 9817.26 lacs. The operative profits stood at Rs. 914.87 lacs. The PAT stood at Rs. 200.79 lacs as against loss of Rs. 342.89 lacs in the previous year.

DIVIDEND

Keeping in view of the accumulated losses, your Directors regret their inability to declare any dividend.

SUBSIDIARIES & ASSOCIATES

During the year under review, M/s. Surge Trading Limited (STL) your Wholly Owned Subsidiary has recorded net revenue of Rs. 732.76 lacs (previous year Rs. 844.68 lacs) a decrease of 13.25%. However,

the net profit stood at Rs. 23.06 lacs (previous year Rs. 13.38 lacs) an increase of 68.61%. This company is instrumental in sourcing material for your company and caters marketing your product abroad. Management has belief that, the company will perform better in years to come. As per the MCA Circular No. 3/2011 dated 21/02/11 the attachment of audited accounts of subsidiary is not mandatory, hence, it is not been attached herewith. However, copy of the same is always available at the registered office of the Company and is available to the shareholders on their demand.

DECORATIVE PLYWOOD BUSINESS

Your company is in the business of manufacturing and marketing of plywood and panel products since inception. The introduction of more than 150 varieties of world's finest decorative wood veneers under the brand "ELEMENTZ" is well accepted in market. During the year under review, your company has opened a show room at New Delhi and proposed to open more retail outlets across India in the period to come. This is likely to improve the turnover & profitability of the Company in coming days.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (amendment) Act, 2000, your Directors confirm:

- a. That in the preparation of Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities;
- d. That they have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Your company has complied with the requirements of Corporate Governance through constitution and reconstitution of various committees and has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as provided in the Listing Agreement with the Stock Exchanges are duly complied with.

A separate report on Corporate Governance is annexed hereto along with Auditors Certificate on its due compliance

AUDIT COMMITTEE / INVESTOR GRIEVANCE COMMITTEES / REMUNERATION COMMITTEE

The Board of Directors has constituted three committees i.e. Audit Committee, Investor Grievance committee and Remuneration Committee as per the requirement of Corporate Governance under the Listing Agreement. All the members of these committees are independent & non executives. The details of members of these Committees are given in Corporate Governance Report.

FIXED DEPOSITS

The Company has neither accepted nor renewed any Fixed Deposits from the public during the year under review.

DIRECTORS

Mr. R. Kuppu Rao, director is retiring by rotation and being eligible offer himself for reappointment. Necessary resolution is proposed in the notice to the Annual General Meeting.

Mr. M.L. Pramod Kumar is the whole time director of the company appointed till 14.09.2011. Keeping in view his roles and responsibilities as described in detail in Explanatory Statement in the Notice of the Annual General Meeting, the board has recommended his reappointment for a further period of 3 years w.e.f. 15.09.2011.

Mr. B.L. Bengani has been appointed as the Managing Director of the company on 01.04.2009 for a period of 3 years ending on 31.03.2012. Keeping in view his roles, responsibilities and commitment to

the growth and development of the company as described in detail in Explanatory Statement in the Notice of the Annual General Meeting, the board has recommended his reappointment for a further period of 3 years w.e.f. 01.04.2012.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The statement containing the necessary information as required under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed hereto and forms an integral part of this report.

ENVIRONMENT & GREEN INITIATIVE

The Company is committed to the environment. The Company continues to upkeep effluent and chemical treatment plant. Continuous check of air and water pollution at manufacturing unit is made and monitored.

Your Company wholly recognizes undying concern for eco friendly environment, continued efforts and worthy contribution to make this planet a safer place. As you are aware your Company has achieved the distinction of being certified with FSC (Forest Stewardship Council) during 2009-10 and has got membership with IGBC which gave opportunity to play an active role in the advocacy of green buildings

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

None of the employees is drawing remuneration in excess of limit prescribed under section 217(2A) of the companies Act, 1956 and rule thereto for which disclosures are to be made.

AUDITORS AND THEIR REPORT

M/s. C. Ramasamy & B. Srinivasan, Chartered Accountants, auditors of the company will retire at the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received a certificate from them to the effect that the reappointment, if appointed, would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

In point no. 17 to the Auditors Report – Directors clarify that, in order to meet out the term loans repayment, the company has used some short term funds. However, the company has borrowed long term loan during April 2011. Apart from this, other notes in their report are self-explanatory.

LISTING WITH STOCK EXCHANGES

The Equity shares of the Company were listed with Bombay Stock Exchange Ltd. (BSE) & National Stock exchange of India Limited (NSE). The annual listing fee for the financial year 2011-12 was paid within the stipulated time to BSE & NSE.

ANNEXURE TO THE DIRECTOR'S REPORT

Under The Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988

A. Conservation of Energy

The Company through continuously improving its manufacturing process and efficiency at its all plants and offices continues its endeavor to improve energy conservation and utilization. Energy conservation programs adopted by the Company are:

- (i) Strict watch is kept on idle running of machine and to work the machine at full capacity
- (ii) Installed frequency drivers in machines to save power
- (iii) Machineries are frequently overhauled to work smoothly;
- (iv) Monitoring of power factor is frequently done and we have installed automatic power control systems in the circuit.
- (v) Energy consumption versus production is monitored at regular intervals to check over usage of energy.
- (vi) Continuous monitoring of energy consumption.
- (vii) Voltage is controlled with the installation of automatic voltage controller on transformer.

B. Research and Development (R & D)**1. Specific areas in which R & D carried out by the Company.**

R&D portfolio consists of product improvement and process optimization with a view to reduce cost and introduction of new environmental friendly products and processes.

2. Benefit derived as a result of the above R & D:

The new products and process cater to the needs of variety of customer segments and aim to reduce cost. Development of eco-friendly processes result in less quantity of effluent and emission. Also designing of 'safe' i.e. non toxic products conform to Euro I Standards

3. Future Plan of action:

R&D will focus on projects leading to further cost reduction and reduced load on environment.

4. Expenditure on R & D

No capital expenditure is done towards the R&D. The Company continuously incurs expenses for improving the processes, product quality, etc they cannot be specifically identified as research & development expenses. Thus, the same has not been shown separately.

TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION.**1. Efforts in brief, made towards technology absorption, adaptation and innovation.**

The Company absorbs the knowledge of plywood technology from various sources, such as the existing know-how, their own data bank, published literature etc. and thereafter adopts the same to the Company infrastructure, effects improvement to the products and processes of the Company including containment of pollution and control of effluents. Quality assurance managers are placed for each factory and are made independent. With this the complaints have reduced and consumers are feeling satisfied with our products.

2. Benefits derived as a result of the above efforts.

Benefits derived from these efforts include process rationalization, product quality improvement, and environmental friendly product. With this our Product has got eco mark from BIS and has been referred for Green Building due to low formaldehyde emission products.

C. Foreign Exchange Earning & Outgo

During the year under review, the foreign exchange earned by the company was

Rs. 19.61 lacs and outgo amounted to Rs. 2861.56 lacs as against Rs. 68.17 lacs and Rs. 2608.70 lacs respectively in the previous year.

For and on behalf of the Board

Place: Chennai
Date: 13.05.2011

B.L. Bengani
Chairman and Managing Director

M.L. Pramod Kumar
Whole time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

The approximate share of organized sector in plywood constitutes around 25%, Laminates 50% & Plain Particle Board & MDF is 80%.The Organised Sector share is continuously increasing in the Industry because of following reasons:

- Central Empowered Committee's stringent licensing has prevented the plywood industry space from unorganized clutter;
- Organized player shifting the facilities to tax free zones resulting into cost competitiveness due to Exemption from Entry tax, Lower CST/VAT, Central Excise Duty Exemption and Income Tax Exemption;
- Change in consumers' preference, as consumers giving more and more importance to quality interiors and branded products; and
- Increase in disposable income and rise in consumer's aspirations, special finishes and exclusive designs are being preferred

India's wood demand increased

Wood consumption in India is growing fast and although the country has over 250 varieties of commercial timbers (including some of the most highly prized tropical hardwoods like Teak, Rosewood, Padouk, Red Sanders, Sandalwood) a strict conservation policy limits harvesting. This means India is a net importer of wood and wood-based panel products. Indian industrial demand for wood jumped from 58 million cubic meters in the year 2000 to 85 million cu.m in the year 2008 and expected to cross 150 million cu.m by 2018.

India manufacturers prefer to import timber in log form to feed the domestic industries. Imports are mostly from Malaysia, Myanmar, Nigeria, Ivory Coast, Ghana, Togo, Gabon, Brazil, Panama, Costa Rica, Ecuador and New Zealand. The major ports used for imports are Kandla, Mumbai, Mangalore, Tuticorin, Chennai, Vishakhapatnam and Kolkata as well as many internal container depots.

Requirement for logs for the panel industry is met largely from plantations, Agro-forestry sources and natural forests.

Source : TTM Report

Value of exports of plywood and wood products from India growing

On export front the performance has been steady and consistently improving. However, with the Indian Rupee at 44.43 to one US dollar there has been a surge of 5.15% in the dollar from its record low of Rs.46.84 reached in March. This jump has put exporters in difficult spot and hence the export performance was not met as expected.

Source : TTM Report

India's GDP is projected to continue to grow at a brisk pace of 8.8 per cent in 2011-12. The domestic environment is conducive to growth and private final consumption expenditure is projected to grow by a healthy 7.5 per cent and gross fixed capital formation by 14.6 per cent.

In the financial year 2010-11, the performance of India's economy has been robust, adding real GDP is estimated to have grown by nine per cent during the fiscal. "This has been powered by a rebound in the agricultural sector following the drought in 2009-10, and a sharp pick-up in private consumption and gross fixed capital formation".

In financial year 2011-12, the agricultural and allied sector is projected to grow by 3.1 per cent, on top of the 5.1 per cent growth estimated in 2010-11. This will be the third consecutive year of positive growth.

The industrial sector, including construction, is projected to grow by 9.4 per cent during 2011-12, as compared to 8.5 per cent estimated in 2010-11.

Growth in the services sector and its segments is projected to moderate marginally in 2011-12. The services sector is projected to expand by 9.9 per cent during 2011-12, as compared to an estimated 10.2 per cent in 2010-11, it said.

(Sources: CMIE)

2. Opportunities

The following are the growth drivers for the Company which will result in growing demand for Plywood, Laminates and Interior products:

- Government Initiative for reviving the infrastructure & Housing Industry by way of increasing the government spending in infrastructure products.
- Government announcement on Tax benefits and investment opportunities for Infrastructure

companies.

- Renovations of Bank Branches and opening of new branches by banks are in full swing. Insurance and health care sector is also in growth mode indicating growing demand for Plywood, Laminates and Interior products.
- Due to boom in demand for real estate and hospitality sector, new housing projects, hospitals and star hotels are coming up with new projects in larger way.

Your company is well positioned to take advantage of the opportunities in the market and post an astonishing performance in the current year.

3. Outlook

The Company's outlook is to increase the capacity utilization of the existing installed capacity across product category segment of plywood, veneers, & decorative plywood. The Marketing infrastructure has also been ramped to achieve the higher turnover by opening stock points for decorative plywood.

Further, the Company's goal is to become a well-diversified Company in the long run by diversifying in other areas of activities related to interior decoration and building products

4. Risks and Concerns

The company is exposed to the normal industry risk factors of interest rate volatility, economic cycle, foreign exchange and credit risk. The Company manages these risks by maintaining a conservative financial profile and by following prudent business and risk management practices.

5. Internal Control Systems and their adequacy

The Company has adequate Internal Control systems in all areas of operations commensurating with the size of the operation. The Company has well defined roles, responsibilities and authorities for employees at all levels. The Company continuously improves various quality processes in line with customer expectations. Adequacy of the system has also been examined by the Statutory Auditors of the Company and there is no adverse remark on the adequacy of internal control system.

The Company has also constituted the audit committee comprising of Independent Directors of the Company which reviews regularly the adequacy of internal control system, audit plans, significant audit findings as well as compliance with Accounting Standards.

6. Human Resources

Industrial Relations at all the levels remained cordial throughout the year. Your Company has created a friendly atmosphere that helps retaining talented professionals and nurturing their career growth along with the growth of the Organization. Your Company is confident of reaping the best from its human assets in the years to come.

7. Quality Management System

The company continues to lay emphasis on excellence in quality and services and is committed to total customer satisfaction. The high quality of the company's products is reflected in the company's ability to export a wide variety of products in quality conscious European markets. The company continues to be on a mission to provide customer with products that can match with international standards and will surpass their expectations. That only explains why Uniply is today one of the most respected plywood brands in the country. The company vigorously follows the BIS quality standards besides quality and cost management policy and procedure certified by ISO 9001, ISO 14001 and OHSAS 18001. Moreover, company is also following the norms of FSC & IGBC.

8. Cautionary Note

Certain statements in this section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for excellent support and co-operation received from banks, financial institutions, Central and State Governments, SEBI, stock exchange, vendors, valued customers and shareholders. Your directors also express their appreciation of the efforts put in by the employees of the company at all levels.

For and on behalf of the Board

Place: Chennai
Date: 13.05.2011

B.L. Bengani
Chairman and Managing Director

M.L. Pramod Kumar
Whole time Director

REPORT ON CORPORATE GOVERNANCE**A. Compliance on Mandatory Requirements****1. Company's Philosophy on Corporate Governance**

Your Company follows Corporate Governance policy aiming to ensure transparency in all dealings and the functioning of the Management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising integrity, social obligations and regulatory compliances. The Company operates within accepted standards of propriety, fair play and justice and aims at creating a culture of openness in relationship between itself and its stakeholders.

2. Board of Directors

In terms of Company's Corporate Governance policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

Composition

Your Company has a balance Board, comprising executive and non-executive directors. The non-executive directors include independent professionals. Executive Directors, includes the Chairman cum Managing Director and one whole time Director. No director is related to any other director on the Board in terms of definition of 'relative' given under the companies Act, 1956.

Name of the Director	Status, i.e. Executive, Non-Executive and Independent	Members in the Board of other public Companies	No. of membership /chairmanship of Board Committees of other Companies	
			As a Chairman	As a Chairman
Mr. B.L. Bengani	Executive	3	None	None
Mr. M.L. Pramod Kumar	Executive	None	None	None
Mr. S.K. Jena	Non-Executive Independent	1	None	None
Mr. Satya Prathaap Bhatara	Non-Executive Independent	None	None	None
Mr. R. Kuppu Rao	Non-Executive Independent	None	None	None

During the financial year ended 31st March 2011, six Board Meeting were held, which are as follows

Sl. No.	Date	Board strength	No. of directors present
1	28.04.2010	5	4
2	27.05.2010	5	4
3	21.06.2010	5	5
4	30.07.2010	5	4
5	02.11.2010	5	5
6	27.01.2011	5	5

Attendance at Board Meeting and Annual General Meeting during the financial year

Director	No. of Board Meetings attended	Attendance at last AGM
Mr. B.L. Bengani	5	Yes
Mr. M.L. Pramod Kumar	5	Yes
Mr. S.K. Jena	5	Yes
Mr. Satya Prathaap Bhatara	6	Yes
Mr. R. Kuppu Rao	6	Yes

3. Audit Committee

Terms of reference:

The broad terms of reference of the Audit Committee are to interact with the internal and Statutory Auditors, overseeing the Company's financial reporting process and review with the management the annual financial statements before submitting to the Board and includes:

1. Appointment and fixation of remuneration payable to Auditors.
2. Review Quarterly, half yearly and annual financial results before submission to the Board
3. Review accounting policies followed by the Company
4. The adequacy and effectiveness of internal control system and procedures in the Company

Composition of the Audit Committee:

The Audit Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. S.K. Jena	Chairman
2	Mr. Satya Prathaap Bhatara	Member
3	Mr. R. Kuppu Rao	Member

Meeting and attendance

Details of Audit Committee Meeting during the financial Year :

During the financial year ended 31st March 2011 Four meetings of Audit Committee were held, which are as follows

Sl. No.	Date	Committee strength	No. of members present
1	27.05.2010	3	2
2	30.07.2010	3	3
3	02.11.2010	3	3
4	27.01.2011	3	3

Attendance of Audit Committee Meeting during the financial year

Sl. No.	Name of the Member	No. of Meetings attended
1	Mr. S.K. Jena	3
2	Mr. Satya Prathaap Bhatara	4
3	Mr. R. Kuppu Rao	4

The Company Secretary of the Company acted as secretary to the Committee

4. Remuneration Committee

The Board terms of reference of the Remuneration Committee is to fix remuneration payable to the Whole time Directors in terms of Schedule XIII of the Companies Act, 1956 and refer the same to the Board.

Composition of the Remuneration Committee:

The Remuneration Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. Satya Prathaap Bhatara	Chairman
2	Mr. S.K. Jena	Member
3	Mr. R. Kuppu Rao	Member

Details of Remuneration Committee Meeting during the year

During the financial year ended 31st March 2011 there was no meeting of the above committee.

Remuneration Policy:

Non-Executive directors are remunerated by way of sitting fees only. The Company pays remuneration by way of salary, perquisites and allowances to the Executive Directors within the limits approved by the members and as permitted under Schedule XIII of the Companies Act, 1956.

Details of Remuneration paid to the Directors are as under:

(In Rupees)

Name of the Director	Sitting Fees		Remuneration
	Board Meeting	Committee Meeting	
Mr. B.L. Bengani – CMD	Nil	Nil	30,00,000.00
Mr. M.L. Pramod Kumar – WTD	Nil	Nil	12,00,000.00
Mr. S.K. Jena - ID	35000.00	Nil	Nil
Mr. Satya Prathaap Bhatera - ID	42000.00	Nil	Nil
Mr. R. Kuppu Rao – ID	42000.00	Nil	

Note: CMD stands for Chairman and Managing Director

WTD stands for Whole-time Director

ID stands for Independent Director

The appointment of Managing Director is upto 31.03.2012.

The appointment of the above Whole time Director is upto 14.09.2011

5. Share Transfer and Shareholders / Investors Grievance Committee

Composition of the Committee:

The Committee consists of the following members:

Sl. No.	Name of the Member	Chairman/member
1	Mr. R. Kuppu Rao	Chairman
2	Mr. Satya Prathaap Bhatera	Member
3	Mr. S.K. Jena	Member

The Committee met time to time whenever requires. The Committee supervises the matters relating to share transfers / redressal of Shareholders / Investors complaints.

Total number of Complaints received during the year : Nil

Number of Complaints solved : Nil

Number of complaints remaining unattended as on 31.03.2011 : Nil

Number of pending share transfer as on 31.03.2011 : Nil

Number of pending demat cases as on 31.03.2011 : Nil

Mr. Raghuram Nath Company Secretary & Compliance Officer of the Company act as secretary to the Committee.

6. General Body Meetings

Details of Annual General Meetings (AGMs):

AGMs	Date of AGMs	Location	Time
13 th	22 nd August 2009	# 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107	10.00 a.m.
14 th	18 th August 2010	# 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107	11.00 a.m.
15 th	2 nd August 2011	# 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107	10.00 a.m.

The special resolutions and other resolutions were duly passed at the respective Annual General Meetings.

7. Disclosures

Materially significant related party transactions which may have potential conflict with the interests of the Company at large: **None**

(Confirmation has been placed before the Audit Committee and the Board that all related party transactions during the year under reference was in the ordinary course of business and on arm's length basis.)

- Details of non-compliances, penalties and strictures by stock exchange/SEBI/Statutory Authorities on any matter related to Capital Markets, during the last year: **None**
- Pecuniary relationships or transaction with Non-Executive Directors: **None**

8. Uniply Code of Conduct

The Uniply Code of conduct, as adopted by the Board of Directors, is applicable to all directors, senior management and employees of the Company. This code is derived from three interlinked fundamental principles, i.e. good corporate governance, good corporate citizenship and exemplary personal conduct. The written code of conduct can be viewed from the company's website.

9. Means Of Communication:

- Quarterly Results : Quarterly results are approved and taken on record by the Board of Directors of the Company within one month of the close of the relevant quarter and approved results are forthwith sent to the Stock Exchange where the Company's shares are listed. The results are published in the proforma prescribed, in widely circulated newspapers both English and vernacular.
- Which newspapers normally published in: Trinity Mirror – English newspaper, Makkal Kurral – Tamil Newspaper
- Any Website where displayed : Yes, www.uniply.in
- Whether presentation made to Institutional Investors or to analysts : Yes, only on request.
- Whether Management Discussion and Analysis Report is a part of this year's Annual Report or not : Yes, it is a part of this Year's Annual Report.

10. General Shareholder Information

15th Annual General Meeting:

Date	:	02.08.2011
Time	:	10.00 a.m.
Venue	:	# 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamilnadu – 603 107

11. The Profile of Directors Retiring By Rotation / Re-Appointment

Director Retiring by rotation

Mr. R. Kuppu Rao aged about 62 years is a Cost Accountant, Company Secretary and CAIIB by profession a financial professional and an Independent Director in the board. He is having more than 3 decades of rich experience in the field of project finance, accounts and taxation. He is instrumental in advising company in various project matters.

12. Financial Calendar (Tentative) for the year 2011-12

(Compliance of Clause 41 of the Listing Agreement)

Period ended	Financial Reporting	Limited Review Reporting
30 th June, 2011	15 th August, 2011	15 th August, 2011
30 th September, 2011	15 th November, 2011	15 th November, 2011
31 st December, 2011	15 th February, 2012	15 th February, 2012
31 st March, 2012	15 th May, 2012	15 th May, 2012

Date of Book Closure: 26.07.2011 to 02.08.2011 (both days inclusive)

13. Listing on Stock Exchanges:

Name of the Stock Exchange	Address	Scrip Code / Stock symbol
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	532646
National Stock Exchange of India Limited	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.	UNIPLY

The annual listing fees for the year 2011-12 has been paid by the Company

14. ISIN No. For The Company's Equity Shares in Demat Form

: INE950G01015

15. Depository Connectivity

: NSDL & CDSL

16. Stock Market Price Data:

Month	Bombay Stock Exchange Limited (BSE)		National Stock Exchange of India Ltd (NSE)	
	High	Low	High	Low
April, 2010	14.99	12.01	15.25	12.40
May, 2010	13.63	10.05	13.40	10.30
June, 2010	13.40	10.27	13.70	10.40
July, 2010	15.80	12.00	15.00	12.00
August, 2010	18.80	13.40	18.80	13.30
September, 2010	19.90	16.50	20.05	16.15
October, 2010	21.30	16.55	21.15	16.75
November, 2010	19.60	14.00	19.80	13.90
December, 2010	17.30	12.00	16.95	12.65
January, 2011	17.20	13.20	16.95	13.00
February, 2011	17.00	10.18	16.80	11.30
March, 2011	14.55	12.50	14.85	12.10

17. Registrar & Transfer Agent (RTA) : M/s. Cameo Corporate Services Ltd.
Subramaniam Building, V-Floor, No. 1,
Club House Road, Chennai – 600 002.

18. Share Transfer System : Share transfers are presently registered within a period of 30 days from the date of receipt in case of documents that are complete in all respects. Share transfers and registration are approved by the share transfer committee and/or the Board. The transfers of shares are mostly in electronic form, Transfer and registration are confirmed to depositories on receipt of demat request within 14 days.

19. Distribution of Shareholding as on 31st March, 2011:

(a) According to category of holding:

Category	No. of Shareholders	% of Shareholders	No. of shares	% of shares
Promoters	9	0.1294	5516516	44.2562
Director	1	0.0144	59450	0.4769
Corporate	203	2.9196	770912	6.1847
Banks/Financial institutions	1	0.0144	20000	0.1604
Resident Individuals	6488	93.3122	5688414	45.6353
NRIs	26	0.3740	24433	0.1960
Clearing members	13	0.1870	3536	0.0284
Hindu Undivided Families	212	3.0490	381689	3.0621
Total	6953	100.0000	12464950	100.0000

(b) According to Number of Equity Shares held:

Category	No. of Shareholders	% of Shareholders	No. of shares	% of shares
From To				
001 – 100	2166	31.1520	137181	1.1005
101 – 500	3031	43.5927	927968	7.4446
501 – 1000	827	11.8941	714286	5.7304
1001 - 2000	441	6.3426	701929	5.6312
2001 – 3000	149	2.1430	383262	3.0747
3001 – 4000	71	1.0211	254209	2.0394
4001 – 5000	81	1.1650	388052	3.1132
5001 -10000	104	1.4958	763194	6.1227
10001- Above	83	1.1937	8194869	65.7433
Total	6953	100.000	12464950	100.0000

20. Dematerialization of shares and liquidity :

10815675 shares have been dematerialized as on 31.03.2011

21. Plant Location: # 69, Nelveli Village, Uthiramerur Taluk,
Kancheepuram Dist. Tamil Nadu – 603 107

22. Address for Correspondence: Uniply Industries Limited,
No. 52, Harleys Road, Kilpauk, Chennai – 600 010
Tel. No. 044 – 2660 5995
Fax No. 044 – 2660 2273
E-mail. info@uniply.in
E-mail. investorservices@uniply.in

23. Shareholders Queries:

M/s. Cameo Corporate Services Ltd.
Subramaniam Building, V-Floor, No. 1,
Club House Road, Chennai – 600 002

The Registrars can be contacted between 10.00 a.m. and 4.00 p.m. on working days (Monday to Friday).

24. Share Transfer System:

Shares in physical form, for transfer, should be lodged at the office of the Company's Registrar and share transfer agent, Cameo Corporate Services Ltd, Chennai at the address given above. The transfers are processed if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialization form.

B. Compliance of Non Mandatory Requirements

1) Chairman of the Board:

Mr. B.L. Bengani is the chairman of the Board

2) Board Procedure:

Members of the Board are provided with the requisite information mentioned in the Listing Agreement well before the meeting and same are considered and decisions are taken.

All the directors who are on various committees are within the permissible limits of the Listing Agreement. These directors have intimated from time to time about their membership in the various committees in other companies.

CEO / CFO CERTIFICATION

I, B.L. Bengani, Chairman and Managing Director responsible for the finance function, certify that:

- a) I have reviewed the financial statements and cash flow statement for the year ended 31st March 2011 and to 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.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2011 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems pertaining to financial reporting. Deficiency in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d.
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes of the financial statements; and
 - iii) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai,
Date: 13.05.2011

B.L.Bengani
Chairman & Managing Director

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGE IN INDIA

CERTIFICATE

TO
THE SHAREHOLDERS
UNIPLY INDUSTRIES LIMITED

We have examined the compliance conditions of Corporate Governance by Uniply Industries Limited for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay stock exchange Limited and National stock exchange of India Limited.

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

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 C. Ramasamy & B. Srinivasan
Chartered Accountants

Place: Chennai
Date: 13.05.2011

C. Ramasamy
Partner

AUDITORS REPORT

To,
The Members of

M/s.UNIPLY INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of M/s.Uniply Industries Limited, as at 31st March, 2011, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. 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 such books.
- iii. The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv. In our opinion, the Balance Sheet, the profit and loss account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of the written representations received from the directors, as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31.03.2011 from being appointed as a director in terms of clause (g) of sub-section 1 to section 274 of the Companies Act 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act,1956, 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 Balance Sheet, of the State of Affairs of the Company as at 31st March 2011.
 - b) In the case of Profit and Loss Account, of the profit for the year ended on that date and
 - c) In the case of Cash flow statement, of the Cash flows for the year ended on that date.

For C. Ramasamy & B. Srinivasan
Chartered Accountants
Firm Registration No. 002957S

Place: Chennai
Date: 13.05.2011

C. Ramasamy
Partner
Membership No: 23714

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF THE AUDITORS REPORT TO THE MEMBERS OF UNIPLY INDUSTRIES LIMITED, ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2011:

In the terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 b) All the assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on verification made during the year.
 c) The Company has not disposed off its substantial part of the fixed assets during the year and as such has not affected the going concern of the company.
- 2) a) The management has conducted physical verification of inventory at reasonable intervals.
 b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business
 c) The company is maintaining proper records of inventory. No material discrepancies in inventory were noticed during the physical verification.
- 3) As informed to us, the company has neither taken nor granted any secured / unsecured loans to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act 1956.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Accordingly the issue of continuing failure to correct major weakness in internal control system does not arise.
- 5) a) In our opinion and according to information and explanation given to us, there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
 b) In our opinion and according to information and explanation given to us, as there are no contracts or arrangements that need to be entered under section 301 of companies Act 1956, paragraph (v) (b) of the order is not applicable.
- 6) The company has not accepted any deposits from the public.
- 7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed maintenance of cost records under clause (d) under sub-section (1) of Section 209 of the Companies Act 1956 for the products of the Company.
- 9) a) The company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues applicable to it with appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
 b) According to the records of the Company there are no dues outstanding of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess on account of any dispute.
- 10) The company has accumulated losses at the end of the financial year and has not incurred cash loss during the financial year. However, it has incurred cash loss in the immediately preceding financial year.
- 11) Based 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 banks and financial institutions. The company has no outstanding dues to 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) In our opinion, and according to the information and explanations given to us, the nature of activities of the Company does not attract the provisions of any special statute applicable to Chit fund and Nidhi/mutual benefit fund/societies.
- 14) In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 15) The company had extended corporate guarantee to Axis Bank Ltd for the loan availed by M/s.UV Boards Ltd for sum of Rs.655 lacs which was closed on 21.12.2010. Considering the Memorandum of Understanding entered into between the company and UV Boards Ltd, we are of the opinion that the terms & conditions of such guarantee were not prejudicial to the company.
- 16) The term loans availed have been used for the purpose for which it has been availed.
- 17) *According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that funds raised on short term basis have been used for repayment of long term loans.*
- 18) The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956 during the year.
- 19) The company has not issued any debentures and as such the creation of security or charge does not arise.
- 20) The company has not raised any money through public issue during the year.
- 21) According to the information and explanations given to us by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For C. Ramasamy & B. Srinivasan
Chartered Accountants
Firm Registration No. 002957S

Place: Chennai
Date: 13.05.2011

C. Ramasamy
Partner
Membership No: 23714

UNIPLY INDUSTRIES LIMITED

No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107
BALANCE SHEET AS ON 31.03.2011

SOURCES OF FUNDS	SCH	AS ON 31.03.2011	AS ON 31.03.2010
<u>SHARE HOLDER'S FUNDS</u>		Rs.	Rs.
Share Capital	I	124,649,500	124,649,500
Reserves & Surplus	II	200,248,870	71,718,870
<u>LOAN FUNDS</u>			
Secured Loans	III	312,895,111	334,165,651
Unsecured Loans	IV	<u>105,642,737</u>	<u>142,723,018</u>
		<u>743,436,218</u>	<u>673,257,039</u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets (Gross Block)	V	357,875,455	214,987,623
Less : Depreciation		<u>81,133,549</u>	<u>68,751,465</u>
Net Block		276,741,906	146,236,158
Capital WIP		<u>74,291</u>	<u>453,948</u>
		276,816,197	146,690,106
Investments	VI	628,126	628,126
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	VII	379,513,619	369,307,307
Sundry Debtors	VIII	183,200,216	193,599,080
Cash & Bank Balances	IX	44,013,961	66,745,557
Loans & Advances	X	<u>21,420,958</u>	<u>19,299,503</u>
		<u>628,148,754</u>	<u>648,951,447</u>
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	XI	221,497,239	213,710,447
Provisions	XII	<u>3,862,495</u>	<u>1,576,324</u>
		<u>225,359,734</u>	<u>215,286,771</u>
Net Current Assets		<u>402,789,020</u>	<u>433,664,676</u>
Deferred Tax Asset	XIII	17,061,000	26,053,000
<u>MISCELLANEOUS EXPENDITURE</u>			
<u>TO THE EXTENT NOT WRITTEN OFF</u>	XIV	-	-
Profit & Loss Account		<u>46,141,875</u>	<u>66,221,131</u>
		<u>743,436,218</u>	<u>673,257,039</u>
Notes Forming part of Accounts	XXIII		

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTOR

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

Raghuram Nath
COMPANY SECRETARY

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner

Membership No : 23714

Place : Chennai
Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

**No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011**

<u>INCOME</u>	SCH	31.03.2011 Rs.	31.03.2010 Rs.
Sales		1,195,438,621	981,726,015
Less : Excise Duty & Sales Tax		169,134,529	115,455,470
Net Sales		1,026,304,092	866,270,545
Other Income	XV	1,847,960	32,650,135
Increase in Inventories	XVI	9,547,017	12,839,505
		1,037,699,069	911,760,185
<u>EXPENDITURE</u>			
Manufacturing Expenses	XVII	715,835,222	520,566,822
Cost of Goods Traded	XVIII	125,228,417	196,603,765
Staff Expenses	XIX	30,005,551	25,772,011
Administrative & Selling Expenses	XX	67,388,960	64,938,375
Financial Expenses	XXI	56,531,644	59,883,717
Non-Cash Expenses	XXII	13,608,019	27,897,759
Derivative - Loss		-	28,219,528
		1,008,597,813	923,881,977
Profit/(Loss) for the year before tax		29,101,256	(12,121,792)
Less : Extraordinary Item			
- Loss on Sale of Windmill Division		-	37,073,400
Less : Provision for Wealth Tax		30,000	25,000
Less : Deferred Taxation Provision		8,992,000	(14,931,000)
Profit/(Loss) After Tax		20,079,256	(34,289,192)
Profit brought forward from earlier years		(66,221,131)	(31,931,939)
		(46,141,875)	(66,221,131)
Earnings Per Share		1.61	(2.75)

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTOR

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

Raghuram Nath
COMPANY SECRETARY

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner

Membership No : 23714

Place : Chennai
Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

	2010-11 Rs.	2009-10 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation and Extraordinary items	29,101,256	(12,121,792)
Adjustments for:		
Depreciation	13,608,019	25,819,981
(Profit)/Loss on sale of fixed assets	(62,635)	145,000
Foreign Exchange (Gain)/ Loss	522,436	(25,510,544)
Interest Expenses	48,777,734	50,107,055
Interest Received	(1,973,354)	(5,464,977)
Prior Period Expenses	-	-
Dividend income on long term investments	(1,241)	(2,973)
Public Issue Expenses written off	-	2,077,778
Operating profit before working capital changes	<u>89,972,215</u>	<u>35,049,528</u>
Movements in working capital:		
Adjustments for		
(Increase)/Decrease in Sundry Debtors and other receivable	8,277,409	14,651,574
(Increase)/Decrease in Inventories	(10,206,312)	(53,484,982)
Increase/(Decrease) in Liabilities	9,520,527	(148,976,877)
Cash generated from operations	<u>97,563,839</u>	<u>(152,760,757)</u>
Direct taxes paid (net of refunds)	-	-
Cash flow before extraordinary items	<u>-</u>	<u>-</u>
Extraordinary item	-	-
Net cash from operating activities	<u>97,563,839</u>	<u>(152,760,757)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,058,007)	(13,172,627)
Sale of fixed assets	1,916,532	187,708,784
Sale of investments	-	-
Interest received	1,973,354	5,464,977
Dividend received	1,241	2,973
Net cash used in investing activities	<u>(13,166,880)</u>	<u>180,004,107</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Repayment of long term borrowings	(41,439,791)	(106,042,230)
Proceeds of long term borrowings	-	34,422,514
Proceeds of short term borrowings	(16,911,030)	76,387,900
Interest paid	(48,777,734)	(50,107,055)
Public Issue Expenses	-	-
Net cash from financing activities	<u>(107,128,555)</u>	<u>(45,338,871)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(22,731,596)	(18,095,521)
Cash and cash equivalents at the beginning of the year	66,745,557	84,841,078
Cash and cash equivalents at the end of the year	44,013,961	66,745,557

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTOR

Raghuram Nath
COMPANY SECRETARY

Place : Chennai
Date : 13.05.2011

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)

Partner
Membership No : 23714

Uniply Industries Limited

BALANCE SHEET SCHEDULES :-

	AS ON 31.03.2011	AS ON 31.03.2010
	Rs.	Rs.
<u>SCHEDULE - I SHARE CAPITAL</u>		
Authorised Share Capital		
15,000,000 Equity Shares of Rs 10/- each	150,000,000	150,000,000
Issued, Subscribed & Paid-up Capital		
12,464,950 Equity Shares of Rs 10/- each	124,649,500	124,649,500
	<u>124,649,500</u>	<u>124,649,500</u>

(Out of the above 23,16,645 Equity Share of 10/- each have been allotted as fully paid Bonus Shares.)

SCHEDULE - II RESERVES & SURPLUS

Share Premium	70,002,870	70,002,870
Capital Subsidy Received	1,716,000	1,716,000
Revaluation Reserve (Refer note 23)	128,530,000	-
	<u>200,248,870</u>	<u>71,718,870</u>

SCHEDULE - III SECURED LOANS
Term Loans:-

IFST - Sales Tax Loan	35,077,057	42,341,000
State Bank of India - Term Loan	34,273,155	46,766,879
Hire Purchase Loan	1,272,776	2,008,073
	<u>70,622,988</u>	<u>91,115,952</u>

Working Capital Loan:-

State Bank of India - Working Capital Term Loan	20,740,549	31,187,376
State Bank of India - Cash Credit	221,531,574	211,862,323
	<u>242,272,123</u>	<u>243,049,699</u>

(Refer note 18 & 19)

	<u>312,895,111</u>	<u>334,165,651</u>
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SCHEDULE - IV UNSECURED LOANS

Inter Corporate Loans	34,900,000	45,400,000
Short Term Credits from Foreign Bank	70,742,737	97,323,018
	<u>105,642,737</u>	<u>142,723,018</u>

SCHEDULE -VI INVESTMENTS
Investment in Equity Shares of Subsidiary Company - Non Quoted - Trade

Surge Trading Ltd - Hong Kong (1,00,000 Equity Shares of HK\$ 1.00/- each)	520,250	520,250
	<u>520,250</u>	<u>520,250</u>

Investment in Equity Shares-Quoted (Non Trade) - Long Term

Balaji Hotels & Enterprises Ltd	2900	101,615	101,615
Chambal Fertilizer & Chem Ltd	495	4,050	4,050
Greenply Industries Ltd	200	2,211	2,211
		<u>107,876</u>	<u>107,876</u>
Grand Total		<u>628,126</u>	<u>628,126</u>
Cost of Quoted Investments		107,876	107,876
Market Value of Quoted Investments		<u>86,937</u>	<u>78,024</u>

SCHEDULE - V FIXED ASSETS

	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As on 01.04.2010 Rs.	Additions/ (Deductions) Rs.	As at 31.03.2011 Rs.	Up to 31.03.2010 Rs.	For the Year Rs.	Up to 31.03.2011 Rs.	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
GOODWILL	200,000	-	200,000	88,778	10,560	99,338	100,662	111,222
FREEHOLD LAND (Refer Note)	3,767,378	128,530,000	132,297,378	-	-	-	132,297,378	3,767,378
BUILDINGS	66,385,078	1,447,363	67,832,441	12,139,028	2,230,280	14,369,308	53,463,133	54,246,050
PLANT & MACHINERY	102,934,759	6,162,041 (1,376,044)	107,720,756	40,121,977	7,664,536 (216,479)	47,570,034	60,150,722	62,812,782
ELECTRICAL INSTALLATION	12,390,712	1,854,861	14,245,573	5,287,471	909,062	6,196,533	8,049,040	7,103,241
FURNITURE & FITTINGS	7,814,005	5,575,708	13,389,713	2,728,202	526,334	3,254,536	10,135,177	5,085,803
OFFICE EQUIPMENT	2,679,832	845,879	3,525,711	731,488	136,441	867,929	2,657,782	1,948,344
COMPUTERS	6,411,876	1,027,731	7,439,607	3,816,652	977,525	4,794,177	2,645,430	2,595,224
VEHICLES	12,403,983	524,081 (1,703,788)	11,224,276	3,837,869	1,153,281 (1,009,456)	3,981,694	7,242,582	8,566,114
Total	214,987,623	145,967,664 (3,079,832)	357,875,455	68,751,465	13,608,019 (1,225,935)	81,133,549	276,741,906	146,236,158
Previous Year	471,229,270	12,718,679 (268,960,326)	214,987,623	86,964,626	25,819,981 (44,033,142)	68,751,465	146,236,158	384,264,644

Note: During the year, the freehold land has been revalued to the extent of Rs.12,85,30,000/- which has been shown as addition.

SCHEDULE - VII INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)

Stock of Raw Materials	235,792,757	235,610,911
Work-in-Progress	93,798,801	83,986,943
Stock of Consumables	9,914,831	8,883,938
Stock of Finished Goods	38,997,133	38,855,625
Stock of Trading Goods	174,777	728,221
Stock in Transit	835,320	1,241,669
	<u>379,513,619</u>	<u>369,307,307</u>

SCHEDULE -VIII SUNDRY DEBTORS (UNSECURED & CONSIDERED GOOD)

Over 6 months	13,517,452	27,471,183
Others	169,682,764	166,127,897
	<u>183,200,216</u>	<u>193,599,080</u>

SCHEDULE - IX CASH & BANK BALANCES

Cash-in-Hand	1,008,879	760,698
Cash at Bank with Scheduled Banks		
in Current Account	14,330,062	12,054,128
in Deposit Accounts	28,675,020	53,930,731
	<u>44,013,961</u>	<u>66,745,557</u>

SCHEDULE - X LOANS & ADVANCES

Advances recoverable in cash or in kind for value to be received		
Unsecured Considered Good	7,075,829	5,571,414
Advances with Government & Public Bodies	7,583,743	7,275,628
Income Tax	6,761,386	6,452,461
	<u>21,420,958</u>	<u>19,299,503</u>

SCHEDULE - XI CURRENT LIABILITIES

Sundry Creditors (Refer note 12 & 12A)	196,135,674	179,107,069
Other Liabilities	25,361,565	34,603,378
	<u>221,497,239</u>	<u>213,710,447</u>

SCHEDULE - XII PROVISIONS

Provision for Taxation	30,000	22,611
Provision for Retirement Benefits	3,832,495	1,553,713
	<u>3,862,495</u>	<u>1,576,324</u>

SCHEDULE - XIII DEFERRED TAX ASSET

Deferred Tax Asset		
Staff Benefits	1,464,000	800,000
Loss as per Income Tax	30,676,000	40,059,000
	<u>32,140,000</u>	<u>40,859,000</u>
Less: Deferred Tax Liability		
Depreciation	15,079,000	14,806,000
	<u>17,061,000</u>	<u>26,053,000</u>

SCHEDULE - XIV MISCELLANEOUS EXPENDITURE

IPO Expenses		
Opening Balance	-	2,077,778
Less : Written off during the year	-	2,077,778
	<u>-</u>	<u>-</u>

PROFIT AND LOSS SCHEDULES:	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE -XV OTHER INCOME</u>		
Dividend Received	1,241	2,973
Interest Received (TDS - 249557) (31.03.2010 -562964)	1,973,354	5,464,977
Profit on Sale of Asset	62,635	-
Export Incentive	333,166	1,507,891
Exchange Gain	(522,436)	25,510,544
Commission Received (TDS - Nil) (31.03.2010 - 18604)	-	163,750
	<u>1,847,960</u>	<u>32,650,135</u>
<u>SCHEDULE -XVI INCREASE IN INVENTORIES</u>		
Closing Stock of Finished Goods	39,832,453	40,097,294
Closing Stock of Work-in-progress	93,798,801	83,986,943
	<u>133,631,254</u>	<u>124,084,237</u>
Less: Opening Stock of WIP & FG	124,084,237	111,244,732
	<u>9,547,017</u>	<u>12,839,505</u>
<u>SCHEDULE - XVII MANUFACTURING EXPENSES</u>		
Raw Materials	676,491,941	477,945,915
Consumables	19,144,669	18,498,029
Power	19,970,740	18,346,263
Excise Duty paid	227,872	5,776,615
	<u>715,835,222</u>	<u>520,566,822</u>
<u>SCHEDULE - XVIII COST OF GOODS TRADED</u>		
Opening Stock	728,221	1,871,539
Purchases	113,860,499	190,814,345
Freight	10,814,474	4,646,102
	<u>125,403,194</u>	<u>197,331,986</u>
Less: Closing Stock	174,777	728,221
	<u>125,228,417</u>	<u>196,603,765</u>
<u>SCHEDULE -XIX STAFF EXPENSES</u>		
Salaries & Wages	24,156,076	22,389,599
Staff Welfare	1,219,093	441,588
Provident Fund	1,029,309	947,788
Bonus & Exgratia	1,246,115	1,408,036
Gratuity	2,354,958	585,000
	<u>30,005,551</u>	<u>25,772,011</u>

SCHEDULE - XX ADMINISTRATION & SELLING EXPENSES

Books & Periodicals	9,162	14,483
Consultancy/Professional Fees	810,362	1,521,037
Conveyance Expenses	440,802	509,968
Electricity Expenses	750,657	718,439
General Expenses	503,068	198,024
Insurance	1,273,647	1,172,207
Petrol Expenses	2,226,224	1,791,457
Postage & Telegram	381,113	335,914
Printing & Stationery	1,406,211	2,001,137
Rates & Taxes	7,540,361	3,397,378
Rent	3,388,700	2,853,850
Repairs & Maintenance		
- Plant & Machinery	2,025,491	2,190,045
- Building	127,336	456,499
- Others	1,853,876	2,151,358
Security Services	1,817,630	1,591,356
Telephone Expenses	1,841,113	1,826,298
Travelling Expenses	4,718,421	3,465,118
Subscription	120,295	160,650
Vehicle Expenses	735,640	610,918
Director's Remuneration	4,200,000	4,200,000
Director's Sitting Fees	119,000	140,000
Auditors Remuneration	60,000	110,000
Loss on Sale of Assets	-	145,000
Sales Promotion Expenses	2,191,279	3,340,448
Product Promotion Expenses	2,527,591	-
Transportation & Forwarding Charges	22,957,924	24,927,913
Advertisement	2,519,209	3,792,547
Packing Materials & Expenses	11,628	110,269
Service Tax (GTA)	525,377	351,944
Registrar Expenses & Demat Charges	162,887	167,323
Data Connectivity Charges	143,956	686,795
	67,388,960	64,938,375

SCHEDULE -XXI FINANCIAL EXPENSES

Interest paid		
-Fixed Loans	16,355,706	25,434,538
-Others	32,422,028	24,672,517
Bank Charges	7,753,910	9,776,662
	56,531,644	59,883,717

SCHEDULE -XXII NON-CASH EXPENSES

Depreciation	13,608,019	25,819,981
IPO Expenses Written Off	-	2,077,778
	13,608,019	27,897,759

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accounts have been prepared by using historical cost convention and on the basis of going concern, with revenues recognized and expenses accounted on accrual basis except those with significant uncertainties.

2. FIXED ASSETS

Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation except land which has been revalued during the year. All other expenses including taxes, duties, freight incurred to bring the fixed assets to a working condition is also treated as the cost of the fixed assets. However Cenvat availed in respect of the fixed assets is deducted from the cost of the fixed asset.

3. INVESTMENTS

Investments are made in long term basis and valued at cost of acquisition to the company. Provision, if any, is made to recognize a decline other than a temporary decline, in the value of investments.

4. INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower. Cost for the purpose of valuation of stocks purchased is determined by using the FIFO method, net of Cenvat credit (if any)

- a) Raw Materials: Raw materials are valued at cost or net realisable value, whichever is lower.
- b) Work-in-progress: Work in progress is valued at cost of raw materials and overheads up to the stage of the completion.
- c) Finished Goods: Finished goods are valued at the lower of the cost or net realisable value.

5. RETIREMENT BENEFITS TO EMPLOYEES

Defined Contribution Plans

The Company's Contribution to Provident Fund is deposited with Regional Provident Fund Commissioner and is charged to the Profit & Loss Account every year.

Defined Benefit Plan

The Net Present Value of the Company's obligation towards Gratuity to employees is actuarially determined based on the projected unit credit method. Actuarial gains & losses are recognized in the Profit & Loss account.

6. DEPRECIATION

Depreciation on Fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

7. GOVERNMENT GRANTS

Capital subsidy received has been shown as capital reserve in Balance Sheet. Export incentives received are accounted on accrual basis and are shown as income.

8. FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions and in case of purchases of materials and sale of goods, the exchange gains/losses on settlement during the year, are adjusted to respective accounts.
- b) Foreign Currency Current Assets and Current Liabilities (if any) are recorded at the actual transaction rate. The gain or loss arising out of settlement/transaction of the assets and liabilities at the closing rates at the year end are recognized as income/expenditure in the profit and loss account.

9. SALES

Sales are stated net of returns and discounts.

10. PRIOR PERIOD ITEMS

Significant items of income and expenditure which relate to prior accounting periods (if any) are shown as appropriation of the Profit under the head "Prior Period Items", other than those occasioned by events occurring during or after the close of the year and which are treatable to the current year.

11. TAXES ON INCOME

Current tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax charge or credit is recognized using current tax rate.

SCHEDULE NO XXIII / NOTES ON ACCOUNTS

1. Previous year figures have been regrouped wherever necessary to confirm to current year's classification.
2. Estimated amount of contracts remaining to be executed in Capital Accounts (net of advances) not provided for Rs. Nil. (31.03.2010 – Rs. Nil)
3. Managerial Remuneration

	31.03.2011	31.03.2010
	Rs.	Rs.
Salary & Allowance	4200000	4200000
Contribution to P.F.& Other Funds	288000	288000

4. Particulars in respect of goods manufactured

					31.03.2011		31.03.2010	
	Licensed	Units	Installed	Units	Actual Production		Actual Production	
Veneers	50000	CBM	50000	CBM	20361	CBM	16687	CBM
Plywood					19316	CBM	16606	CBM

5. **A. Value of Raw materials, Spare parts, Stores Consumed**

Raw materials

Imported (Including Custom Duty)

Particulars	31.03.2011		31.03.2010	
	<i>Value (Rs.)</i>	%	<i>Value (Rs.)</i>	%
Logs & Core Veneers	428653837	63.36	335441783	70.18

Indigenous

Particulars	31.03.2011		31.03.2010	
	<i>Value (Rs.)</i>	%	<i>Value (Rs.)</i>	%
Core Veneers & Logs	198084280	29.28	111825903	23.40
Chemicals & Others	49753824	7.36	30678229	6.42

Consumables

Particulars	31.03.2011		31.03.2010	
	<i>Value (Rs.)</i>	%	<i>Value (Rs.)</i>	%
Indigenous	19144669	100	18498029	100

- B. Details of Raw Material Consumed

Particulars	31.03.2011		31.03.2010	
	<i>Qty.</i>	<i>Value(Rs.)</i>	<i>Qty.</i>	<i>Value(Rs.)</i>
Wooden Products (CBM)	54170	626738117	45085	447267686
Others		49753824		30678229
Total		676491941		477945915

C. Cost of Goods Traded

Particulars	31.03.2011		31.03.2010	
	Qty.	Value(Rs.)	Qty.	Value(Rs.)
Plywood (NA)	851556	125228417	1486259	196603765
Total		125228417		196603765

6. Particulars in respect of Opening Stock

Class of Goods	31.03.2011		31.03.2010	
	Qty.	Value(Rs.)	Qty.	Value(Rs.)
Plywood – Manufacturing (NA)	216938	23633625	113871	11869736
Plywood – Trading (NA)	5783	728221	17962	1871539
Veneers (NA)	36398	4855774	74068	10978494
Logs & Related products (CBM)	11390	222530007	8111	170331006
Wood Scandling (CBM)	802	12922317	1031	10822035

7. Particulars in respect of Closing Stock

Class of Goods	31.03.2011		31.03.2010	
	Qty.	Value(Rs.)	Qty.	Value(Rs.)
Plywood – Manufacturing (NA)	181549	32185354	216938	23633625
Plywood – Trading (NA)	200	52058	5783	728221
Veneers (NA)	36195	5623670	36398	4855774
Logs & Related products (CBM)	12350	230509591	11390	222530007
Wood Scandling (CBM)	219	4818000	802	12922317

8. Particulars in respect of Sales (including excise duty and excluding sales tax)

Class of Goods	31.03.2011		31.03.2010	
	Qty.	Value(Rs.)	Qty.	Value(Rs.)
Plywood & Allied Products (NA)	10306761	1082659985	9756207	878683290
Wood Scandling (CBM)	666	17006978	543	1022758
Others		8404840		1828834
Logs (CBM)	-	-	1150	20125000
Windmill Generation		-		12965863
Total		1108071803		914625745

9. Value of Import on CIF Basis

	31.03.2011	31.03.2010
Raw Materials & Trading Goods (in Rs.)	286155797	260869792
Capital Goods (in Rs.)	-	146055

10. Earnings in Foreign Currency

	31.03.2011	31.03.2010
FOB Value of Exports (in Rs.)	1960572	6817213

11. Expenditure in Foreign Currency

	31.03.2011	31.03.2010
Travelling Expenses (in Rs.)	212252	181544

12. Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to such enterprises. In view of the insufficient information from suppliers regarding their coverage under the said act, no disclosures have been made in the accounts. However, in view of the management, the impact of interest if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

12A.Sundry Creditors include due to subsidiary company – Nil. (31.03.2010 Rs.270.82 Lacs)

13. Amount Paid/Payable to Auditors

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Statutory Audit Fees	35000	35000
Tax Audit Fees	15000	15000
Certification Charges	10000	10000
I.T Representation Fees		50000
Total	60000	110000

14. Amounts remitted during the year in foreign exchange on account of dividends for the previous year: NIL.

15. The amount of exchange differences debited (net) to Profit & Loss account is Rs.5,22,436/-.
(31.03.2010 – Net Credit Balance - Rs.2,55,10,544/-)

16. Contingent Liability:-

		31.03.2011 (Rs.)	31.03.2010 (Rs.)
A.	Guarantees issued by the banks on Behalf of the Company	25029	25029
B.	Corporate Guarantee extended by the Company to Axis Bank Ltd for the loan given to M/S UV Boards Ltd	Nil	65500000
C.	Corporate Guarantee extended by the Company to Indian Overseas Bank for the line of credit given to its Wholly Owned Subsidiary, M/s. Surge Trading Limited, Hong Kong	44539560	45240000

17. Claims against Company not acknowledged as debts for Nil. (31.03.2010 – Nil)

18. a) Secured loan from State Bank of India is secured by the first charge on all current assets of the company, First pari passu Charge on the fixed assets of the Company, and further secured by personal guarantee of Mr. B.L.Bengani & Mrs. Suman Bengani.

b) Hire Purchase loans are secured against the hypothecation of respective assets.

19. Loans due for payment within one year.

Particulars	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Loans due for payment.	24409344	24210297

20. The Schedules referred to in the Profit & Loss Account and Balance Sheet form integral part of accounts.
21. Sundry Debtors include debts due from subsidiary company – Nil (31.03.2010 - Rs.33.59 lacs)
22. Advance received from subsidiary company – Rs.45,05,021/- (31.03.2010 – Nil)
23. The company has revalued the land during the year to reflect the present market value of land. The land has been valued by M/s.Value Assessors & Surveyors P Ltd, during February and March 2011 and they have assessed the present market value of property at Rs.13,22,99,000/- as against a book value of Rs.37,67,378/-. Accordingly, the company has debited a sum of Rs.12,85,30,000/- to land and credited it to revaluation reserve.
24. Related party disclosures for the year ended 31.03.2011

List of Related Parties:-

I Subsidiary Company: Surge Trading Ltd., Hong Kong

II. Associate Concerns: Uniply International Limited

III. Key Management Personnel (KMP)

1. Mr.B.L.Bengani
2. Mr.M.L.Pramod Kumar

IV. Relatives of Key Management Personnel

1. Suman Bengani – Wife of B.L.Bengani
2. K.C.Bengani – Father of B.L.Bengani
3. Varun Bengani – Son of B.L.Bengani

Related party transactions:-

	Amount in Rs.		Nature of Payment
	31.03.2011	31.03.2010	
Mr.B.L.Bengani	30,00,000	30,00,000	Directors Remuneration
Mr.M.L.Pramod Kumar	12,00,000	12,00,000	Directors Remuneration
Mr.Satya Prathaap Bhatera	42,000	42,000	Sitting Fees
Mr.S.K.Jena	35,000	49,000	Sitting Fees
Mr.R.Kuppu Rao	42,000	49,000	Sitting Fees
Surge Trading Ltd (WOS)	27,98,885	74,15,278	Sales
Surge Trading Ltd (WOS)	4,88,84,737	6,71,47,838	Purchases
Uniply International Limited	1,10,93,684	Nil	Sales
Uniply International Limited	76,887	Nil	Purchase
Mr.Varun Bengani	59,583	Nil	Salary

25. Segment Reporting

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
1. Segment Revenue		
Plywood & Allied Products	1,02,63,04,092	85,33,04,682
Wind Mill	-	1,29,65,863
Total	1,02,63,04,092	86,62,70,545
2. Segment Results		
Plywood & Allied Products	2,91,01,256	(20,39,349)
Wind Mill	-	(1,00,82,443)
Total	2,91,01,256	(1,21,21,792)
Less : Extraordinary Item	-	3,70,73,400
Profit Before Tax	2,91,01,256	(4,91,95,192)
Less : Provision for Taxation	90,22,000	(1,49,06,000)
Profit After Tax	2,00,79,256	(3,42,89,192)
3. Segment Assets		
Plywood & Allied Products	90,49,64,952	79,56,41,553
Wind Mill	-	-
Unallocated Assets	6,28,126	6,28,126
Deferred Tax Asset	1,70,61,000	2,60,53,000
Total Assets	92,26,54,078	82,23,22,679
4. Segment Liabilities		
Plywood & Allied Products	64,38,97,583	69,21,75,440
Wind Mill	-	-
Shareholders' Funds	27,87,56,495	13,01,47,239
Total Liabilities	92,26,54,078	82,23,22,679
5A. Capital Expenditure		
Plywood & Allied Products	14,59,67,664	1,27,18,679
Wind Mill	-	-
5B. Depreciation		
Plywood & Allied Products – Manufacturing	1,36,08,019	1,29,39,093
Wind Mill	-	1,28,80,888
Non Cash Expenditure other than depreciation	-	20,77,778

26. Consequent to the adoption of Accounting Standard 15 on Employee Benefits as notified by the Companies (Accounting Standard) Rules 2006, the following disclosures have been made as required by the standard.

i. The Company has recognized the following amounts in the Profit and Loss Account towards contribution to defined contribution plans which are included under contribution to Provident Fund and other Funds:

Particulars	31.03.2011 (in Rs.)	31.03.2010 (in Rs.)
Provident Fund	10,29,309	9,47,788

ii. The details of post retirement benefit plans for Gratuity are given below which is certified by the actuary and relied upon by the auditors:

Valuation Basis/Assumptions:

Particulars	31.03.2011	31.03.2010
Rate of Mortality	As per LIC (1994-96) Mortality Table	As per LIC (1994-96) Mortality Table
Rate of Interest	8.00%	8.00%
Rate of Salary Escalation	5.00%	5.00%
Rate of exit due to reason other than death or retirement.	2.00%	2.00%
Rate of return on plan assets	Does not arise.	Does not arise.

Particulars	31.03.2011 (Non Funded) (In Rs. 000's)	31.03.2010 (Non Funded) (In Rs. 000's)
Change in Defined Benefit Obligations:		
Accrued liability at the beginning of the year	1401	816
Interest cost	109	65
Current service cost	2010	1016
Past service cost	0	0
Curtailement cost	0	0
Settlement cost	0	0
Benefits paid	(88)	0
Actuarial gain/loss	235	(496)
Accrued liability at the end of the period	3667	1401

Amount Recognised In the Balance Sheet	(In Rs. 000's)	(In Rs. 000's)
Present value of obligations	3667	1401
Fair value of plan assets	0	0
Liability recognised in Balance Sheet	(3667)	(1401)

Amount Recognised In Profit and Loss account	(In Rs. 000's)	(In Rs. 000's)
Interest cost	109	65
Current service cost	2010	1016
Past service cost	0	0
Expected return on plan assets	0	0
Curtailement cost(credit)	0	0
Settlement cost(credit)	0	0
Net actuarial (gain)/loss	(235)	(496)
Net expenses recognized in P&L A/c	2354	585

27. Earnings Per Share

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Net Profit / (Loss) after tax	2,00,79,256	(34,289,192)
Weighted Average no of Share	12,464,950	12,464,950
Nominal Value of Shares	10	10
Basic EPS per share	1.61	(2.75)

B.L. Bengani
MANAGING DIRECTOR

Raghuram Nath
COMPANY SECRETARY
Place : Chennai
Date : 13.05.2011

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner
Membership No : 23714

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I. REGISTRATION DETAILS**

REGISTRATION NO.	L20293TN1996PLC036484
BALANCE SHEET DATE	31.03.2011
STATE CODE	18

II. CAPITAL RAISED DURING THE YEAR (Amount in 000's)

PUBLIC ISSUE	NIL
BONUS SHARES	NIL
RIGHT ISSUE	NIL
PRIVATE PLACEMENT	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in 000's)

TOTAL LIABILITIES	743436	TOTAL ASSETS	743436
SOURCES OF FUNDS		APPLICATION OF FUNDS	
PAID-UP CAPITAL	124649	NET FIXED ASSETS	276816
RESERVES & SURPLUS	200249	INVESTMENTS	628
SECURED LOANS	312895	NET CURRENT ASSETS	402789
UNSECURED LOANS	105643	MISC.EXPENDITURE	-
DEFERRED TAX LIABILITY	-	DEFERRED TAX ASSET	17061
		ACCMULATED LOSSES	46142

IV. PERFORMANCE OF COMPANY (Amount in 000's)

TURNOVER	1026304	TOTAL EXPENDITURE	1008598
PROFIT/(LOSS) BEFORE TAX	29101	PROFIT/(LOSS) AFTER TAX	20079
EARNINGS PER SHARE (IN RS.)	1.61	DIVIDEND	-

V. GENERIC NAMES OF PRINCIPAL PRODUCTS/SERVICES OF COMPANY (as per monetary terms)

ITEM CODE (ITC CODE)	4412	4408
PRODUCT DESCRIPTION	Plywood	Veneer

B.L. Bengani
MANAGING DIRECTOR

Raghuram Nath
COMPANY SECRETARY

Place : Chennai
Date : 13.05.2011

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao

DIRECTORS

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner
Membership No : 23714

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies.

Name of The Subsidiary Company	Surge Trading Limited, Hong Kong
Financial Year of the Subsidiary Company	31.03.2011
1. Holding Company's Interest Equity Share Capital	100% 1,00,000 Equity Shares of HKD 1/- each
2. Net aggregate amounts of the Profits/(Losses) of the Subsidiary so far as it concerns the members of the holding company and is not dealt with in accounts of holding company - For the financial year of the subsidiary - For the previous financial year of the Subsidiary since it became its subsidiary	Rs. 23,05,611 Rs. 12,64,801
3. Net aggregate amounts of the Profits/(Losses) of the Subsidiary so far as it concerns the members of the holding company and is dealt with in accounts of holding company - For the financial year of the subsidiary - For the previous financial year of the Subsidiary since it became its subsidiary	Nil Nil
4. Capital	Rs.5,71,000
5. Reserves	Rs.35,70,412
6. Total Assets	Rs.5,33,81,669
7. Total Liabilities	Rs.4,92,40,257
8. Details of Investments(except Investment in Subsidiary)	Nil
9. Turnover	Rs.7,32,76,400
10. Profit before Taxation	Rs.25,24,938
11. Provision for Taxation	Rs.2,19,327
12. Profit after Taxation	Rs.23,05,611
13. Proposed Dividend	Nil

B.L. Bengani
MANAGING DIRECTOR

Raghuram Nath
COMPANY SECRETARY

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner
Membership No : 23714

Place : Chennai
Date : 13.05.2011

AUDITORS REPORT

To,

The Board of Directors of,

UNIPLY INDUSTRIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF UNIPLY INDUSTRIES LIMITED AND ITS SUBSIDIARY

1. We have audited the attached Consolidated Balance Sheet of Uniply Industries Limited (the "Company"), and its subsidiary (collectively referred to as "Uniply Group") as at 31st March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash flow statement for the year ended on that date, both annexed thereto. These Financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statement and other financial information regarding subsidiary company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statement of the subsidiary company included herein whose financial statements together reflect total assets of Rs.5,33,81,669/- as at 31.03.2011, total revenues of Rs. 7,33,62,011/- total expenditure of Rs.7,08,37,073/- and the cash flow of Rs.5,88,219/- for the year ending 31.03.2011.

These financial statements are audited by the other auditors, whose reports have been furnished to us, and our opinion is based solely on reports of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of the reports, as available, of the other auditors on separate financial statements and on the other financial information of the subsidiary, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Consolidated Balance Sheet, of the State of Affairs of the Uniply Group as at 31st March 2011;
 - b) In the case of Consolidated Profit and Loss Account, of the profit for the year ended on that date and;
 - c) In the case of Consolidated Cash flows statement, of the Cash flows for the year ended on that date.

For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner
Membership No: 23714

Place : Chennai

Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107

CONSOLIDATED BALANCE SHEET AS ON 31.03.2011

SOURCES OF FUNDS	SCH	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
<u>SHARE HOLDER'S FUNDS</u>			
Share Capital	I	124,649,500	124,649,500
Reserves & Surplus	II	200,248,870	71,718,870
<u>LOAN FUNDS</u>			
Secured Loans	III	319,969,939	340,241,505
Unsecured Loans	IV	105,642,737	142,723,018
		750,511,046	679,332,893
<u>APPLICATION OF FUNDS</u>			
Fixed Assets (Gross Block)	V	357,875,455	214,987,623
Less : Depreciation		81,133,549	68,751,465
Net Block		276,741,906	146,236,158
Capital WIP		74,291	453,948
		276,816,197	146,690,106
Investments	VI	107,876	107,876
<u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	VII	379,513,619	383,240,134
Sundry Debtors	VIII	217,626,593	194,571,372
Cash & Bank Balances	IX	58,464,232	80,607,609
Loans & Advances	X	21,420,958	19,299,503
		677,025,402	677,718,618
<u>LESS: CURRENT LIABILITIES & PROVISIONS</u>			
Current Liabilities	XI	259,157,647	234,300,501
Provisions	XII	3,862,495	1,812,848
		263,020,142	236,113,349
Net Current Assets		414,005,260	441,605,269
Deferred Tax Asset	XIII	17,061,000	26,053,000
<u>MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF</u>			
Profit & Loss Account	XIV	-	-
		42,520,713	64,876,642
		750,511,046	679,332,893
Notes Forming part of Accounts	XXIII		

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTORM.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORSRaghuram Nath
COMPANY SECRETARYAs per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S(C.RAMASAMY)
Partner

Membership No : 23714

Place : Chennai
Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2011

	SCH	31.03.2011	31.03.2010
		Rs.	Rs.
<u>INCOME</u>			
Sales		1,228,184,066	983,990,530
Less : Excise Duty & Sales Tax		169,134,529	115,455,470
Net Sales		<u>1,059,049,537</u>	<u>868,535,060</u>
Other Income	XV	1,601,671	32,646,355
Increase in Inventories	XVI	9,547,017	14,698,065
		<u>1,070,198,225</u>	<u>915,879,480</u>
<u>EXPENDITURE</u>			
Manufacturing Expenses	XVII	679,232,929	517,865,994
Cost of Goods Traded	XVIII	190,611,381	200,474,499
Staff Expenses	XIX	30,005,551	25,772,011
Administrative & Selling Expenses	XX	67,596,205	65,415,779
Financial Expenses	XXI	57,546,884	61,130,967
Non-Cash Expenses	XXII	13,608,019	27,897,759
Derivative - Loss		-	28,219,528
		<u>1,038,600,969</u>	<u>926,776,537</u>
Profit/(Loss) for the year before tax		31,597,256	(10,897,057)
Less : Extraordinary Item			
- Loss on sale of Windmill Division		-	37,073,400
Less : Provision for Taxation		249,327	227,542
Less : Deferred Taxation Provision		8,992,000	(14,931,000)
Profit/(Loss) After Tax		<u>22,355,929</u>	<u>(33,266,999)</u>
Profit brought forward from earlier years		(64,876,642)	(31,609,643)
Balance carried to Balance Sheet		<u>(42,520,713)</u>	<u>(64,876,642)</u>
Earnings Per Share		1.79	(2.67)

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTOR

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORS

Raghuram Nath
COMPANY SECRETARY

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)

Partner

Membership No : 23714

Place : Chennai
Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

No 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist, Tamil Nadu - 603107

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

	2010-11 Rs.	2009-10 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit before taxation and Extraordinary items	31,597,256	(10,897,057)
Adjustments for:		
Depreciation	13,608,019	25,819,981
(Profit)/Loss on sale of fixed assets	(62,635)	145,000
Foreign Exchange	854,336	(25,396,373)
Interest Expenses	48,973,393	50,441,118
Interest Received	(2,058,965)	(5,575,368)
Prior Period Expenses	-	-
Dividend income on long term investments	(1,241)	(2,973)
Public Issue Expenses written off	-	2,077,778
Operating profit before working capital changes	<u>92,910,163</u>	<u>36,612,106</u>
Movements in working capital:		
Adjustments for		
(Increase)/Decrease in Sundry Debtors and other receivable	(25,176,676)	13,752,446
(Increase)/Decrease in Inventories	3,726,515	(67,417,808)
Increase/(Decrease) in Liabilities	25,803,130	(130,589,967)
Cash generated from operations	<u>97,263,132</u>	<u>(147,643,223)</u>
Direct taxes paid (net of refunds)	-	-
Cash flow before extraordinary items	<u>97,263,132</u>	<u>(147,643,223)</u>
Extraordinary item	-	-
Net cash from operating activities	<u>97,263,132</u>	<u>(147,643,223)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(17,058,007)	(13,172,627)
Sale of fixed assets	1,916,532	187,708,784
Sale of investments	-	-
Interest received	2,058,965	5,575,368
Dividend received	1,241	2,973
Net cash used in investing activities	<u>(13,081,269)</u>	<u>180,114,498</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(41,439,791)	(106,042,230)
Repayment of short term borrowings	(15,912,056)	(4,306,997)
Proceeds of long term borrowings	-	34,422,514
Proceeds of short term borrowings	-	76,387,900
Interest paid	(48,973,393)	(50,441,118)
Net cash from financing activities	<u>(106,325,240)</u>	<u>(49,979,931)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(22,143,377)</u>	<u>(17,508,656)</u>
Cash and cash equivalents at the beginning of the year	80,607,609	98,116,265
Cash and cash equivalents at the end of the year	58,464,232	80,607,609

For and on behalf of the Board of Directors

B.L. Bengani
MANAGING DIRECTORRaghuram Nath
COMPANY SECRETARYM.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao
DIRECTORSAs per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)

Partner

Membership No : 23714

Place : Chennai

Date : 13.05.2011

BALANCE SHEET SCHEDULES :-

	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
<u>SCHEDULE - I SHARE CAPITAL</u>		
Authorised Share Capital		
15,000,000 Equity Shares of Rs 10/- each	150,000,000	150,000,000
Issued, Subscribed & Paid-up Capital		
12,464,950 Equity Shares of Rs 10/- each	124,649,500	124,649,500
	<u>124,649,500</u>	<u>124,649,500</u>
(Out of the above 23,16,645 Equity Share of 10/- each have been allotted as fully paid Bonus Shares.)		
<u>SCHEDULE - II RESERVES & SURPLUS</u>		
Share Premium	70,002,870	70,002,870
Capital Subsidy Received	1,716,000	1,716,000
Revaluation Reserve (Refer note 23)	128,530,000	-
	<u>200,248,870</u>	<u>71,718,870</u>
<u>SCHEDULE - III SECURED LOANS</u>		
Term Loans:-		
IFST - Sales Tax Loan	35,077,057	42,341,000
State Bank of India - Term Loan	34,273,155	46,766,879
Hire Purchase Loan	1,272,776	2,008,073
	<u>70,622,988</u>	<u>91,115,952</u>
Working Capital Loan:-		
State Bank of India - Working Capital Term Loan	20,740,549	31,187,376
State Bank of India - Cash Credit	221,531,574	211,862,323
Bank Overdraft - Indian Overseas Bank	7,074,828	6,075,854
	<u>249,346,951</u>	<u>249,125,553</u>
(Refer Note 8)	<u>319,969,939</u>	<u>340,241,505</u>
<u>SCHEDULE - IV UNSECURED LOANS</u>		
Inter Corporate Loans	34,900,000	45,400,000
Short Term Credits from Foreign Bank	70,742,737	97,323,018
	<u>105,642,737</u>	<u>142,723,018</u>

SCHEDULE - V FIXED ASSETS

	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	As on 01.04.2010 Rs.	Additions/ (Deductions) Rs.	As at 31.03.2011 Rs.	Up to 31.03.2010 Rs.	For the Year Rs.	Up to 31.03.2011 Rs.	As on 31.03.2011 Rs.	As on 31.03.2010 Rs.
GOODWILL	200,000	-	200,000	88,778	10,560	99,338	100,662	111,222
FREEHOLD LAND (Refer Note)	3,767,378	128,530,000	132,297,378	-	-	-	132,297,378	3,767,378
BUILDINGS	66,385,078	1,447,363	67,832,441	12,139,028	2,230,280	14,369,308	53,463,133	54,246,050
PLANT & MACHINERY	102,934,759	6,162,041 (1,376,044)	107,720,756	40,121,977	7,664,536 (216,479)	47,570,034	60,150,722	62,812,782
ELECTRICAL INSTALLATION	12,390,712	1,854,861	14,245,573	5,287,471	909,062	6,196,533	8,049,040	7,103,241
FURNITURE & FITTINGS	7,814,005	5,575,708	13,389,713	2,728,202	526,334	3,254,536	10,135,177	5,085,803
OFFICE EQUIPMENT	2,679,832	845,879	3,525,711	731,488	136,441	867,929	2,657,782	1,948,344
COMPUTERS	6,411,876	1,027,731	7,439,607	3,816,652	977,525	4,794,177	2,645,430	2,595,224
VEHICLES	12,403,983	524,081 (1,703,788)	11,224,276	3,837,869	1,153,281 (1,009,456)	3,981,694	7,242,582	8,566,114
Total	214,987,623	145,967,664 (3,079,832)	357,875,455	68,751,465	13,608,019 (1,225,935)	81,133,549	276,741,906	146,236,158
Previous Year	471,229,270	12,718,679 (268,960,326)	214,987,623	86,964,626	25,819,981 (44,033,142)	68,751,465	146,236,158	384,264,644

Note: During the year, the freehold land has been revalued to the extent of Rs.12,85,30,000/- which has been shown as addition.

SCHEDULE -VI INVESTMENTS

Investment in Equity Shares-Quoted (Non Trade) - Long Term

Balaji Hotels & Enterprises Ltd	2900	101,615	101,615
Chambal Fertilizer & Chem Ltd	495	4,050	4,050
Greenply Industries Ltd	200	2,211	2,211
		<u>107,876</u>	<u>107,876</u>
Grand Total		<u>107,876</u>	<u>107,876</u>
Cost of Quoted Investments		107,876	107,876
Market Value of Quoted Investments		86,937	78,024

SCHEDULE - VII INVENTORIES (AS CERTIFIED BY THE MANAGEMENT)

Stock of Raw Materials		235,792,757	247,685,178
Work-in-Progress		93,798,801	83,986,943
Stock of Consumables		9,914,831	8,883,938
Stock of Finished Goods		38,997,133	38,855,625
Stock of Trading Goods		174,777	728,221
Stock in Transit		835,320	3,100,229
		<u>379,513,619</u>	<u>383,240,134</u>

SCHEDULE - VIII SUNDRY DEBTORS (UNSECURED & CONSIDERED GOOD)

Over 6 months		13,517,452	27,471,183
Others		204,109,141	167,100,189
		<u>217,626,593</u>	<u>194,571,372</u>

SCHEDULE - IX CASH & BANK BALANCES

Cash-in-Hand		1,008,879	760,698
Cash at Bank with Scheduled Banks			
in Current Account		14,330,062	12,054,128
in Deposit Accounts		28,675,020	53,930,731
in Current Account in Foreign Currency		718,877	783
in Deposit Account in Foreign Currency		13,731,394	13,861,269
		<u>58,464,232</u>	<u>80,607,609</u>

SCHEDULE - X LOANS & ADVANCES

Advances recoverable in cash or in kind for value to be received			
Unsecured Considered Good		7,075,829	5,571,414
Advances with Government & Public Bodies		7,583,743	7,275,628
Income Tax		6,761,386	6,452,461
		<u>21,420,958</u>	<u>19,299,503</u>

SCHEDULE - XI CURRENT LIABILITIES

Sundry Creditors		229,755,460	191,016,785
Other Liabilities		29,402,187	43,283,716
		<u>259,157,647</u>	<u>234,300,501</u>

SCHEDULE - XII PROVISIONS

Provision for Taxation		30,000	259,135
Provision for Retirement Benefits		3,832,495	1,553,713
		<u>3,862,495</u>	<u>1,812,848</u>

SCHEDULE - XIII DEFERRED TAX ASSET

Deferred Tax Asset			
Staff Benefits		1,464,000	800,000
Loss		30,676,000	40,059,000
		32,140,000	40,859,000
Less: Deferred Tax Liability			
Depreciation		15,079,000	14,806,000
		<u>17,061,000</u>	<u>26,053,000</u>

SCHEDULE - XIV MISCELLANEOUS EXPENDITURE

IPO Expenses			
Opening Balance		-	2,077,778
Less : Written off during the year		-	2,077,778
		<u>Nil</u>	<u>Nil</u>

SCHEDULE TO CONSOLIDATED PROFIT AND LOSS ACCOUNT	31.03.2011	31.03.2010
	Rs.	Rs.
<u>SCHEDULE -XV OTHER INCOME</u>		
Dividend Received	1,241.00	2,973.00
Interest Received (TDS - 249557) (31.03.2010 - 562964)	2,058,965.00	5,575,368.00
Profit on Sale of Asset	62,635.00	-
Export Incentive	333,166.00	1,507,891.00
Exchange Gain	(854,336.00)	25,396,373.00
Commission Received (TDS - Nil) (31.03.2010 - 18604)	-	163,750.00
Miscellaneous Receipts	-	-
	<u>1,601,671.00</u>	<u>32,646,355.00</u>
<u>SCHEDULE -XVI INCREASE IN INVENTORIES</u>		
Closing Stock of Finished Goods	39,832,453.00	41,955,854.00
Closing Stock of Work-in-progress	93,798,801.00	83,986,943.00
	<u>133,631,254.00</u>	<u>125,942,797.00</u>
Less: Opening Stock of WIP & FG	124,084,237.00	111,244,732.00
	<u>9,547,017.00</u>	<u>14,698,065.00</u>
<u>SCHEDULE - XVII MANUFACTURING EXPENSES</u>		
Raw Materials	639,889,648.00	475,245,087.00
Consumables	19,144,669.00	18,498,029.00
Power	19,970,740.00	18,346,263.00
Excise Duty paid	227,872.00	5,776,615.00
	<u>679,232,929.00</u>	<u>517,865,994.00</u>
<u>SCHEDULE - XVIII COST OF GOODS TRADED</u>		
Opening Stock	728,221.00	1,871,539.00
Purchases	179,243,463.00	194,685,079.00
Freight	10,814,474.00	4,646,102.00
	<u>190,786,158.00</u>	<u>201,202,720.00</u>
Less: Closing Stock	174,777.00	728,221.00
	<u>190,611,381.00</u>	<u>200,474,499.00</u>
<u>SCHEDULE -XIX STAFF EXPENSES</u>		
Salaries & Wages	24,156,076.00	22,389,599.00
Staff Welfare	1,219,093.00	441,588.00
Provident Fund	1,029,309.00	947,788.00
Bonus & Exgratia	1,246,115.00	1,408,036.00
Gratuity	2,354,958.00	585,000.00
	<u>30,005,551.00</u>	<u>25,772,011.00</u>
<u>SCHEDULE - XX ADMINISTRATION & SELLING EXPENSES</u>		
Books & Periodicals	9,162.00	14,483.00
Consultancy/Professional Fees	945,404.00	1,669,517.00
Conveyance Expenses	440,802.00	509,968.00
Electricity Expenses	750,657.00	718,439.00
General Expenses	503,553.00	208,151.00
Insurance	1,273,647.00	1,172,207.00
Petrol Expenses	2,226,224.00	1,791,457.00
Postage & Telegram	405,312.00	363,673.00
Printing & Stationery	1,408,518.00	2,004,141.00
Rates & Taxes	7,540,361.00	3,397,378.00
Rent	3,388,700.00	2,853,850.00

Uniply Industries Limited

Repairs & Maintenance

- Plant & Machinery	2,025,491.00	2,190,045.00
- Building	127,336.00	456,499.00
- Others	1,853,876.00	2,151,358.00
Security Services	1,817,630.00	1,591,356.00
Telephone Expenses	1,841,216.00	1,856,052.00
Traveling Expenses	4,718,421.00	3,465,118.00
Subscription	120,295.00	160,650.00
Vehicle Expenses	735,640.00	610,918.00
Director's Remuneration	4,200,000.00	4,200,000.00
Director's Sitting Fees	119,000.00	140,000.00
Auditors Remuneration	88,550.00	139,000.00
Loss on Sale of Assets	-	145,000.00
Sales Promotion Expenses	2,191,279.00	3,340,448.00
Product Promotion Expenses	2,527,591.00	-
Transportation & Forwarding Charges	22,974,483.00	25,157,193.00
Advertisement	2,519,209.00	3,792,547.00
Packing Materials & Expenses	11,628.00	110,269.00
Service Tax (GTA)	525,377.00	351,944.00
Registrar Expenses & Demat Charges	162,887.00	167,323.00
Data Connectivity Charges	143,956.00	686,795.00
	<u>67,596,205.00</u>	<u>65,415,779.00</u>

SCHEDULE -XXI FINANCIAL EXPENSES

Interest paid		
-Fixed Loans	16,355,706.00	25,434,538.00
-Others	32,617,687.00	25,006,580.00
Bank Charges	8,573,491.00	10,689,849.00
	<u>57,546,884.00</u>	<u>61,130,967.00</u>

SCHEDULE -XXII NON-CASH EXPENSES

Depreciation	13,608,019.00	25,819,981.00
IPO Expenses Written Off	-	2,077,778.00
	<u>13,608,019.00</u>	<u>27,897,759.00</u>

SIGNIFICANT ACCOUNTING POLICIES**1. DESCRIPTION OF BUSINESS**

Uniply Industries Ltd ("Uniply Group" or "the Company") is a manufacturer of plywood and allied products and its subsidiary is a trader in plywood and allied products.

Uniply has its headquarters in Chennai, India with offices in Mumbai, Bangalore, Delhi, Lucknow and Hyderabad and its subsidiary in Hong Kong.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements include the accounts of Uniply and its subsidiary as follows

Name of the Subsidiary	Country of Incorporation	% of Holding
Surge Trading Limited	Hong Kong	100.00

The consolidated financial statements have been prepared to comply in all material respects with the notified Accounting Standards by 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. The accounting policies have been consistently applied by the Group and are consistent with those used during the previous year.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

All inter company balances and transactions between the company and its subsidiary have been eliminated in consolidation.

3. FIXED ASSETS

Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation except land which has been revalued during the year. All other expenses including taxes, duties, freight incurred to bring the fixed assets to a working condition are also treated as the cost of the fixed assets. However cenvat availed in respect of the fixed assets is deducted from the cost of the fixed asset.

4. INVESTMENTS

Investments are made in long term basis and valued at cost of acquisition to the company. Provision, if any, is made to recognize a decline other than a temporary decline, in the value of investments.

5. INVENTORIES

Inventories are valued at cost or net realisable value, whichever is lower. Cost for the purpose of valuation of stocks purchased is determined by using the FIFO method, net of Cenvat credit (if any)

- a) Raw Materials:
Raw materials are valued at cost or net realisable value, whichever is lower.
- b) Work-in-progress:
Work-in-progress is valued at cost of raw materials and overheads up to the stage of the completion.
- c) Finished Goods:
Finished goods are valued at the lower of the cost or net realisable value.

6. RETIREMENT BENEFITS TO EMPLOYEES**Defined Contribution Plans**

The Company's Contribution to Provident Fund is deposited with Regional Provident Fund Commissioner and is charged to the Profit & Loss Account every year.

Defined Benefit Plan

The Net Present Value of the Company's obligation towards Gratuity to employees is actuarially determined based on the projected unit credit method. Actuarial gains & losses are recognized in the Profit & Loss account.

7. DEPRECIATION

Depreciation on Fixed assets is provided on straight line method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

8. FOREIGN CURRENCY TRANSACTIONS

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions and in case of purchases of materials and sale of goods, the exchange gains/losses on settlement during the year, are adjusted to respective accounts.
- b) Foreign Currency Current Assets and Current Liabilities (if any) are recorded at the actual transaction rate. The gain or loss arising out of settlement/transaction of the assets and liabilities at the closing rates at the year end are recognized as income / expenditure in the profit and loss account except in case of liabilities in respect of acquisition of fixed assets where the exchange gains/losses are adjusted to the cost of such fixed assets.
- c) Conversion – Foreign currency monetary items are reported using the closing rate, Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are using the exchange rate at the date of the transaction. Exchange differences arising on the settlement or conversion of monetary items, are recognized as income or as expenses in the period in which they arise.

9. SALES

Sales are stated net of returns and discounts.

10. PRIOR PERIOD ITEMS

Significant items of income and expenditure which relate to prior accounting periods (if any) are shown as appropriation of the Profit under the head “Prior Period Items”, other than those occasioned by events occurring during or after the close of the year and which are treated as relating to the current year.

11. TAXES ON INCOME

Current tax is determined on the amount of tax payable in respect of taxable income for the year. The deferred tax charge or credit is recognized using current tax rate.

SCHEDULE NO XXIII / NOTES ON ACCOUNTS

1. Previous year figures have been regrouped wherever necessary to confirm to current year’s classification.
2. Estimated amount of contracts remaining to be executed in capital Accounts (net of advances) not provided for Rs Nil (31.03.2010 – Rs. Nil)
3. Managerial Remuneration

	31.03.2011 Rs.	31.03.2010 Rs.
Salary & Allowance	4200000	4200000
Contribution to P.F.& Other Funds	288000	288000

4. Amounts remitted during the year in foreign exchange on account of dividends for the previous year Nil.
5. The amount of exchange differences debited (net) to Profit & Loss account is Rs.8,54,336/- (31.03.2010 – Net Credit balance of Rs.2,53,96,373/-)
6. Contingent Liability

		31.03.2011 (Rs.)	31.03.2010 (Rs.)
A.	Guarantees issued by the banks on Behalf of the Company	25029	25029
B.	Corporate Guarantee extended by the Company to Axis Bank Ltd for the loan given to M/S UV Boards Ltd	Nil	65500000
C.	Corporate Guarantee extended by the Company to Indian Overseas Bank for the line of credit given to its Wholly Owned Subsidiary, M/s. Surge Trading Limited, Hong Kong	44539560	45240000

7. Claims against Company not acknowledged as debts for Nil. (31.03.2011 – Nil)
8. a) Secured loan from State Bank of India is secured by the first charge on all current assets of the company, First pari passu Charge on the fixed assets of the Company, and further secured by personal guarantee of Mr.B.L.Bengani & Mrs. Suman Bengani.
b) Hire Purchase loans are secured against the hypothecation of respective assets.
c) Secured Loan from Indian Overseas Bank, Hong Kong for the subsidiary company is secured by hypothecation of current assets of the subsidiary company and the corporate guarantee of the holding company.
9. The Schedules referred to in the Profit & Loss Account and Balance Sheet form an integral part of accounts.
10. Consequent to the adoption of Accounting Standard 15 on Employee Benefits as notified by the Companies (Accounting Standard) Rules 2006, the following disclosures have been made as required by the standard.
- i. The Company has recognized the following amounts in the Profit and Loss Account towards contribution to defined contribution plans which are included under contribution to Provident Fund and other Funds:

Particulars	31.03.2011 <i>(in Rs.)</i>	31.03.2010 <i>(in Rs.)</i>
Provident Fund	10,29,309	9,47,788

- ii. The details of post retirement benefit plans for Gratuity are given below which is certified by the actuary and relied upon by the auditors:

Valuation Basis/Assumptions:

Particulars	31.03.2011	31.03.2010
Rate of Mortality	As per LIC (1994-96) Mortality Table	As per LIC (1994-96) Mortality Table
Rate of Interest	8.00%	7.50%
Rate of Salary Escalation	5.00%	8.00%
Rate of exit due to reason other than death or retirement.	2.00%	2.00%
Rate of return on plan assets	Does not arise.	Does not arise.

Particulars	31.03.2011 (Non Funded) <i>(In Rs. 000's)</i>	31.03.2010 (Non Funded) <i>(In Rs. 000's)</i>
Change in Defined Benefit Obligations:		
Accrued liability at the beginning of the year	1401	816
Interest cost	109	65
Current service cost	2010	1016
Past service cost	0	0
Curtailement cost	0	0
Settlement cost	0	0
Benefits paid	(88)	0
Actuarial gain/loss	235	(496)
Accrued liability at the end of the period	3667	1401

Amount Recognised In the Balance Sheet	<i>(In Rs. 000's)</i>	<i>(In Rs. 000's)</i>
Present value of obligations	3667	1401
Fair value of plan assets	0	0
Liability recognised in Balance Sheet	(3667)	(1401)

Uniply Industries Limited

Amount Recognised In Profit and Loss account	<i>(In Rs. 000's)</i>	<i>(In Rs. 000's)</i>
Interest cost	109	65
Current service cost	2010	1016
Past service cost	0	0
Expected return on plan assets	0	0
Curtailement cost(credit)	0	0
Settlement cost(credit)	0	0
Net actuarial (gain)/loss	(235)	(496)
Net expenses recognized in P&L A/c	2354	585

11. Related party disclosures for the year ended 31.03.2011

List of Related Parties:-

I. Associate Concerns: Uniply International Limited

II. Key Management Personnel (KMP)

1. Mr.B.L.Bengani
2. Mr.M.L.Pramod Kumar

III. Relatives of Key Management Personnel

1. Suman Bengani – Wife of B.L.Bengani
2. K.C.Bengani – Father of B.L.Bengani
3. Varun Bengani – Son of B.L.Bengani

Related party transactions

	Amount in Rs.		Nature of Payment
	31.03.2011	31.03.2010	
Mr.B.L.Bengani	30,00,000	30,00,000	Directors Remuneration
Mr.M.L.Pramod Kumar	12,00,000	12,00,000	Directors Remuneration
Mr.Satya Prathaap Bhatara	42,000	42,000	Sitting Fees
Mr.S.K.Jena	35,000	49,000	Sitting Fees
Mr.R.Kuppu Rao	42,000	49,000	Sitting Fees
Surge Trading Ltd (WOS)	27,98,885	74,15,278	Sales
Surge Trading Ltd (WOS)	4,88,84,737	6,71,47,838	Purchases
Uniply International Limited	1,10,93,684	Nil	Sales
Uniply International Limited	76,887	Nil	Purchase
Mr.Varun Bengani	59,583	Nil	Salary

12. Segment Reporting

	31.03.2011	31.03.2010
	(Rs.)	(Rs.)
1.Segment Revenue		
Plywood & Allied Products	1,05,90,49,537	85,55,69,197
Wind Mill	-	1,29,65,863
Total	1,05,90,49,537	86,85,35,060
2. Segment Results		
Plywood & Allied Products	3,15,97,216	(8,14,614)
Wind Mill	-	(1,00,82,443)
Total	3,15,97,216	(1,08,97,057)
Less : Extraordinary Item	-	3,70,73,400
Profit Before Tax	3,15,97,216	(47,970,457)

Less : Provision for Taxation	92,41,327	(1,47,03,458)
Profit After Tax	2,23,55,929	(3,32,66,999)
3. Segment Assets		
Plywood & Allied Products	95,38,41,599	82,44,08,725
Wind Mill	-	-
Unallocated Assets	1,07,876	1,07,876
Deferred Tax Asset	1,70,61,000	2,60,53,000
Total Assets	97,10,10,475	85,05,99,601
4. Segment Liabilities		
Plywood & Allied Products	68,86,32,818	71,90,77,873
Wind Mill	-	-
Share Holders Funds	28,23,77,657	13,14,91,728
Total Liabilities	97,10,10,475	85,05,99,601
5A.Capital Expenditure		
Plywood & Allied Products	1,74,37,664	1,27,18,679
Wind Mill	-	-
5B.Depreciation		
Plywood & Allied Products – Manufacturing	1,36,08,019	1,29,39,093
Wind Mill	-	1,28,80,888
Non Cash Expenditure other than depreciation	-	20,77,778

13. Earnings Per Share

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Net Profit after tax	2,23,55,929	(3,32,66,999)
Weighted Average no of Share	1,24,64,950	1,24,64,950
Nominal Value of Shares	10	10
Basic EPS per share	1.79	(2.67)

B.L. Bengani
MANAGING DIRECTOR

M.L. Pramod Kumar
S.K. Jena
S.P. Bhatara
R. Kuppu Rao

Raghuram Nath
COMPANY SECRETARY

DIRECTORS

As per our report of even date
For C.RAMASAMY & B.SRINIVASAN
Chartered Accountants
Firm Registration No: 002957S

(C.RAMASAMY)
Partner
Membership No : 23714

Place : Chennai
Date : 13.05.2011

UNIPLY INDUSTRIES LIMITED

Regd. Office: # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 15th Annual General Meeting of the Company held on Tuesday the 2nd Day of August, 2011 at 10.00 a.m. at # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107.

Folio No.	
DP ID	
Client ID	
No. of Shares	

Signature of the member or proxy

Name of the Member:

Name of the Proxy:

UNIPLY INDUSTRIES LIMITED

Regd. Office: # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107.

PROXY FORM

I/We _____ of _____ being a member/members, hereby appoint _____ of _____ or failing him/her _____ of _____

_____ as my/ our proxy to attend and vote for me/us on my/our behalf at the 15th Annual General Meeting of the Company to be held on Tuesday the 2nd Day of August, 2011 at 10.00 a.m at # 69, Nelveli Village, Uthiramerur Block, Kancheepuram Dist., Tamilnadu – 603 107, and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Folio No.	
DP ID	
Client ID	
No. of Shares	

Affix
Re. 1.00
Revenue
Stamp

Signature

Note: This proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

Book-Post



for all reasons & seasons

To

If undelivered please return to:
Corporate Office
Uniply Industries Limited
52, Harley's Road
Kilpauk, Chennai - 600 010
Phone : 2660 5995, Fax : +91-44-26602273
E-mail : info@uniply.in