



National Plywood Industries Limited

C.I. No. L20211AS1973PLC001856

Corporate Office : 5, Fancy Lane, 7th Floor, Kolkata-700 001 | Phones : 033-2248 0116/17

Email : info.npil.ho@nationalplywood.net | Web : www.nationalplywood.net

Ref.NPI/BSE./2018-19

October 05, 2018

To
The Secretary
Bombay Stock Exchange Limited
Phirozee Jeejeebhoy Towers
Dalal Street, 25th Floor
Mumbai – 400 001

Scrip Code: BSE-516062

Sub.: Annual Report for the financial year ended 31st March, 2018 in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

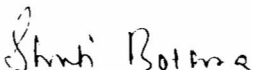
Dear Sir/Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith the Annual Report of the Company for the Financial Year ended 31st March, 2018 as approved by the Shareholders of the Company at the Annual General Meeting held on 27th September, 2018.

This is for your information and record.

Thanking you,

Yours truly,
For **National Plywood Industries Limited**


Shruti Bothra

Company Secretary & Compliance Officer

Encl.: As above



turnaround

NATIONAL PLYWOOD INDUSTRIES LIMITED
ANNUAL REPORT 2017-18

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

Corporate Snapshot	02	Dealer Testimonials	20	Report on Corporate Governance	69
Milestones	04	Manufacturing Locations	22	Auditor's Report	82
Performance	06	Corporate Information	23	Balance Sheet	86
Promoter's Overview	10	Notice	25	Profit & Loss Statement	87
Turnaround Plan 2018-19	14	Director's Report	38	Cash Flow Statement	88
Brands	16	Management Discussion and Analysis	44		
Product Quality	18				



turnaround

National Plywood Industries Limited evolved from attractive profitability to near closure in the last couple of decades.

The challenges began with a Supreme Court ban on all resource-based industries in North East India in the mid-Nineties to check rampant deforestation in the region.

The sudden suspension resulted in a multi-year closure, despite no illegal activity by the Company, transforming this once-profitable company towards industrial sickness.

After transitioning through various challenges, paying off settled secured debts to banks and battling through the suspension despite sustainable practices, the Company has cleared all statutory and worker dues and reached a point where it is prepared for a multi-year growth story.

10

THINGS YOU NEED TO KNOW ABOUT NATIONAL PLYWOOD INDUSTRIES LIMITED

Background

The Company is one of the oldest plywood enterprises in India, having commenced operations as a tea chest manufacturer in 1951 in Assam and incorporated as a plywood, block board and allied products manufacturer in 1973. Following a period of rapid growth resulting in market leadership, the Company comprised five units for the manufacture of plywood, laminates and a proposed venture into particle boards in the Nineties. The Company's turnover accounted for nearly ₹100 crores in the mid-Nineties, when operations were suddenly suspended on account of a blanket Supreme Court ban on timber-based businesses in the North East with the objective to check illegal deforestation and maintain the regional ecological balance.

Promoters

The promoters belong to the Kolkata-based Perival family. The promoters possess almost six decades of rich industry experience reflected in sectoral familiarity, network of relationships, product development and market dynamics. The promoter interests are being managed by Piyush Perival, assisted by a team of sectoral professionals. The promoters of the Company accounted for 48 per cent of the Company's equity as on 31 March 2018.

Products

The Company's key product lines comprise plywood and laminates.

Under the plywood business segment, the Company manufactures exterior and interior grade plywood, flush doors and block boards.

Plywood is suitable for a range of structural, exterior and interior applications including columns, beams, slabs, shuttering, flooring, wall panelling, ceilings, partitions and furniture. Flush doors are custom doors made to size with smooth, joint-less surfaces and a solid composition. Block boards are best used in furniture - cupboards, shelves, table tops, beds, etc.

Decorative laminates are used in furniture, panelling, partitions etc. The unique designs and textures are customised around prevailing market trends.

Brand

The Company owns the prominent National Plywood brand, which is respected across trade channels in India for product integrity and ethical

engagement. The National brand is being supported largely through a favourable word-of-mouth recall and a large base of loyal customers built over decades of superior product quality and service. The Company's laminate sub-brands comprise National Laminate and Uninational Laminates. The Company also manufactures plywood for the price-sensitive market under the Pioneer National brand. On a limited basis, the Company commenced outsourcing and marketing its economical plywood range under the Prima National and Prestige National brands.

Distribution network

The Company's products are marketed through a pan-India distribution network of 23 distributors and 500+ dealers. The Company has five branches across the country. The quality of this distribution network is reflected in the fact that more than 90 per cent of the distributors have been working with the Company for more than 10 years.

Alliances

The Company has widened its product portfolio through outsourcing alliances for the marketing of interior decorative products. This initiative will enhance the Company's share of the distributor's wallet and widen its portfolio of product offerings, strengthening its capability to offer a one-stop consumer proposition.

In 2017-18, the Company entered into exclusive dealerships for new complementary products:

- ★ TPI Polene, Thailand, for fibre cement boards and planks under the National Fibre Cement Board brand across India

- ★ LG HI-MACs for Acrylic Solid Surfaces (presently for East and North East India)

These products are expected to add to revenues/profits with no capex (20-25 per cent EBITDA margins).

These brands will be marketed under the Company's brand, resulting in attractive value-add/cross-sell facility to the existing plywood/laminate offerings.

These products enjoy strong demand and applicability in the construction, interior décor, and hospitality and airport sectors.

They will benefit from NPIL's existing distribution and marketing network (extensive and growing).

The Company began outsourcing the manufacture of an economy range of plywood under the price-sensitive Prima National and Prestige National brands in line with major competitor trends.

Revenue streams

The Company's business comprises revenues from three distinct streams – the sale of plywood and laminates derived from direct manufacture and marketed through its proprietary brand, the sale of economy plywood varieties derived from outsourced manufacturers and marketed through proprietary sub-brands, as well as through the trading of adjacent products.

Employees

The Company provided full-time employment to 210 employees as on 31 March 2018. The Company reported high people retention of 73 per cent in 2017-18. Nearly 75 per cent of the employees were based in manufacturing locations while the rest addressed marketing, branding and administration functions.

Listing

The Company was listed on the Bombay Stock Exchange following an IPO in 1994. The Company was then suspended in 2002 for non-compliance issues after being declared sick and referred to the Board of Industrial and Financial Reconstruction (BIFR). After a resurrection period that lasted 16 years, the Company expects to be relisted on the BSE in FY2018-19.

Principal customers

The Company addresses discerning customers seeking high quality durable plywood at prices lower than most branded plywood. The Company's institutional customers include prominent brands like SBI, Reliance, Infosys, Hyatt, L&T, Microsoft and IIM etc.



1951

The Company was founded by the Periwai family of Kolkata as a proprietorship concern manufacturing tea chests.



1973

Incorporated as a manufacturer of plywood, blockboards and allied wood products.



1992

Expanded infrastructure and production, growing revenues by ~50 per cent across these years.

NPIL milestones

2004

The Banganagar unit was sold by UBI to adjust the outstanding credit.



2003

The Company became financially sick and registered in the BIFR in July 2003.



2002

Trading in the Company's shares was suspended on the BSE due to non-compliance issues.



2006

The Company was declared sick at a BIFR hearing. The bench appointed IDBI Bank to conduct a viability study and formulate a revival scheme.



2008

Trading activity resumed with plywood sourced from an associate concern in Arunachal Pradesh that was marketed through the existing network.



2010

The Tinsukia and Kalyani units were sold by the Hon'ble BIFR to address lender dues.



2007

The laminate production at the Hosur unit was restarted in July 2007. A strategic investor and promoter invested ₹17 crores for the payment of a Negotiated Settlement to banks, statutory liabilities and working capital requirements.



2013-14

The Company cleared all secured debts as per the direction of the Hon'ble BIFR.



▶ 1994

Went public, was listed on the Bombay Stock Exchange; share price rose to around ₹50 against a face value of ₹10 per share. Commenced laminate production unit in Hosur, Tamil Nadu.

▶ 1996

Grew the business to three plywood production units (Margherita, Banganagar and Tinsukia) and two laminate production units (Hosur and Kalyani).

Supreme Court issued an order (December 1996) that temporarily banned all tree felling and movement of trees and timber in North East India to prevent rampant illegal deforestation. NPIL was compelled to suspend operations at Tinsukia and Margherita plants until fresh licenses were issued, while continuing to bear salaries and wages of employees and labour. The non-performing asset status of the plywood division affected the laminates division. Capex initiated in 1995-6 could not be utilised as planned.

◀ 2001

The State Government took inordinately long to issue compliances; licenses to restart was issued only in 2000-1 (three years after the Supreme Court gave the green light to reopen factories).



1998

Following the completion of all inspection, the Supreme Court (vide an order dated 15 January 1998) directed its High Powered Committee (HPC) to allow all legal units (which included all NPIL units in the NE region) to restart subject to compliance to State Government conditions.

Despite the unit closure in NE India, the Company reported a turnover of ₹99.15 crores (peak performance) with a working capital limit of ₹38 crores from various banks.

▶ 2017

The Company commenced trading as a distributor of LG HI-MACs acrylic solid surfaces in East India.

▶ 2018

The Company began importing fibre cement boards from TPI Polene (Thailand) to market under the National brand across India.

The Company is anticipating re-listing on BSE.

▶ 2014-15

The Company received a 'No Dues Certificate' from all banks.

The Margherita unit restarted following a Negotiated Settlement with banks; despite virtually no support from secured lenders, the Company achieved a turnover of ₹40.77 crores.

▶ 2016

BIFR was repealed; NPIL returned to normal activities (one manufacturing unit in Margherita for plywood and one in Hosur for laminates).

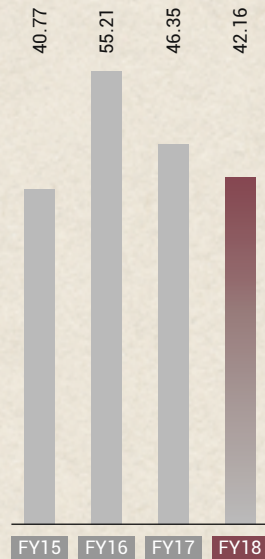
The Company reported a turnover of ₹43.78 crores (audited).

How National Plywood has performed across the years

Revenues

-4.19

(₹ cr)



Definition

Sales growth without deducting excise duties.

Why we measure

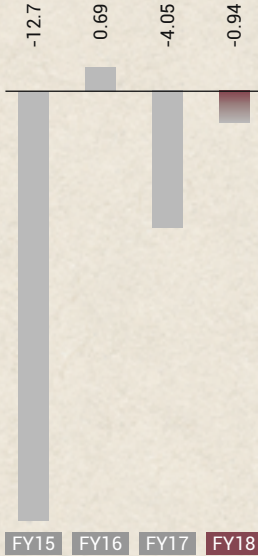
This measure reflects our ability to understand market trends and service customers with corresponding products, superior technologies and competent supply chain management.

Performance

Our aggregate sales decreased by 9.04 per cent to ₹42.16 crores in FY18 due to the ramifications of GST implementation in the country.

EBITDA

+ 3.11
(₹ cr)



Definition

Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax).

Why we measure

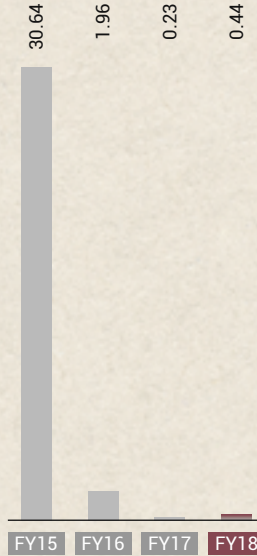
It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

Performance

The Company's EBITDA grew in this financial year after a fall in 2016-17. The Company reported a 76.79 per cent increase in its EBITDA in FY18 – an outcome of painstaking efforts of its team in improving operational efficiency.

Net profit

+ 0.21
(₹ cr)



Definition

Profits earned during the year after deducting all expenses and provisions.

Why we measure

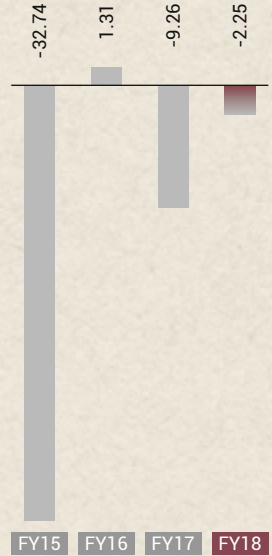
PAT highlights the strength in the business model in generating value for its shareholders.

Performance

The Company reported a 91.30 per cent increase in its Net Profit in FY18 – reflecting the robustness of the business model in growing shareholder value despite external vagaries.

EBIDTA margin (per cent)

+ 701
(bps)



Definition

EBIDTA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency. Higher the operating margin, better for the Company.

Why we measure

The EBIDTA margin provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sales.

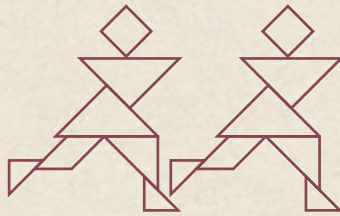
Performance

The Company reported a 701 bps rise in EBIDTA margin in FY18. This was the result of enriching its product basket with superior products and higher improved operating efficiency across the business.



The challenges that we faced in the last two decades

India's Supreme Court issued orders to check illegal deforestation, especially by mushrooming disorganised wood-based units in India's resource-rich North East to protect the region's ecological balance and bio-diversity 📌 The Supreme Court decision resulted in all wood-based units of North East India shutting down until fresh licenses were issued to those in the clear 📌 The Supreme Court appointed a High Powered Committee (HPC) to examine historical data and inspect existing inventory across the factories; during this fourteen month process, operations were suspended 📌 The Company was required to pay wages irrespective of whether the factories ran or not, resulting in a resource squeeze 📌 As a result of the uncertainty as to when operations would resume, the Company maintained infrastructure and establishment, resulting in massive overheads and non-productive expenditure 📌 The Company's plywood units turned into Non-Performing Assets 📌 Bankers reduced funding to the profitable laminates division as well 📌 The HPC (appointed by the Supreme Court) cleared all units of NPIL and associate concerns for manufacturing resumption (subject to the completion of formalities by the State Government) 📌 However, the State Government took three years to complete formalities; fresh licenses were issued only in 2001 📌 The permission delays, mounting costs (wages, infrastructure cost and interest outflow) and idle equipment caused the Company to become sick in 2002 (referred to BIFR in 2003) 📌 The Company settled with secured lenders (banks) through the sale of three units by 2014 📌 The banks stated that the Company owed no dues; all title deeds were obtained from the banks by 2016 📌 The Company focused on re-listing on the stock exchanges and mobilising additional funds to grow the business, given sustained demand despite production disruption over the years.



How we addressed these challenges

- ★ The Company addressed and settled the statutory dues and other employee outstandings
- ★ The promoters (with strategic/co-promoters) invested ₹17 crores in the business from FY2007
- ★ The Company sold one unit prior to and two units under the aegis of the BIFR
- ★ The Company paid banks their full Negotiated Settlement amount along with additional interest as directed by the BIFR to keep the brand alive
- ★ The Company addressed the working capital requirements of its remaining units (Hosur and Assam)
- ★ The Company entered into asset-light trading and outsourcing initiatives to enhance revenue streams
- ★ The Company supplied material to distributors across India at discounted rates and lengthy credit periods, to protect its network

What we protected in the last 20 years

Brand recall: The National brand is recognised among the five most prominent plywood brands of the country, respected for decades for its product integrity

Distribution network: The National brand is marketed through 5 branches that engage with 23 distributors and over 500 dealers across the country

Quality benchmark: The National brand stands for high quality on account of using better grade timber to manufacture a superior product

Manufacturing capacity: The Company is currently producing plywood at a capacity utilisation of 30-40 per cent, which only needs modest balancing capex to significantly enhance output and introduce value-added products

Locational advantage: The Company's plywood and block board manufacturing and sourcing are based out of the North East, resulting in significant fiscal and logistical advantages

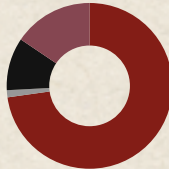
Back-to-back access to raw material: The Company possesses access to a large quantity of tropical sustainably-grown timber comparable to the high quality timber standards in Myanmar, Malaysia and Indonesia

PROMOTER'S OVERVIEW

“Timely capital infusion will kick-start a virtuous cycle that enhances value for all those who own shares in our Company”

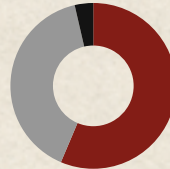


Revenues derived from different zones 2017-18 (in per cent)



■ East India 73.02
■ North India 1.25
■ West India 10.42
■ South India 15.31

Revenues from different products, 2017-18 (in per cent)



■ Plywood products 56.41
■ Laminate products 40.11
■ Traded products 3.48

The principal message that we wish to send out to our shareholders can be encapsulated in one word: commitment.

The promoters of National Plywood Industries Limited could have given up on the Company's prospects after its enforced closure by the Supreme Court in the late Nineties on the grounds that the challenges to revive the business were insurmountable.

Keeping the faith

The Management of the Company engaged with the Supreme Court, presented its case, addressed statutory compliances, entered into a Negotiated Settlement with banks, statutory agencies and workers, and finally emerged completely free from all dues three years ago. The promoters sold personal assets, borrowed unsecured funds in a personal capacity and engaged with strategic investors to revive the Company from its sick status.

The index of the Management's commitment to the sector and business can be derived from the fact that it engaged in a responsible liquidation of all dues to the

various stakeholders, kept the Company in existence by continuously providing material to distributors around the country, protected revenue streams with the intention to revive them when corporate fortunes improved and added new business lines with negligible capital expenditure.

The Company kept the faith for an important reason: the core of the business model continues to be robust and relevant. The only aspect of the business that prevented the Company from being brought back to health was a dearth of investable capital. In the absence of a robust and low cost funding line, capacity utilisation was considerably below optimal levels, investment in product development was inadequate and resource plough-back into brand revitalisation was negligible.

The fact that National Plywood was able to report a revenue of ₹42.16 crore, cash profit of ₹1.01 crores and a profit after tax of ₹0.44 crores during the year under review is a fair indication of the latent competitiveness of our business model.

Revitalising the business

Our principal objective is to infuse net worth, invest in new production lines, balance

some of the equipment that we possess, strengthen operating efficiencies and enhance brand visibility, potentially translating into a consumer pull. At National Plywood, this first phase of our turnaround game-plan is being directed towards kick-starting a positive cash flow cycle.

The second phase of this exciting blueprint will focus on strengthening terms of trade, negotiating better with resource providers and widening our value chain to strengthen overall profitability. We believe that a consistent focus on operational, financial and marketing discipline should translate into business sustainability.

What provides us with optimism is that the available headroom in our business is extensive. For one, even at our expanded capacity, we would only be accounting for a minuscule portion of a large and growing addressable market. The Company possesses a large unutilised manufacturing capacity, considerable room to widen our product portfolio in contiguous markets and enrich this product mix with fast-moving items. Besides,



PROMOTER'S OVERVIEW

Continued



the complement of our re-listing on the stock exchange and strengthening cash flows will widen our access to diverse low-cost funding lines that accelerates our return to business health.

Central role of governance

The role of governance will be central to our turnaround and return to attractive profitability. At National Plywood, we intend to showcase our governance commitment through a number of initiatives. There is a strategic clarity in that we intend to strengthen the business through investments in long-term sustainability reflected unambiguously a superior Return on Capital Employed.

The Company will strengthen its Board of Directors, invest in cutting-edge technologies and experienced industry professionals whenever warranted, graduate from manual to automated processes, replace ad hoc personalised decision-making with a process-driven approach and deepen its culture of compliances, emphasising its recall as a responsible corporate entity.



The implementation of the Goods & Service Tax promises to be a sectoral game-changer. During the last year, the system has made it progressively difficult for unorganised plywood and laminate brands to exist outside the country's tax purview.

Sweet spot

At National Plywood, we find ourselves at an attractive moment in the sector's existence in India. Over the last two decades, there has been a sectoral attrition – the Indian infrastructure sector is being driven by only a handful of prominent pan-Indian companies and brands, leaving a vast opportunity for companies and brands possessing the right credentials.

The implementation of the Goods & Service Tax promises to be a sectoral game-changer. During the last year, the system has made it progressively difficult for unorganised plywood and laminate brands to exist outside the country's tax purview. For long, such companies exploited their tax arbitrage to compete aggressively in the marketplace even as their organised competitors invested in compliances and statutory payments that increased their costs in comparison. The result of this inequity is that the organised players in India's interior infrastructure sector accounted for only about 30-40 per cent overall offtake, well below their true potential.

The GST game-changer has altered the contours of the playing field in a decisive manner. The evasion-based differential between organised and unorganised players has declined substantially in the plywood and laminate segments. Additionally, a standardised tax across states has benefited pan-India players greatly. Organised players have become more holistically competitive: there is a greater traction being generated by buyers who would now rather pay a little more to buy a product with corresponding quality safeguards and guarantees.

In view of this, we believe that there could be a quicker shift in purchases being made from the country's organised players across the foreseeable future, benefiting companies like National Plywood.

Optimism

National Plywood is attractively placed to capitalise on this sectoral inflection point. The Company has no long-term secured debt. No licenses are being given for new plywood companies in the North East. The Company enjoys an attractive GST concession

by the virtue of its locational presence. The Company's access to abundant raw material resources from the sustainable forests of the North East (as opposed to competitors' need to import) provides an excellent logistical advantage. As a result, there are a mix of incentives that should translate into a lower cost of doing business for the Company.

Complementing all these realities is timely capital infusion that we expect will kick-start a virtuous cycle that enhances value for all those who own shares in our Company.

Piyush Perwal,
Chairman and Managing Director

How we intend to strengthen our turnaround in 2018-19

Infuse net worth / debt

We intend to strengthen funding access to kickstart business growth and utilise existing opportunities optimally

Invest in capital equipment

We intend to invest selectively in capital expenditure, plugging equipment gaps to enhance output, efficiency and value-addition

Increase capacity

We intend to increase capacity from 36 lakh sq. metres (N.A.) per annum to 60 lakh sq. metres (N.A.) per annum, potentially trebling revenues

Increase capacity utilisation

We intend to boost capacity utilisation with investment in cutting-edge technology, making it possible to enhance output and revenues

Enhance operational efficiency

We intend to implement operating efficiencies that could not be hitherto addressed due to low funds access

Increase traded revenues

We intend to enhance the proportion of traded revenues, making a more effective use of our brand and distribution network

Widen product range; strengthen swatch

We intend to widen our product portfolio, broadening our revenues across a larger number of popular products

Leverage distribution network

We intend to feed more products through our pan-India distribution network, strengthening our wallet share of distributors and dealers

National Plywood's competitive advantage in a large and growing Indian market

The Company's plywood and block board manufacturing unit falls under the area-based exemption of the NE based on which GST charged is 12.78 per cent even as other companies pay 18 per cent, permitting the Company a tax advantage of 5.22 per cent.

The Company's manufacturing and ancillary units are located in areas with access to timber from sustainable, natural forests. Of

the eight NE Indian states, Arunachal Pradesh figures among the top seven Indian states in terms of forest cover (66,964 sq. km) while Assam registered an increase in forest cover (567 square km) in the last year. Additionally, the Government has banned the movement of timber and logs outside of the North East, except in processed and semi-processed form for existent players, and no new licenses are being issued in the region translating into a long-term geographic advantage.

The Union Government introduced the North East Industrial Development Scheme for new

Revive the brand

To increase visibility and recall, we intend to strengthen our brand investments by introducing efficient and targeted marketing practices



Introduce economy range plywood

We intend to complement our product portfolio through the introduction of an economy plywood range manufactured in outsourced facilities



Strengthen realisations

We intend to narrow the differential in realisations between premium plywood brands and our own



Re-list on the Bombay Stock Exchange

We intend re-listed our shares on the Bombay Stock Exchange after a gap of 16 years



Strengthen terms of trade

We intend to strengthen our terms of trade following investments in brand, portfolio and product quality



Selectively recruit

We intend to selectively recruit experienced professionals to address business growth

MSMEs in the region, offering income tax exemption benefits for 5 years, along with capital investment subsidies (cap of ₹5 crores), interest subsidy of 300 per cent, insurance subsidy of 100 per cent, along with employment, transport and other benefits. The Company expects this scheme to extend to existing units such as itself as per the last scheme under the NEIIPP.

18
per cent

GST applicable to the Indian plywood sector

12.78
per cent

GST applicable to National Plywood (due to area-based exemption in North East)

Our brands

The National brand of plywood and laminates is among the oldest in India's wood-based infrastructure industry.

The strength of the Company's brands is drawn from its endurance across the last two decades even when it was virtually out of the market, unsupported by any serious advertising.

This endurance has been reinforced by superior recall, a respect for outstanding product quality, commitment to use only the best raw material, business-strengthening engagements with the trade and a steady pan-India presence.

To prevent brand confusion, the Company marketed products addressing the

country's price-sensitive segment under the Pioneer National, Prima National and Prestige National sub-brands.

These sub-brands are owned by the Company and guarantee the Company's quality policy under the economy range, of which Prima and Prestige National are outsourced from reputed units.

Our five fastest selling products

1 National Plywood:

Superior quality MR and BWR plywood (consistently Hollong/ Makai in both the face and core)

2 National Laminart:

1 mm decorative premium laminates

3 Uninational Laminates:

0.8 mm decorative workhorse laminates

4 Pioneer National: MR and BWR plywood

(consistently Hollong/ Makai across both the face and core) for price-sensitive consumers

5 **Prima National:** MR and BWR plywood (face material different from core material) for price sensitive consumers (outsourced)

Brand architecture

The Company



Plywood: National Plywood and Pioneer National (premium consumers)



Laminates: National Laminart (premium product)



Prima National and Prestige National (price sensitive consumers)



Uninational Laminart (workhorse product)



Our product quality

The Company's plywood and laminate products are respected for their distinctive quality.

The consistent product differentiation is derived principally from the quality of resource. The timber used by the Company (as per BIS standards) is sourced from sustainable, tropical forests of the North East following a maturing tenure of 20-60 years, while a majority of competing brands consume immature plantation timber (produce derived from agro-forestry), which is largely used in the manufacture of paper and is not adequate for quality plywood manufacture.

What makes the Company's products different is that the timber used for the face of the plywood is the same as it used in the core. The result is that National Plywood brand uses the superior Hollong/ Makai timber consistently through the product as opposed to a majority of competing brands that use Hollong/ Makai timber for the face but opt

for eucalyptus (lower in girth and maturity) in the core. The vast girth of the logs used by the Company makes it possible to peel full panels for the manufacture of joint-less plywood, enhancing product flexibility and durability. The result is that National's products possess unparalleled compressive strength – an estimated 22 per cent higher than the commonly used wood varieties.

The consistency in quality is protected by the abundant availability of raw material from the dense and sustainable forests of North East India. The Company possesses two licenses related to timber procurement while one is presently unutilised. In a scenario where no new licenses are being offered by the Government, this edge represents a competitive advantage and liberates the Company from dependence on imports.

The Company has protected resource and product quality across the last decade through

rigorous compliance with standards set by BIS and Indian Plywood Industries Research and Training Institute's norms of product development and testing (bonding, tensile strength, etc.).

Besides, the Company has protected its brand integrity through the use of specially designed unique labels with holograms and a QR code (can be scanned via a mobile app Uniqolabel) to establish authenticity and provide customers with quality assurance. This commitment to consistently high quality has strengthened the Company's network of long-term distributors and resulted in a growing share of their wallet.

The Company's proposed investment in automated cutting-edge equipment will enhance product quality, strengthen efficiency of raw material utilisation, enhance zero gap calibration and reinforce sanding quality, among several other advantages.

Our collaborative alliances

In 2017-18, the Company entered into two business-advancing alliances with global brands manufacturing synergic interior infrastructure products. These alliances validate the strength of the Company's distribution

network. These alliances are expected to increase the non-manufactured proportion of revenues for the Company, broad-basing its revenue streams and related de-risking. The Company intends to generate about 25 per cent of its revenues from trading in the foreseeable future.

The Company entered into these alliances with TPI Polene (for fibre cement products under the National brand) and LG Hausys for their acrylic solid surfaces, also known as LG HI-MACS.

TPI Polene: TPI Polene is one of the leading manufacturers and distributors of cement

products and mortar cement (brand name TPIPL) in Thailand. The Company operates four cement production plants with a production capacity of 13.5 MTPA. TPIPL possesses a strong commitment to the consistent development and standardisation of production processes and product quality, surpassing the production standards of the Thai Industrial Standards Institute.

Products offered

National Fibre Cement Boards:

Made from high quality Portland cement compressed with natural fibres using cutting edge technology to ensure meticulous strength specifications, endurance and longevity, these boards offer long lasting value across a range of applications – from ceilings to floors, partitions to wet areas, interior linings to exterior cladding, and more. The manufacturer has developed this product by employing modern digital technologies, making it possible to substitute timber fascia, marbled appearance and granite etc.

National Fibre Cement Planks:

The fibre cement products are also available in plank form, in both teak and straight grain finish, which allow the product to look like wood but feel like cement. These planks can be customised in length and colour and are perfect to provide a natural wood like

appearance both indoors and outdoors.

Key features of National Fibre Cement Boards & Planks:

- ★ High load bearing capacity with unparalleled density
- ★ Resistance to moisture, impact, fire, termites, mold and all weather conditions
- ★ Easy to install and maintain; offer a 12-year warranty on manufacturing defects
- ★ Eco-friendly and free of fly ash and asbestos

LG Hausys: The international brand LG Hausys enjoys a history of innovation. From the manufacture of Korea's first resin-based products back in 1952, it has gone on to produce a range of technologically superior products from flooring vinyl to PVC windows. Partnering with a prestigious brand for the distribution of a cutting-edge product will help the Company widen its portfolio and customer base to fast-growing industry segments.

Product offered

LG HI-MACS: HI-MACS is LG Hausys' acrylic solid surface material, first produced in 1995. Having benefitted from the Company's long track record of quality manufacturing, HI-MACS™ is now one of the leading synthetic solid surface materials globally. This solid surface material comprises a delicate composition of

acrylic, minerals and natural pigments that combine to create a smooth, non-porous, thermoformable and visually seamless surface. The product is manufactured using advanced fabrication technology that enables it to be strong, seamless and modern. HI-MACS are available in a wide selection of colours in line with demanding technical specifications, making them substitutes of marble, granite and other traditional stones.

Key features of HI-MACS:

- ★ Flexible; can be thermoformed into any imaginable shape
- ★ Sections can be joined seamlessly for an even finish
- ★ Non-porous and water resistant; spills can be hygienically wiped
- ★ Scratches can be polished out
- ★ Translucent such that light passing through the product offers 3D effects to the design
- ★ Available in more than 60 colours
- ★ Competitively priced

Applications comprise kitchen counters, cabinets, vanities, bathrooms, wall claddings (interior and exterior), mandirs, desks, etc. Extensively used in the healthcare, hospitality, food & beverage and sanitary ware industries

What our dealers have to say about us



"NPIL uses only the best quality raw material to produce our products. Which explains why the product has received no complaints after sale. Our products rank with the best across durability, longevity, availability or delivery."

Vaibhav Pareek,
Distributor, Jaipur



"National Plywood does not use plantation timber; it only uses natural wood comprising 20-60-year old timber. As a result, the end product is always premium and brand stands for trustworthiness."

Naresh Pachisia,
Distributor, Mumbai



"We deliver within three hours to any place in Karnataka, within 12 hours in Tamil Nadu and within 14 hours in Goa. In Bangalore, we sell 50 per cent to homeowners and 50 per cent to corporate clients like Microsoft, Indian Institute of Management, Hyundai and more. The Company leverages word-of-mouth recall to enhance trust."

Deepak Saboo,
Distributor, Bengaluru



"For the last 15 years, we have not received a single complaint from any customer."

Binod Lohia,
Distributor, Kolkata

India: At an inflection point in its interior infrastructure growth journey

India is one of the most exciting stories in the world for interior infrastructure products for a number of reasons.

Economic growth

India has emerged as one of the fastest-growing economies in the world resulting in a growing per capita income as well as a growing disposable income. This is driving demand for interior infrastructure sector with people spending more on improved interiors.

Data penetration

With mobile data tariffs and smartphone instrument costs declining, more people are connected to the internet, exposing them to global trends. E-commerce growth is enabling people to buy

from new channels than from conventional avenues.

Nuclear families

The rise of nuclear families, which was an urban phenomenon until few years back, is now witnessing growth in the rural areas as well. This is expected to drive the interior infrastructure sector to a large extent, especially towards low cost housing.

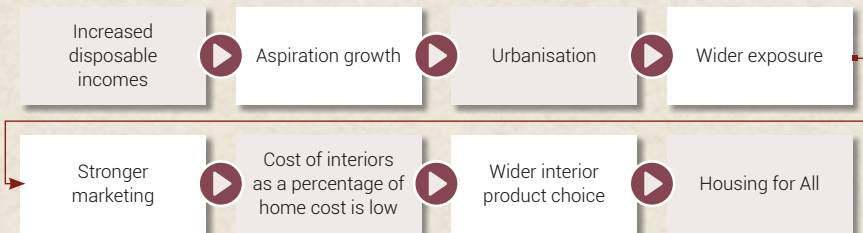
Growth of new age products

India has always been a market for plywood. However, the scenario is gradually

changing with other engineered and low-cost alternatives (MDF, particle boards, fibre cement boards) coming into the market to potentially replace low-priced plywood. Fibre cement boards have some inherent advantages over other dry construction products such as being water resistant, termite resistant with acoustic insulation properties, good thermal insulation and applications in both indoor and outdoor areas, in both wet and dry surfaces. This is driving its rising penetration into the residential and commercial segments, hotels, hospitals, etc.



Why the market for India's interior infrastructure segment is growing



Manufacturing locations



The Company's manufacturing operations are spread across the following locations:

Margherita, Assam:
Plywood/ block board unit

Hosur, Tamil Nadu:
Laminates unit

Jairampur, Arunachal Pradesh: Associate plywood and block board concern

The Company's installed capacity comprises 36 lakh metre sq. per annum of plywood (Assam and Arunachal Pradesh) as well as 14.4 lakh laminate sheets per annum (Hosur).

Corporate information

BOARD OF DIRECTORS

Piyush Periwal
Chairman & Managing Director
(DIN: 00698796)

Nani Gopal Paul
Whole-time Director up to 26/04/2018
(DIN: 01576982)

Vijay Kumar Periwal
Director (DIN: 00705848)

Malvika Periwal
Woman Director (DIN: 02927105)

Vinod Kumar Sharma
Independent Director (DIN: 05180005)

Abhijit Sarkar
Independent Director (DIN: 00972165)

Brij Gopal Jaju
Independent Director (DIN: 06946808)

Pradeep Bharat Shethia
Independent Director (DIN: 06369292)

Laxmi Narain Baheti
Independent Director from 30/05/2018
(DIN: 08160915)

AUDITORS

Jhunjunwala & Co.
Chartered Accountants
Kolkata

COMPANY SECRETARY & COMPLIANCE OFFICER

Shruti Bothra

BANKERS

ICICI Bank Ltd.
Lakshmi Vilas Bank Ltd.

REGISTERED OFFICE & WORKS

Plywood Division

Makum Pathar, Margherita - 786 187
Dist.: Tinsukia, Assam

Laminates Division

Thally Road, Kalukondapalli
Dist.: Dharmapuri, Hosur, Tamil Nadu

CORPORATE OFFICE & SHARE DEPARTMENT

5, Fancy Lane, 7th Floor,
Kolkata - 700 001
Phone: (033) 2248 0116/17
Email: info.npil.ho@nationalplywood.net
Website: www.nationalplywood.net

CORPORATE IDENTITY NUMBER

L20211AS1973PLC001856

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

23, R.N. Mukherjee Road, 5th Floor,
Kolkata - 700 001
Phone: (033) 2248-2248, 2243-5029/5809
Fax: (033) 2248-4787
Email: mdpldc@yahoo.com

ISIN/LISTING OF EQUITY SHARES

ISIN: INE497C01016
Scrip Code: BSE (516062)

Statutory
Section 



NATIONAL PLYWOOD INDUSTRIES LTD.

(CIN : L20211AS1973PLC001856)

Regd. Office : P.O. Makum Pathar – 786 187, Margherita, Dist. Tinsukia (Assam)

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

Tel: (033)22480116/7, Fax: (033)22481246, Web: www.nationalplywood.net,

Email: info.npil.ho@nationalplywood.net

NOTICE

NOTICE is hereby given that the 43rd Annual General Meeting of the Members of **NATIONAL PLYWOOD INDUSTRIES LTD.** will be held at the Registered Office of the Company at Makum Pathar, Margherita-786187, Dist. Tinsukia, Assam, on Thursday, 27th September, 2018, at 11.30 A.M. to transact the following business–

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2018 and the Statement of Profit & Loss for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Piyush Periwal (DIN: 00698796), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee, M/s. L.N. Malik & Co.,

Chartered Accountants, New Delhi (Firm Registration No. 015992N), be appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. Jhunjhunwala & Co., Chartered Accountants, Kolkata (Firm Registration No. 302169E), to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 48th Annual General Meeting, subject to ratification by members every year, as applicable, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this Resolution."

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution –

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Laxmi Narain Baheti (DIN: 08160915), a Non-Executive Director of the Company,

who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of 5(five) consecutive years from 30th

May, 2018 up to 29th May, 2023, not liable to retire by rotation."

By Order of the Board
NATIONAL PLYWOOD INDUSTRIES LIMITED

13th August, 2018
Kolkata,

Shruti Bothra
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Proxies in order to be effective must be received by the Company, duly filled, stamped and signed at its Registered Office not less than 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send the Company a certified copy of the Board Resolution authorizing their representative to attend & vote on their behalf at the Meeting.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st September 2018 to Thursday, 21st September 2018 (both days inclusive).

5. Members are requested to bring their attendance slip along with their copy of the Annual Report at the Annual General Meeting.

6. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.

7. Members who are holding shares in the demat form are requested to bring their Depository ID Number and Client ID Number to facilitate easier identification for attendance at the meeting.

8. Shareholders desiring any information with regards to the Accounts are requested to write to the Company at least ten days before the date of Annual General Meeting so as to enable the Management to keep the information ready.

9. A copy of the Balance Sheet as on 31st March, 2018, Statement of Profit and Loss for the year ended on that date, the Auditors' Report, the Directors' Report and all other documents required by law to be annexed or attached to the Balance Sheet shall be available for inspection at the Registered Office of the Company on all working days during business hours between 11.00 a.m. and 1.00 p.m. for a period of 21 days before the date of Annual General Meeting.

10. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Reports, Notices, Circulars, etc. from the Company in electronic mode.

11. As per Regulation 40 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 submission of a copy of PAN card of the transferor and transferee is mandatory for transfer of shares held in physical form.

12. Voting through Electronic Means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, (Listing Regulations), the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through polling paper shall be made available at the Annual General Meeting (AGM) and the members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.
- III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting (AGM) may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 24th September, 2018 (10:00 am) and ends on 26th September, 2018 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be

disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- V. The process and manner for remote e-voting are as under:
 - A. In case of Members receiving e-mail from NSDL [For those members whose e-mail addresses are registered with Company/ Depository Participants(s)]:
 - (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login.
 - (iv) Put User ID and Password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with a new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
 - (vi) Home page of remote e-voting opens. Click on remote e-voting. Active Voting Cycles.
 - (vii) Select "EVEN" OF "National Plywood Industries Limited"

- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the Resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to asit@aklabh.com /asit.labh1@gmail.com or info.npil.ho@nationalplywood.net. With a copy marked to evoting@nsdl.co.in.
- B.** In case a member receives a physical copy of the Notice of Annual General Meeting (AGM) [for members whose e-mail IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy]:
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number) USER ID PASSWORD/ PIN
 - (ii) Please follow all steps from Sl. No. A (ii) to Sl. No. A (xii) above, to cast vote.
- VI. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and remote e-voting user manual for members available at the download section of www.evoting.nsdl.com or call toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password / PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communications.
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Saturday, 20th September, 2018.
- X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 20th September, 2018, may obtain the Login ID and password by sending a request to evoting@nsdl.co.in.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.



XIII. A.K. Labh, Practising Company Secretary, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the Resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two witnesses not

in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The results declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company www.nationalplywood.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and the Calcutta Stock Exchange Limited, Kolkata.

13. Details of Directors seeking appointment/re-appointment at the ensuing Annual General Meeting

(In pursuance of Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

Name of the Director	Piyush Periwal
Category	Chairman & Managing Director
Date of Birth	27th June, 1963
Nationality	Indian
Date of Appointment on Board	26/10/1989
Qualification	B.Com
Experience	Over 35 years of experience in Finance & Administration
List of other Public Companies in which Directorship held as on March 31, 2018	1. National Boards Limited
Chairmanship/membership of any other Committees as on 31st March, 2018	The National Plywood Industries Ltd. 1. Audit Committee 2. Stakeholder Relationship Committee\
Shareholding in the Company	3,22,575
Relationships between Directors and Key Managerial Personnel	Father of Malvika Periwal

By Order of the Board
NATIONAL PLYWOOD INDUSTRIES LIMITED

Shruti Bothra
Company Secretary

Kolkata, 13th August, 2018

14. EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE Act')

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 3:

Though not mandatory, this statement is provided for reference. M/s. Jhunjhunwala & Co., Chartered Accountants, Statutory Auditors of the Company has completed their tenure pursuant to the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. In terms of their appointment, they are holding office of the Auditors up to the conclusion of the 42nd AGM and hence, would retire at the conclusion of the forthcoming 42nd AGM.

Accordingly, as per the said requirements of the Act, M/s. L.N. Malik & Co., Chartered Accountants, are proposed to be appointed as Auditors for a period of five years, commencing from the conclusion of 42nd AGM till the conclusion of the 48th AGM, subject to ratification by members every year, as may be applicable. M/s. L.N. Malik & Co., Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

None of the Directors / Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution set out at item No.3 of the Notice.

The Board recommends the ordinary Resolution set forth in Item No.3 of the Notice for approval of the members.

Item No. 4 :

The Board of the Company has passed a Resolution appointing Laxmi Narain Baheti (DIN: 08160915) as an Independent Director of the Company on 30th May, 2018 subject to the approval of the members in the Annual General Meeting for a period of 5 years with effect from 30th May, 2018.

The resolution seeks the approval of members for the appointment of Laxmi Narain Baheti as an Independent Director of the Company for a period of five years pursuant to Section 149 of the Companies Act, 2013 and the rules made thereunder. He is not liable to retire by rotation, however he has the option to retire.

In the opinion of the Board of Directors, Laxmi Narain Baheti, who is proposed to be appointed as an Independent Director, fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. A copy of the draft letter for the appointment of Laxmi Narain Baheti as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on working days upto the date of AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Laxmi Narain Baheti as an Independent Director.

Accordingly, the Board recommends Resolution No. 4 of the Notice convening this Annual General Meeting for approval by the members.

Except for Laxmi Narain Baheti, none of the Directors and Key Managerial Personnel of the Company is/are in any way concerned or interested in the said appointment.



NATIONAL PLYWOOD INDUSTRIES LTD.

(CIN : L20211AS1973PLC001856)

Regd. Office : P.O. Makum Pathar – 786 187, Margherita, Dist. Tinsukia (Assam)

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

Tel: (033)22480116/7, Fax: (033)22481246, Web: www.nationalplywood.net,

Email: info.npil.ho@nationalplywood.net

PROXY FORM FOR AGM 2018

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

MGT 11

Folio / DP ID-Client No. :

Name of the Member(s) & Address :

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____
Address: _____
E-mail id: _____ Signature _____, or failing him;
2. Name: _____
Address: _____
E-mail id: _____ Signature _____, or failing him;
3. Name: _____
Address: _____
E-mail id: _____ Signature _____, or failing him;

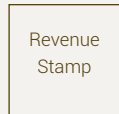
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42nd Annual General Meeting of the Company, to be held on Thursday, 27th September, 2018 at 11.30 a.m. at Makum Pathar - 786187, Margherita, Dist.: Tinsukia (Assam) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description
1.	To consider and adopt financial statements and Reports of Board of Directors and Auditors thereon for the year ended 31st March, 2018.
2.	To appoint a Director in place of Piyush Periwal, who retires by rotation and, being eligible, offers himself for re-appointment.
3.	To appoint Laxmi Narain Baheti as Independent Director of the Company for a period of 5 years with effect from 30th May, 2018.
4.	To appoint M/s. L.N. Malik & Co., Chartered Accountants, New Delhi (Firm Registration No. 015992N), be appointed as Statutory Auditors of the Company, in place of retiring auditors M/s. Jhunjhunwala & Co., Chartered Accountants, Kolkata (Firm Registration No. 302169E), to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting until the conclusion of the 48th Annual General Meeting, subject to ratification by members every year.

Signed this _____ day of _____ 2018

Signature of Shareholder_____

Signature of Proxy holder(s)_____



Note:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



NATIONAL PLYWOOD INDUSTRIES LTD.

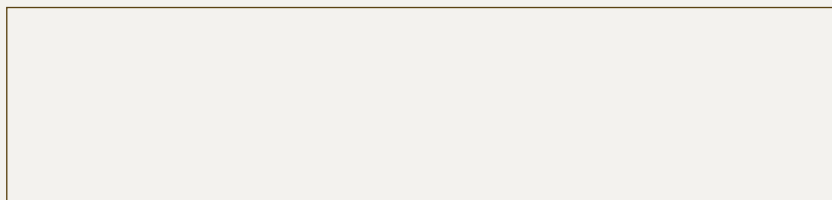
(CIN : L20211AS1973PLC001856)

Regd. Office : P.O. Makum Pathar – 786 187, Margherita, Dist. Tinsukia (Assam)

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Tel: (033)22480116/7, Fax: (033)22481246, Web: www.nationalplywood.net,

Email: info.npil.ho@nationalplywood.net



ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD/PIN	NO.OF SHARES

The e-voting facility will be available during the following voting period:

Commencement of e-voting	From 10.00 a.m. (IST) on September 24, 2018
End of e-voting	Upto 5.00 p.m. (IST) on September 26, 2018

- The cut-off date for the purpose of e-voting is 20th September, 2018.
- Please refer to the attached AGM Notice for instruction on e-voting.



NATIONAL PLYWOOD INDUSTRIES LTD.

(CIN : L20211AS1973PLC001856)

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Email: info.npil.ho@nationalplywood.net

ATTENDANCE SLIP

Regd. Folio No. / DP ID – Client ID : _____

Name & Address of First/Sole Shareholder : _____

No. of Shares held : _____

I hereby record my presence at the 43rd Annual General Meeting of the Company to be held on Thursday, the 27th day of September, 2018 at 11.30 a.m. at Makum Pathar - 786187, Margherita, Dist.: Tinsukia (Assam).

Signature of Member/Proxy

Notes:

- a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting .
- b) Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed

Route Map to the Venue of the Meeting



Venue :

NATIONAL PLYWOOD INDUSTRIES LTD.

No. -1, Makum Pather,
P. O. - Makum Pather,
Margherita, Dist- Tinsukia,
Assam-786187
Ph. – 03751-272233,03751-27320

Drive distance from Dibrugarh Airport to venue : 93 KM

Duration: 2 hours 30 mins.

Route : NH37 from Lahowal to Makum Rly. Crossing
NH38 from Makum Rly. Crossing to Venue

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 43rd Annual Report and the Audited Accounts for the financial year ending on **31st March 2018**.

Financial Results

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Revenue from operations	4,169.59	4,378.29
Other Income	220.33	492.57
Total Income	4,389.91	4,870.85
Profit /(Loss) before Interest and Depreciation	126.49	87.22
Finance Cost	25.76	9.83
Depreciation & Amortisation Expense	57.14	54.31
Profit /(Loss) before Tax	43.59	23.06
Provision for Tax	-	-
Profit /(Loss) after Tax	43.59	23.06
Proposed Dividend on Equity Shares	-	-
Balance Brought-forward from Balance –Sheet	(6,009.16)	(6,032.23)
Balance carried forward to Balance-Sheet	(5,965.57)	(6,009.16)

STATE OF COMPANY'S AFFAIRS

The revenue from operations recorded for the financial year ended 31st March 2018 was ₹4169.59 lakhs as compared to ₹4378.29 lakhs in the previous financial year ended 31st March 2017 marking a decrease in the turnover by 4.77 per cent. The growth was relatively lower due to the lingering impact of demonetization in November 2016 and implementation of the Goods and Service Tax (GST) during the year. Since the economy is slowly picking up again, the Company is taking necessary steps to further increase the turnover and margins during the current financial year. The Margherita unit of the Company has contributed substantially to the increase in the turnover of the Company. The operations at the Hosur Unit of the Company were suspended since 26th February 2018 after the workers illegally struck work on 27th November 2017 for an exorbitant wage increase and other unreasonable demands. However, the Company has made alternate arrangements for job work of its laminate products from Gujarat to maintain regular supply. This arrangement is meeting the demands of the Company since January 2018. The Company's paramount objective would be to improve its profitability by focusing upon cost saving measures and cutting down unproductive costs and at the same time strengthening its brand to realize its potential.



The working capital cycle needs improvement and the Company is continuously working upon this task.

INDUSTRIAL RELATIONS

HR policies of the Company are aimed at attracting, motivating and retaining employees at all levels. Relations with employees continue to be cordial and harmonious in the plywood division. However, the employees at the Hosur laminate plant have raised exorbitant and unreasonable demands, which the Company is currently suitably addressing.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of the business of the Company.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March 2018 was ₹5.85 Crores. During the year under review, the Company has neither issued any shares or any convertible instruments, nor has bought back any of its securities.

DIVIDEND

Due to nominal profit available for appropriation, your Directors are unable to recommend any dividend for the year under review.

AMOUNT TRANSFERRED TO INVESTOR EDUCATION & PROTECTION FUND

The provisions of Section 125 of the Companies Act, 2013 is not applicable for the Company as there was no dividend declared and paid in the last financial year.

FIXED DEPOSITS

During the year under review, the Company has not accepted deposits falling within the ambit of Section 73 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has either made a loan, or given any guarantee or provided any security and/or made investments and thus the compliance of Section 186 of the Companies Act, 2013 is applicable.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

Your Company has no Subsidiaries, Joint Ventures & Associate Companies.

DEPOSITORY SYSTEM

The Company's shares are available for dematerialization with National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). 74.90 per cent of the total shareholding of the Company was held in dematerialized form as on 31st March 2018.

DIRECTORS

Piyush Periwal, DIN: 00698796, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. The term of Piyush Periwal as Vice-Chairman & Managing Director completed on 31st July 2017. As Piyush Periwal is presently associated with managing the affairs of the Company, it was decided to reappoint him as the Managing Director for a further period of 5 years commencing 1st August 2017. The Board decided to re-designate Piyush Periwal as the Chairman & Managing Director with effect from 1st August 2017. The Board also decided to revise the remuneration payable to Piyush Periwal, Chairman & Managing Director, on the recommendation of the Remuneration Committee.

Laxmi Narain Baheti, DIN: 08160915 was appointed as Independent Director of the Company with effect from 30th May 2018 as per Companies Act, 2013 by the Board. Necessary Resolution regarding his appointment has been incorporated in the Notice convening the 43rd Annual General Meeting.

Resolution seeking your approval on this item along with profile of the Director and the terms and conditions are included in the notice convening the Annual General Meeting.

CORPORATE GOVERNANCE

As required under Regulation 34 read with Schedule V of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter

called "the Listing Regulations"), a separate report on Corporate Governance is enclosed as a part of this Annual Report, duly certified by Jhunjunwala & Co, Chartered Accountants, the Statutory Auditors of the Company, confirming the compliance of the conditions of Corporate Governance.

BOARD MEETINGS

During the year under review, five Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The provisions of the Companies Act, 2013 and SEBI Regulations were adhered to while considering the time gap between two meetings.

DECLARATIONS BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under provisions of the Listing Regulations.

Independent Directors are familiarized with their roles, rights and responsibilities as well as with the nature of industry and business model through an induction program at the time of their appointment as Directors and through presentations on economy & industry overview, key regulatory developments, strategy and performance which are made to the Directors from time to time. The terms & conditions of appointment of Independent Directors can be accessed at www.nationalplywood.net.

DIRECTORS' RESPONSIBILITY STATEMENT

On the basis of compliance certificates received from the executives of the Company & subject to the disclosures in the annual accounts & also on the basis of the discussions with the Statutory Auditors of the Company from time to time, your Directors make the following statements, pursuant to Section 134(3)(c) of the Companies Act, 2013 with respect to Director's Responsibility Statement:

- a) that in the preparation of the annual accounts for the year ended 31st March 2018, the applicable accounting standards have been followed along with proper

explanation relating to material departures, if any;

- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2018 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

BOARD EVALUATION

In compliance with the Companies Act, 2013 and Regulation 17 of Listing Regulations, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functions such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues, etc.

The evaluation criteria of the Company can be accessed at www.nationalplywood.net.

LISTING

The Company has applied to the Bombay Stock Exchange for revocation of its suspension due to

non-compliance issues. The BSE replied vide a letter dated 05th March 2018 stating in-principle approval of revocation of suspension subject to some formalities that the Company is complying with at the earliest.

The Company has applied on 27th March 2018 to CSE for voluntary delisting of the equity shares of the company for which reply is still awaited from the exchange.

NOMINATION AND REMUNERATION POLICY

The Board, on the recommendation of the Nomination & Remuneration Committee, has framed a policy for selection and appointment of Directors and Senior Management along with their remuneration. The remuneration paid to the Directors and the Senior Management is as per the Managerial Remuneration Policy of the Company. Brief details of the Managerial Remuneration Policy are provided in the Corporate Governance Report.

The Nomination & Remuneration Policy of the Company can be accessed at www.nationalplywood.net.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal control systems and procedures designed to effectively control the operations of its various functions. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets.

Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies & procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the internal control and systems followed by the Company.

INDIAN ACCOUNTING STANDARDS (IND AS), 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133

of the Act [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

RISK MANAGEMENT

The Company has laid down a well-defined Risk Management Policy to identify the risks associated with the business of the Company on a periodical basis and review the minimization programs to mitigate them. More details are given in the Management Discussion and Analysis report in the Annual Report.

The Risk Management Policy of the Company can be accessed at www.nationalplywood.net.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule – VII of the Companies Act, 2013, Corporate Social Responsibility (CSR) is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report as required under the Listing Regulations forms part of this Report and is provided under Annexure 1.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at Workplace.

During the financial year ended 31st March 2018, the Company had not received any complaint of harassment.

The Prevention of Sexual Harassment Policy of the Company can be accessed at www.nationalplywood.net.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 are provided in Annexure 3 of the Report.

RELATED PARTY TRANSACTIONS

All the related party transactions of the Company are reviewed by the Audit Committee and presented to the Board on a quarterly basis. These transactions were at arm's length basis and in the ordinary course of business are compliant with the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and Listing Regulations. There were no materially significant related party transactions entered into by the Company. Hence Form AOC-2 under these rules is not applicable to the Company. The disclosures relating to related parties are explained in Note 25 in the Notes to Accounts attached to the Balance Sheet.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee.

During the financial year ended 31st March 2018 under review, there were no cases pertaining to Whistle Blower Policy.

The said policy of the Company can be accessed at www.nationalplywood.net.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

STATUTORY AUDITORS AND AUDITORS' REPORT

The term of appointment of M/s. Jhunjhunwala & Co., Chartered Accountants, Kolkata (Firm Registration No. 302169E) as the Statutory

Auditors of the Company will expire at the ensuing Annual General Meeting. As per provision of Section 139(2), the Company cannot reappoint its retiring auditor if they have completed 5 years of consecutive services as the individual auditor of the Company. In view of this, the Audit Committee has recommended that M/s. L.N. Malik & Co., Chartered Accountants, New Delhi (Firm Registration No. 015992N), be appointed as Statutory Auditor of the Company at the next Annual General Meeting.

M/s. L.N. Malik & Co., Chartered Accountants, New Delhi have expressed their willingness to accept their appointment as Statutory Auditor of the Company for the financial year 2018-19 and have further confirmed their eligibility for appointment as Statutory Auditor of the Company in accordance with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 read with third proviso of Section 139(2) of the Companies Act, 2013. The Board has recommended to the shareholders their appointment for the financial year 2018-19 at the ensuing Annual General Meeting.

The report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remarks or disclaimer given by the Auditors in their Report.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed M/S. Maheshwari R & Associates, (Membership No. 5126), Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2018 is provided as Annexure 2. There were no qualifications, reservations or adverse remarks given by the Secretarial Auditors of the Company.

PARTICULARS OF EMPLOYEES

No employee of the Company was drawing remuneration of ₹1.02 crores or more if employed for full year, or ₹8.5 lakhs or more per month if employed for part of the year. Therefore, the information required under Section 197 of



the Companies Act, 2013 read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in Annexure 4 to this Report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the Report.

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

A statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in Annexure 5 to this Report.

ACKNOWLEDGEMENT

The Directors place on record their sincere thanks and appreciation for the support and cooperation received from the financial institutions, banks, dealers, suppliers, customers, shareholders, various government authorities and other business associates of the Company. Your Directors also place on record their appreciation for the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business and look forward to the continued support.

For and on behalf of the Board of Director
NATIONAL PLYWOOD INDUSTRIES LIMITED

P. PERIWAL

Chairman & Managing Director

DIN: 00698796

Place: Kolkata

Date: 30th May, 2018

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

National Plywood Industries Limited is a pioneer in the Indian plywood industry and one of the first few manufacturers to venture into producing a wide range of high quality plywood and related products. Its plywood, block boards, flush doors and laminates are sold under the National brand, which has a strong prominence in the market because of its quality, steady marketing policies and constant product enhancement through research and development.

Indian economic overview

The Indian economy reported heading slower growth of 6.7 per cent in 2017-18. The year under review was marked by structural reforms: in addition to GST implementation, the government focused on significant resolution of challenges related to bank non-performing assets, FDI liberalization, bank recapitalization and coal mine privatisation. The result: World Economic Forum's Global Competitiveness Report 2017 ranked India at 23 in the Global Competitiveness Index, up from ranking 39th in 2016.

Outlook

World Bank projected India's economic growth to accelerate to 7.4 per cent in 2018-19 and 7.5 per cent in 2019-20, catalysed by private consumption and services. Private investment is expected to revive as soon as the country adjusts to GST. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit availability and spur investment. (Source: IMF, World Bank)

Indian interior infrastructure overview

India was ranked the 14th largest furniture market in the last couple of years, worth ~USD17.9 billion. In 2015, shipments of Indian-made furniture for the U.S. market rose 24 per cent to USD336 million. The past few decades reported increased expenditure in

interior infrastructure catalyzed by growing incomes, urbanization, real estate investments and nuclear families. Besides, the continuous introduction of new designs and an expanding distribution network encouraged quicker home renovation. FDI in the Indian real estate sector, and the Central Government's Housing for All by 2022 initiative along with the development of 100 Smart Cities are sectoral growth drivers. The anticipated increased growth in tourism, hospitality and retail sectors could strengthen the offtake of interior infrastructure products.

In terms of domestic production, organised players accounted for 12-15 per cent of total production, while unorganised and individual craftsmen accounted for the rest. India's organised furniture industry is expected to grow at a rate of 20 per cent per annum and is projected to cross USD32 billion in revenues by 2019. The emergence of dedicated online furniture portals has given a strong impetus to the sector. The online home décor market in India is projected to grow at a CAGR of 50.42 per cent till 2019. The luxury furniture market is expected to garner USD27.01 billion in revenues by 2020, registering a CAGR of 4.1 per cent.

Indian plywood market

Plywood is a growing market in India. The Indian plywood market reached a value of USD4.2 billion in 2017, growing at a CAGR of ~5 per cent between 2010 and 2017. On the basis of end-use, the market is divided into the commercial and residential sectors. The residential sector is the largest consumer of Indian plywood, accounting for more than half of all offtake.

With GST rationalisation from 28 per cent to 18 per cent on plywood, organised players are hopeful of increasing their market share, carving away share of the unorganised plywood sector – around 80 per cent of the estimated ₹20,000 crore industry. Consequently, the organised

sector hopes to grow at a rate of 25 per cent y-o-y. (Source: IMARC, Times of India)

Indian laminates market

The Indian laminates market is valued at ₹3,700 cr with organised players accounting for a 60 per cent share (₹2,800 cr). The sharp shift in preference for products manufactured by organised players has been catalysed by GST implementation. The taxation reform has affected the competitiveness of unorganised players. Over the last decade, the market has been touched by innovation in terms of product mix, designs and lower input prices, strengthening margins for organised laminate and decorative veneer manufacturing companies.

The use of decorative laminates is growing in the Asia Pacific with China and India being the most promising markets. The main driving forces in the region include improved standards of living, enhanced hygiene awareness and increased expenditure on non-residential and residential construction. Decorative laminates are available in a wide range of colours, designs and textures with a beneficial impact on surface longevity and low maintenance costs. Laminates enjoy a gamut of end-use applications such as cabinets, ready-to-assemble furniture and flooring. (Source: Business India)

Impact of GST

The GST rate has been revised from 28 per cent to 18 per cent in the plywood, MDF and particle board industry. The average growth rate of the industry which was 5 per cent (as of November, 2017) is expected to grow at least by 25 per cent y-o-y. All laminates products have come under 18 per cent GST slab, reducing the price gap between organised and unorganised manufacturers to ~20 per cent from ~35 per cent.

Growth drivers

Affordable housing: Affordable housing projects launched by private developers during the past five years have helped correct the long-standing skew when it came to urban housing. Although the urban housing shortage still remains substantial (1.2 crore homes), it is clear that active participation from private developers

could help address the gap. In the 2018-19 Union Budget, the Central Government announced that it would create a dedicated Affordable Housing Fund in collaboration with the National Housing Bank, providing 2 cr homes by 2022 with half of them expected to be completed by 2019. This will drive the demand for more decorative laminates and plywood.

Growing urbanisation: The pace at which Indians are shifting from rural to urban centres has reached unprecedented levels. By 2050, 60 per cent of Indians will live in cities. Delhi, Mumbai, and Kolkata will be among the world's largest cities and cumulatively become home to ~100 million people. This rapid urbanisation would require more homes to be built in the cities, which, in turn, will drive the demand for wood panel products in the coming years. (Source: Business World)

Rising incomes: The per capita net national income during FY2017-18 stood at ~₹1,11,782 compared to ₹1,03,219 during FY2016-17, growing at a rate of 8.3 per cent. The per capita income in real terms (at 2011-12 prices) during FY2017-18 stood at ~₹86,660 compared to ₹82,269 during FY2016-17. The growth rate in per capita income (real terms) was ~5.3 per cent during FY2017-18, compared to 5.7 per cent in the previous year.

Rural demand: The growth in nominal rural wages has remained stable at 6-6.5 per cent in FY17 and in the first four months of FY18. However, owing to the sharp fall in inflation, real rural wages accelerated over the last 12 months. After remaining flat y-o-y in 1HFY17, growth improved to 3.3 per cent in 2HFY17 and further to 4.8 per cent during April-July 2017, the fastest pace in four years. The sustained improvement in real rural wages is a positive for rural demand. (Source: Economic Times)

Evolving shopping experiences: The Indian ecommerce industry has overcome many challenges to become a USD17.8 billion industry. Online commerce has definitely grown beyond the top cities. In 2017, metro and Tier-I cities together had around 53 million online shoppers, while Tier-II and beyond were home to 37 million

online shoppers. Consumers can now access the latest furniture on their mobile phones and order them with a few clicks. (Source: Red Seer)

Raw material security: India's forests are populated by a variety of deciduous, coniferous, tropical and evergreen trees. Plywood is manufactured from timber logs and formed by combining thin sheets of face and core veneer. The industry is undergoing a transformational shift from unorganised market to the organised. An increased willingness to spend on branded plywood among the middle class has been noted in the recent years. This implies a greater importance being given to the quality of the product purchased.

Risk management

Risks are integral part for a business to grow. However, an effective risk management framework helps the organisation in mitigating the risks effectively and ensures business sustainability. Effective risk management comprises reducing the element of surprise, improving services, ensuring proactive change management, sourcing resources efficiently, optimizing utilisation levels, preventing leakages and reducing wastage. National Plywood Industries Limited has a risk management process that is periodically reviewed by the Board for effectiveness.

Economic risk: Slowdown in the economy may impact the industry

Mitigation: With the impact of demonetisation and teething issues of GST implementation fading away, the Indian economy is poised for strong growth. The IMF predicts that the Indian economy will grow at a rate of 7.4 per cent in FY19, compared to 6.7 per cent in FY18 and accelerate further to 7.8 per cent in FY20.

Industry risk: Slowdown in downstream sectors could impact offtake

Mitigation: With the real estate sector gradually recovering, the demand for panel products is all set to grow. The Housing for All Scheme is expected to drive the demand for panel products. Growing per capita incomes coupled with increasing private consumption levels bode well for the industry. Additionally, increasing office space demand is expected to drive offtake of office furniture in the country.

Competition risk: High competition may impact profitability

Mitigation: The implementation of the GST has enabled the creation of a level playing field. Backed by strong quality and consistent performance, the Company has positioned itself favourably to capitalise on the sectoral upturn.

Financial review

Sales

Revenues during the year stood at ₹42.16 cr, decreasing by 9.04 per cent as compared to ₹46.35 cr in FY2016-17

Interest and finance costs

Net interest and finance costs increased by 161.92 per cent during the year due to high cost of short term borrowing

Profit before tax

The Company registered a profit before tax of ₹0.44 cr compared to ₹0.23 cr in the previous year

Profit after tax

The Company registered a profit after tax of ₹0.44 cr compared to ₹0.23 cr in the previous year (no tax due to set off with unabsorbed depreciation)

Key ratios

Particulars	2017-18	2016-17
EBIDTA/Turnover %	-2.25	-9.26
EBIDTA/Net interest	-3.64	-41.22
Debt-equity ratio	-2.38	-2.25
Return on equity (%)	1.10	0.57
Book value per share (₹)	-67.91	-68.66
Earnings per share (₹)	0.74	0.39

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensations, an amiable work environment and acknowledges employee performance through a planned reward and recognition programme. The Company aims to create a workplace where every person can achieve his or her true potential. The Company encourages individuals to go beyond the scope of their work and undertake voluntary projects that enable them to learn and devise innovative ideas.

Internal control systems and their adequacy

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the Corporate Governance Code of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors

and Management, monitoring and support committees. The Control and Risk Committee and the Head of the Audit Department work under the supervision of the Board-appointed Statutory Auditors.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

By Order of the Board

(P. PERIWAL)

Chairman & Managing Director

DIN: 00698796

Place: Kolkata

Date: 30th May, 2018

FORM NO. MR - 3

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

For the financial year ended 31st March, 2018

To
The Members
National Plywood Industries Limited
Makum Pather
Margherita
Assam - 786187

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NATIONAL PLYWOOD INDUSTRIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of **NATIONAL PLYWOOD INDUSTRIES LIMITED**, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ['SCRA'] and the rules made thereunder; **(not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company during the Audit Period)**.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India [Substantial Acquisition of Shares and Takeovers] Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (not applicable to the Company during the Audit Period).
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the Company during the Audit Period)
 - f) The Securities and Exchange Board of India [Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009; (not applicable to the Company during the Audit Period).
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998; (not applicable to the Company during the Audit Period)
- (vi) I have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliance under other applicable acts, laws and regulations. The list of major head/groups of acts, laws and regulations as are applicable to the Company inter alia includes:
- Factories Act, 1948
 - Industries (Development & Regulation) Act, 1951
 - Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation, etc.
 - Acts prescribed under prevention and control of pollution
 - Acts prescribed under environmental protection;
 - Acts as prescribed under Direct Tax and Indirect Tax
 - Land Revenue laws of respective States
 - Labour Welfare Act of respective States
 - Trade Marks Act 1999 & Copyright Act 1957
 - The Legal Metrology Act, 2009
 - Acts as prescribed under Shop and Establishment Act of various local authorities
 - Indian Contract Act
 - Right to Information Act
 - Constitution of India
 - Acts Prescribed by State Legislative Assembly
 - The Explosive Act, 1884
- I have also examined compliance with the applicable clauses of the following:
- a) Revised Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India which became effective from 1st October 2017
 - b) The Listing Agreements entered into by the Company with Stock Exchange(s).
- During the period under review, the Company has complied with the provisions of the acts, rules, regulations, guidelines, standards, etc. mentioned above.
- I further report that:
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took

place during the period under review are carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Majority decision are carried out while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has not passed any special resolutions which have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This Report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this Report.

For **Maheshwari R & Associates**
Company Secretaries

Rashmi Maheshwari
Membership No. 5126 (FCS)
CP No.: 3309

Place: Kolkata
Date: 30th May, 2018



Annexure A

To
The Members
National Plywood Industries Limited
Makum Pather
Margherita
Assam - 786187

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. I have relied upon the report of Statutory Auditors

regarding Companies Act 2013 & Rules made thereunder relating to maintenance of Books of Accounts, papers and financial statements of the relevant financial year, which gives a true and fair view of the state of affairs of the Company.

4. Wherever required, I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the 'Responsibility' of Management. My examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Maheshwari R & Associates**
Company Secretaries

Rashmi Maheshwari
Membership No. 5126 (FCS)
CP No.: 3309

Place: Kolkata
Date: 30th May, 2018

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)
of the Company (Management & Administration) Rules, 2014.**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L20211AS1973PLC001856
2	Registration Date	11/12/73
3	Name of the Company	NATIONAL PLYWOOD INDUSTRIES LIMITED
4	Category/Sub-category of the Company	Category: Company limited by Shares Sub-Category: Indian Non-Government Company
5	Address of the Registered Office & contact details	P.O. - Makum Pathar - 786187, Margherita, Dist.: Tinsukia, Assam; Email: info.npil.ho@nationalplywood.net; Phone: 033-22480116/17
6	Whether listed company	Yes - Listed in BSE & CSE
7	Name, address & contact details of the Registrar & Transfer Agent, if any.	Maheshwari Datamatics Pvt. Ltd., Address: 23, R.N. Mukherjee Road, 5th Floor. Kolkata- 700 001; Phone : 2243-5029/2248-2248, Email: mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 per cent or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PLYWOOD	1621	56.41%
2	LAMINATE	1621	40.12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NONE				
2					

IV. SHARE HOLDING PATTERN
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	% of Total Shares		Demat	Physical	% of Total Shares		
			Total				Total		
A. Promoters									
(1) Indian									
a) Individual/ HUF	25,74,720	78,180	26,52,900	45.31%	25,74,720	78,180	26,52,900	45.31%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	1,59,190	-	1,59,190	2.72%	1,59,190	-	1,59,190	2.72%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	25,74,720	78,180	28,12,090	48.03%	25,74,720	78,180	28,12,090	48.03%	0.00%
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	25,74,720	78,180	28,12,090	48.03%	25,74,720	78,180	28,12,090	48.03%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	2,07,260	-	2,07,260	3.54%	2,07,260	-	2,07,260	3.54%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	2,07,260	-	2,07,260	3.54%	2,07,260	-	2,07,260	3.54%	0.00%
2. Non-Institutions									
a) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Indian	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto ₹2 lakhs	6,35,630	1,07,4830	17,10,460	0.00%	-	0.00%	0.00%	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	4,81,000	1,40,050	6,21,050	10.61%	4,81,000	1,40,050	6,21,050	10.61%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)	4,85,840	17,050	5,02,890	8.59%	4,85,840	17,050	5,02,890	8.59%	0.00%
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(2):-	16,02,470	12,31,930	28,34,400	48.42%	16,02,470	12,31,930	28,34,400	48.42%	0.00%
Total Public (B)	18,09,730	12,31,930	30,41,660	51.97%	18,09,730	12,31,930	30,41,660	51.97%	0.00%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	43,84,450	14,69,300	58,53,750	100.00%	42,79,350	15,74,400	58,53,750	100.00%	0.00%

(ii) Shareholding of Promoter

(Equity Share Capital)

S. No.	Category of Shareholders	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chandrakanta Periwal	6,93,340	11.84%	-	6,93,340	11.84%	-	0.00%
2	Madhulika Periwal	3,66,540	6.26%	-	3,66,540	6.26%	-	0.00%
3	Piyush Periwal	3,36,275	5.74%	-	3,36,275	5.74%	-	0.00%
4	Sheela Periwal	2,73,250	4.67%	-	2,73,250	4.67%	-	0.00%
5	Abhyuday Periwal	1,93,850	3.31%	-	1,93,850	3.31%	-	0.00%
6	Vijay Kumar Periwal	2,50,925	4.29%	-	2,50,925	4.29%	-	0.00%
7	Ajay Kumar Periwal	1,78,350	3.05%	-	1,78,350	3.05%	-	0.00%
8	Neelam Periwal	1,86,370	3.18%	-	1,86,370	3.18%	-	0.00%
9	Snehlata Periwal	96,000	1.64%	-	96,000	1.64%	-	0.00%
10	Gajanan Periwal	39,750	0.68%	-	39,750	0.68%	-	0.00%
11	Malvika Periwal	17,250	0.29%	-	17,250	0.29%	-	0.00%
12	Mayank Periwal	16,000	0.27%	-	16,000	0.27%	-	0.00%
13	Anant Periwal	5,000	0.09%	-	5,000	0.09%	-	0.00%
14	Platinum Plywood Pvt. Ltd.	30,530	0.52%	-	30,530	0.52%	-	0.00%
15	Narottam Investments & Trading Co. Ltd.	1,15,360	1.97%	-	1,15,360	1.97%	-	0.00%
16	National Couriers Pvt Ltd.	12,500	0.21%	-	12,500	0.21%	-	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning [01/04/17] /end of the year [31/03/18]		Cumulative Shareholding during the year [01/04/17 to 31/03/18]	
				No. of shares	% of total shares	No. of shares	% of total shares
1	National Couriers Pvt Ltd.						
	At the beginning of the year	01/04/17		-	-	-	-
	Changes during the year			12,500	0.21%	12,500	0.21%
	At the end of the year	31/03/18		12,500	0.21%	12,500	0.21%
2	Narottam Investments & Trading Co. Ltd.						
	At the beginning of the year	01/04/17		1,00,350	1.71%	-	-
	Changes during the year	07/04/17	Transfer	600	0.01%	1,00,950	1.72%
		16/06/17	Transfer	(200)	0.00%	1,00,750	1.72%
		23/06/17	Transfer	400	0.00%	1,01,150	1.73%
		17/11/17	Transfer	15,010	0.26%	1,16,160	1.98%
	At the end of the year	31/03/18		1,16,160	1.98%	1,16,160	1.98%
3	Narottam Investments & Trading Co. Ltd.						
	At the beginning of the year	01/04/17		3,43,240	5.86%	-	0.00%
	Changes during the year	17/11/17	Transfer	28,300	0.48%	3,71,540	6.35%
		09/03/18	Transfer	(5,000)	0.86%	3,66,540	6.26%
		16/03/18	Transfer	5,000	0.86%	3,71,540	6.35%
		23/03/18	Transfer	(5,000)	0.86%	3,66,540	6.26%
	At the end of the year	31/03/18		3,66,540	6.26%	3,66,540	6.26%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

(Equity shares)

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning [01/04/17] /end of the year [31/03/18]		Cumulative Shareholding during the year [01/04/17 to 31/03/18]	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Floreat India Limited						
	At the beginning of the year	01/04/17		20,000	0.34%	-	0.00%
	Changes during the year	27/10/17	Transfer	(5,000)	-0.09%	15,000	0.00%
		03/11/17	Transfer	(15,000)	-0.26%	-	0.00%
	At the end of the year	31/03/18		-	0.00%	-	0.00%
2	Gradation Enterprises Ltd.						
	At the beginning of the year	01/04/17		7,600	0.13%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/18		7,600	0.13%	7,600	0.13%
3	ICICI Bank Ltd.						
	At the beginning of the year	01/04/14		2,07,260	3.54%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/18		2,07,260	3.54%	2,07,260	3.54%
4	Nivedita Malvi						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	16/02/18	Transfer	10,000	0.17%	10,000	0.17%
	At the end of the year	31/03/18		10,000	0.17%	10,000	0.17%
5	Mahendra Girdharilal						
	At the beginning of the year	01/04/17		3,06,000	5.23%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/18		3,06,000	5.23%	3,06,000	5.23%
6	Kanoi Leasfin Ltd						
	At the beginning of the year	01/04/17		15,000	0.26%	-	0.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning [01/04/17] /end of the year [31/03/18]		Cumulative Shareholding during the year [01/04/17 to 31/03/18]	
				No. of shares	% of total shares	No. of shares	% of total shares
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31/03/18		15,000	0.26%	15,000	0.26%
7	RDB Entertainments Pvt Ltd						
	At the beginning of the year	01/04/17		7,500	0.13%	-	0.00%
	Changes during the year	19/01/18	Transfer	7,500	0.13%	-	0.00%
	At the end of the year	31/03/18		-	0.00%	-	0.00%
8	Meenal D Roopchand						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	23/02/2018 - Transfer	23/02/18	Transfer	5,000	0.09%	5,000	0.09%
	02/03/2018 - Transfer	02/03/18	Transfer	7,000	0.12%	12,000	0.20%
	At the end of the year	31/03/18		12,000	0.20%	12,000	0.20%
9	Chirag Vinimay Pvt Ltd						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	02/02/18	Transfer	4,00,000	6.83%	4,00,000	6.83%
	At the end of the year	31/03/18		4,00,000	6.83%	4,00,000	6.83%
10	Amrex Marketing Pvt Ltd						
	At the beginning of the year	01/04/17		5,98,740	10.23%	-	0.00%
	Changes during the year	02/02/18	Transfer	(5,75,000)	-9.82%	23,740	0.41%
	At the end of the year	31/03/18		23,740	0.41%	23,740	0.41%
11	Sheth International Pvt Ltd						
	At the beginning of the year	01/04/17		21,400	0.37%	-	0.00%
	Changes during the year	15/09/17	Transfer	(10,000)	-0.17%	11,400	0.19%
		22/09/17	Transfer	(11,400)	-0.19%	-	0.00%
	At the end of the year	31/03/18		-	0.00%	-	0.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning [01/04/17] /end of the year [31/03/18]		Cumulative Shareholding during the year [01/04/17 to 31/03/18]	
				No. of shares	% of total shares	No. of shares	% of total shares
12	Arvind Kumar Parasramka						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	02/02/18	Transfer	1,75,000	2.99%	1,75,000	2.99%
	At the end of the year	31/03/18		1,75,000	2.99%	1,75,000	2.99%
13	Anil Kumar						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	12/01/18	Transfer	4,600	0.08%	4,600	0.08%
		23/02/18	Transfer	8,000	0.14%	12,600	0.22%
	At the end of the year	31/03/18		12,600	0.22%	12,600	0.22%
14	Plutus Capital Management LLP						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	12/05/17	Transfer	10,000	0.17%	10,000	0.17%
	At the end of the year	31/03/18		10,000	0.17%	10,000	0.17%
15	Rajendra Kumar Rampuria						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	19/01/18	Transfer	7,500	0.13%	7,500	0.13%
	At the end of the year	31/03/18		7,500	0.13%	7,500	0.13%
16	V Dhanagopala Krishnan						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	Changes during the year	13/10/17	Transfer	10,190	0.17%	10,190	0.00%
		24/11/17	Transfer	(10,190)	-0.17%	-	0.00%
	At the end of the year	31/03/18		-	0.00%	-	0.00%

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning [01/04/17] /end of the year [31/03/18]		Cumulative Shareholding during the year [01/04/17 to 31/03/18]	
				No. of shares	% of total shares	No. of shares	% of total shares
17	Deepak Kumar Saboo						
	At the beginning of the year	01/04/17		-	0.00%	-	0.00%
	02/06/2017 - Transfer	02/06/17	Transfer	1,600	0.03%	1,600	0.03%
	09/06/2017 - Transfer	09/06/17	Transfer	100000	1.71%	101600	1.74%
	14/07/2017 - Transfer	14/07/17	Transfer	-99700	1.70%	1900	0.03%
	28/07/2017 - Transfer	28/07/17	Transfer	1,500	0.03%	3400	0.06%
	At the end of the year	31/03/18		3,400	0.06%	3,400	0.06%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Director and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Piyush Perival						
	At the beginning of the year			3,36,275	5.74%	3,36,275	5.74%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			3,36,275	5.74%	3,36,275	5.74%
2	Nani Gopal Paul						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
3	Vinod Kumar Sharma						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Director and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	Malvika Periwal						
	At the beginning of the year			17,250	0.29%	17,250	0.29%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			17,250	0.29%	17,250	0.29%
5	Abhijit Sarkar						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
6	Vijay Kumar Periwal						
	At the beginning of the year			2,50,925	4.29%	2,50,925	4.29%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,50,925	4.29%	2,50,925	4.29%
7	Brij Gopal Jaju						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
5	Pradeep Bharat Shethia						
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - NIL				
i) Principal Amount	55,13,910.00	-	-	55,13,910.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	55,13,910.00	-	-	55,13,910.00
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	1,08,192.00	-	-	1,08,192.00
Net Change	1,08,192.00	-	-	1,08,192.00
Indebtedness at the end of the financial year				
i) Principal Amount	54,05,718.00	-	-	54,05,718.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	54,05,718.00	-	-	54,05,718.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director:

SN.	Particulars of Remuneration	Name of MD		Total Amount (₹/Lakhs)
1	Name	Piyush Periwal		
	Designation	Managing Director		
	Gross salary	-	-	15.00
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	-	-	15.00
	Ceiling as per the Act			

B. Remuneration to Whole-time Directors:

SN.	Particulars of Remuneration	Name of WTD		Total Amount (₹/ Lakhs)
1	Name	Nani Gopal Paul		
	Designation	Whole time Director		
	Gross salary	-	-	3.12
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (B)	-	-	3.12
	Ceiling as per the Act			

C. Remuneration to other Directors:

SN.	Particulars of Remuneration	Name of WTD		Total Amount (₹/ Lakhs)
1	Name	Vinod Kumar Sharma		
	Designation	Independent Director		
	Gross salary	-	-	3.12
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	-	-	3.12
	Ceiling as per the Act			

D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD - NONE

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding	NA	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NIL	NIL	NIL	NIL
Punishment	NA	NIL	NIL	NIL	NIL
Compounding	NA	NIL	NIL	NIL	NIL

PARTICULARS OF REMUNERATION

PARTICULAR OF EMPLOYEES PERTAINING TO SECTION 197(12) OF THE COMPANIES ACT, 2013
READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION
OF MANAGERIAL PERSONNEL) RULES, 2014

Requirement of Rule 5(1)	Details
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year.	<p>Independent Directors</p> <p>Vinod Kr Sharma: Nil</p> <p>Abhijit Sarkar: Nil</p> <p>Brij Gopal Jaju: Nil</p> <p>Pradeep Bharat Shethia : Nil</p> <p>Non-Executive Directors</p> <p>Vijay Kumar Periwal : Nil</p> <p>Malvika Periwal : Nil</p> <p>Executive Directors</p> <p>Piyush Periwal : 3:15</p> <p>Nani Gopal Paul : 1.04:1</p>
(ii) The percentage increase in remuneration remuneration of each Director, Company Secretary or Manager, if any, in the financial year.	<p>Independent Directors</p> <p>Vinod Kr Sharma : Nil</p> <p>Abhijit Sarkar : Nil</p> <p>Brij Gopal Jaju : Nil</p> <p>Pradeep Bharat Shethia: Nil</p> <p>Non-Executive Directors</p> <p>Vijay Kumar Periwal : Nil</p> <p>Malvika Periwal : Nil</p> <p>Executive Directors</p> <p>Piyush Periwal : Nil</p> <p>Nani Gopal Paul : Ni</p>
(iii) Affirmation that the remuneration is as per year remuneration policy of the Company	Remuneration paid during the period ended 31st March, 2018 is as per the Remuneration Policy of the Company.
(iv) The key parameters for the variable component of remuneration	No Variable Components
(v) Explanation on the relationship between average increase in remuneration and Company Performance	Not Relatable

Note: 1) Sitting Fees paid to the Independent Directors is not considered as remuneration paid to the Independent Directors.

2) The increase in the remuneration of the Company Secretary is below the increase in the median employee's remuneration and sales growth of the Company.

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule – 8(3) of the Companies (Accounts) Rules, 2014 and forming part of Directors' Report.

(A) CONSERVATION OF ENERGY

- a) Energy Conservation measures taken: Energy conservation, wherever possible, has already been implemented and there are no major areas where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.
- b) Form-A in respect of Hosur Unit & Margherita Unit is enclosed.

FORM - A
Disclosure of particulars with respect to conservation of energy
For Hosur Unit:

	Current Year	Previous Year
	2017-2018	2016-2017
	(In ₹)	(In ₹)
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased (Units)	4,13,269	7,82,058
Total Amount (₹)	28,64,576	65,92,701
Rate/Unit	6.93	8.42
(b) Own Generation through Diesel Generator		
Units (Litres)	1,520	7,105
Units per litre of Diesel Oil	2.25	2.25
Total Units of Power	3,428	16,040
Total Amount (₹)	96,832	4,16,566
Cost per Unit	28.24	25.97
2. Furnace Oil	-	-
Quantity (k. Litre)	-	-
Total Amount (₹)	-	-
Average Rate Per Litre	-	-
Wood		
Quantity (M. Tons)	154	430
Total Amount (₹)	6,16,625	17,20,000
Average Rate Per Ton	4000	4000
B. Consumption Per Unit Of Production		
Decorative Laminated Sheets (No.) Total Prodn.	1,60,926	5,60,578
Electricity (Unit/ Unit of Prodn.)	2.57	1.39
Furnace Oil (Ltr./ Unit of Prodn.)	-	-
Wood (Kgs. / Unit Of Prodn.)	0.95	0.76

For Margherita Unit:

	Current Year	Previous Year
	2017-2018	2016-2017
	(In ₹)	(In ₹)
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased (Units)	4,44,627	4,72,952
Total Amount (₹)	44,33,781	43,04,867
Rate/Unit	9.97	9.10
(b) Own Generation through Diesel Generator		
Units (Litres)	20,600	9,900
Units per litre of Diesel Oil	4.17	4.17
Total Units of Power	85,875	41,250
Total Amount (₹)	12,54,954	5,82,645
Cost per Unit	14.61	14.12
2. Furnace Oil	-	-
Quantity (k. Litre)	-	-
Total Amount (₹)	-	-
Average Rate Per Litre	-	-
Wood		
Quantity (M. Tons)	1,006.73	454.65
Total Amount (₹)	21,14,129	9,39,877
Average Rate Per Ton	2,100.00	2,067.00
B. Consumption Per Unit Of Production		
Decorative Laminated Sheets (No.) Total Prodn.	4,57,828	5,24,368
Electricity (Unit/ Unit of Prodn.)	1.16	0.98
Furnace Oil (Ltr./ Unit of Prodn.)	-	-
Wood (Kgs. / Unit Of Prodn.)	2.20	0.87

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company's philosophy on Corporate Governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its working, and in all its interactions with its stakeholders including shareholders, employees, lenders and the Government. The Company is committed to attain the highest standards of Corporate Governance.

The Board of Directors believes that Corporate Governance is the most powerful tool for achieving corporate excellence and presents a compliance report on the Corporate Governance pursuant to Listing Regulations as the Company endeavours to adopt best practices of Corporate Governance. The strong internal control system and procedures, risk assessment and mitigation procedures and Code of Conduct for observance by the Company's Directors and employees are conducive in achieving good Corporate Governance practices in the Company.

2. BOARD OF DIRECTORS

2.1 As on 31st March, 2018, the strength of your Company's Board is eight. The Board

has a Chairman & Managing Director and seven members comprising one Whole-time Executive Director, one Woman Non-Executive Director, one Non-Executive Non-Independent Director, one Executive Independent Director and three Non-Executive Independent Directors. All Directors are professionals from diverse fields having valuable experience in management, legal, administration and finance. Independent Directors do not have any material pecuniary relationship and have not entered into any transactions with the Company, its promoters and Management which, in the judgment of the Board, may affect the independence of judgment of the Directors.

The details of the constitution of the Board and the number of Directorships and Committee memberships held in other Companies as on 31st March, 2018, and their attendance at the Board Meetings held during the year 1st April 2017 to 31st March, 2018 as well as at the last Annual General Meeting are given below:

S. No	Name of Director	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance at the AGM held on 23rd Sept 2017	No. of outside director ships*	No. of outside committee membership**	No. of outside Committees Chairman ships***
1.	Piyush Periwal (Chairman & Managing Director)	Executive	5	5	Yes	1	2	1
2.	Vijay Kumar Periwal	Non-Executive	5	0	No	0	0	0
3.	N. G. Paul	Executive & Whole-time	5	1	Yes	1	0	0
4.	Vinod Kumar Sharma	Executive Independent	5	2	Yes	0	0	0
5.	Malvika Periwal	Non-Executive Woman	5	5	No	0	0	0
6.	Abhijit Sarkar	Non-Executive Independent	5	5	No	0	0	0
7.	Brij Gopal Jaju	Non-Executive Independent	5	5	No	0	0	0
8.	Pradeep Bharat Shethia	Non-Executive Independent	5	2	No	1	0	0

*Excluding foreign companies and companies registered under Section 8 of Companies Act, 2013.

**Mandatory Committees include Audit and Stakeholders Relationship & Share Transfer Committee

***Chairmanship of Committees include Audit and Stakeholders Relationship & Share Transfer Committee

2.2 The meetings of the Board of Directors were held at periodic intervals. During the year under review, 5 (five) Board Meetings were held on 30th May 2017, 29th July 2017, 13th November 2017, 13th February 2018, 27th March 2018. The gap between two Board Meetings did not exceed one hundred and twenty days.

2.3 As on 31st March 2018, the Company was required to have an optimum combination

2.5 The details of shares held by Non-Executive Directors as on 31st March, 2018:

S. No	Name of Directors	No. of shares
1	Vijay Kumar Periwal	2,50,925
2	Malvika Periwal	17,250
3	Abhijit Sarkar	200
4	Brij Gopal Jaju	200
5	Pradeep Bharat Shethia	200

2.6 Director's Induction and Familiarization

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company. The Independent Directors, from time to time, request Management to provide a detailed understanding of specific projects, activities or processes of the Company. The Management provides such information and training either at the meeting of Board of Directors or otherwise.

The Induction process is designed to:

- build an understanding of National Plywood, its businesses and the markets and regulatory environment in which it operates;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively; and
- develop understanding of the Company's people and its key stakeholder relationships.

with not less than one-third of the Board of Directors comprising Independent Directors. The Company had fully complied with the above requirement during the financial year ended 31st March 2018.

2.4 None of the Independent Directors are related inter se as contemplated under Schedule V of the Listing Regulations.

Upon appointment, Directors receive a Letter of Appointment setting out, in detail, the terms of appointment, duties, responsibilities and expected time commitments.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy. The Directors have been informed about the Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for fair Disclosures of Unpublished Price Sensitive Information, etc.

The details of familiarization programmes imparted to Independent Directors can be accessed at <http://www.nationalplywood.net/downloads.html>

2.7 Code of Conduct

- The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with the applicable laws, rules and regulations. The Company had posted its Code

of Conduct on the website of the Company as it believes that a good Corporate Governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risk.

- b. All Directors have as on 31st March 2018 filed the requisite declarations stating that:
 - a) The disqualification contemplated under Section 164(2) of the Companies Act, 2013 did not apply to them
 - b) The Code of Conduct for prevention of insider trading in its equity shares has been complied with
- c. The Company has framed the Code of Conduct and Ethics for members of the Board and Senior Management personnel of the Company. The Company takes great care that the members of the Board and Senior Management comply with the clauses of the Code of Conduct. The said Code of Conduct is uploaded on the website of the Company. Declaration towards the confirmation that the Code of Conduct was followed is mentioned below.

"I hereby confirm

The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the financial year ended 31st March, 2018"

(Piyush Periwal)

Chairman & Managing Director

The same can be accessed at <http://www.nationalplywood.net/downloads.html>

3. AUDIT COMMITTEE

3.1 Composition of the Committee

The Audit Committee was constituted in conformity with the requirement of Section

177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. The Audit Committee comprises three Non-Executive Independent Directors and one Executive Director namely Vinod Kumar Sharma, Brij Gopal Jaju, Abhijit Sarkar and Piyush Periwal. The Committee is chaired by Vinod Kumar Sharma.

3.1.1 Shruuti Bothra, Company Secretary, is the Secretary to the Committee.

3.2 The Committee acts as a link between Statutory Auditors and the Board of Directors. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to providing accurate, timely and proper disclosure and the integrity and quality of financial reporting. The Audit Committee reviews areas as specified under PART C of Schedule II of Listing Regulations read with the provisions of Section 177 of the Companies Act, 2013.

3.3 Brief terms inter-alia include:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending the appointment, remuneration, terms of appointment of Auditors of the Company and approval for payment of any other services
- Reviewing with Management the annual financial statements before submission to the Board for approval.
- Reviewing and monitoring the Auditors' independence and performance, and the effectiveness of the audit process
- Scrutiny of inter-corporate loans and investments
- Reviewing with the Management the performance of statutory auditors and adequacy of the internal control systems

- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- Review of the functioning of the whistle blower mechanism
- Examining of reasons for substantial default in payment to depositors, shareholders and creditors, if any
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

3.4 Audit Committee Meetings held during the year ended 31st March, 2018

During the year under review, four Audit Committee Meetings were held on 30th May 2017, 29th July 2017, 13th November 2017, 27th March 2018. The Audit Committee has fully complied with the requirements of regulation 18 of the Listing Regulations. The Company has also complied with the relevant provision of Section 177 of the Companies Act, 2013 under which the Committee should consist of at least three members of which two-third members of the total members to the Committee should be Independent Directors.

3.5 Attendance at the Audit Committee Meetings

Name of Directors	No. of Meetings attended
Vinod Kumar Sharma	4
Piyush Periwal	4
Brij Gopal Jaju	4
Abhijit Sarkar	4

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 Composition of the Committee

The Nomination and Remuneration Committee comprises three Non-Executive Independent Directors, namely Vinod Kumar Sharma, Brij Gopal Jaju and Abhijit Sarkar. The Committee is chaired by Vinod Kumar Sharma. The Company's Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

4.1.1 Shruti Bothra, Company Secretary, is the Secretary to the Committee.

4.2 The Committee was constituted to review and recommend to the Board, the remuneration packages of the Executive Directors and such other matters as the Board may refer to the Committee from time to time. The terms of reference of the Nomination and Remuneration Committee and its role is as prescribed in sub Section (3) and (4) of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of the Schedule II of the Listing Regulations.

4.3 Nomination & Remuneration Committee Meeting held during the year ended 31st March, 2018

During the year under review, one Nomination and Remuneration Committee Meeting was held on 10th July, 2017.

4.4 Attendance at the Nomination & Remuneration Committee Meeting

Name of Directors	No. of Meetings attended
Vinod Kumar Sharma	1
Brij Gopal Jaju	1
Abhijit Sarkar	1

4.5 No remuneration, other than sitting fee for attending the meetings of Board and Committee, is paid to the Non-Executive Directors of the Company.

4.6 Performance Evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has laid down the following evaluation criteria for the Performance Evaluation of the Independent Directors.

i. Based on the evaluation and recommendation by such Committee as may be prescribed, the Company will carry out an evaluation of the performance of the Board as a whole, the Board Committees and the Directors on an annual basis.

ii. Based on the report of Performance Evaluation, it shall be determined whether to extend or continue the term of appointment of an Independent Director.

5 REMUNERATION OF DIRECTORS

5.1 There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the financial year from 1st April 2017 to 31st March 2018 except for the sitting fee.

5.2 Overall remuneration & sitting fees decided by the Board after recommendation from the Nomination & Remuneration Committee is reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company, taking into consideration the challenges faced by the Company and its future growth imperatives.

5.3 The details of remuneration paid to Directors during the year from 1st April 2017 to 31st March 2018 are given below:

Name and Designation	(in Lakhs)				
	Salary/retainership fee (₹)	Other Benefits	Other long term benefits	Contribution to provident and other funds (₹)	Total (₹)
Piyush Periwal (Managing Director)	15.00	-	-	0.22	15.22
Nani Gopal Paul (Whole time Director)	3.12	-	-	0.22	3.34
Vinod Kumar Sharma (Independent Director)	3.12	-	-	-	3.12

The above figures do not include charges for gratuity and leave encashment, as the Company's Liabilities in respect thereof have been valued by an Actuary and no employee-wise details of the same is available.

5.4 The Non-Executive Directors were paid sitting fee amount to ₹1,500 for attending meetings of the Board of Directors.

5.5 The Company does not have any stock option scheme for its employees.

6 STAKEHOLDERS RELATIONSHIP & SHARE TRANSFER COMMITTEE

6.1 Composition of the Committee

The Stakeholders Relationship Committee consists of two Non-Executive Independent Directors and one Executive Director namely Vinod Kumar Sharma, Abhijit Sarkar & Piyush Periwal. The Committee is chaired by Vinod Kumar Sharma.

6.1.1 Shruti Bothra, Company Secretary is the Secretary to the Committee.

6.2 Stakeholders Relationship & Share Transfer Committee Meeting held during the year ended 31st March 2018

During the financial year ended 31st March, 2018, Stakeholders Relationship & Share Transfer Committee Meeting were held ten times i.e. 3rd August 2017, 31st August 2017, 26th October 2017, 2nd November 2017, 21st December 2017, 25th January 2018, 8th February 2018, 20th February

2018, 28th February 2018 and 14th March 2018.

No. of Shareholder's Complaints received by RTA/Company during the year: Nil

No. of Complaints not solved to the satisfaction of Shareholder during the year: Nil

No. of Complaints pending as at 31st March, 2018: Nil

6.3 Attendance at the Stakeholders Relationship & Share Transfer Committee Meeting

Name of Directors	No. of Meetings attended
Vinod Kumar Sharma	10
Abhijit Sarkar	10
Piyush Periwal	10

6.4 The Company attends to the shareholders grievances/ correspondence expeditiously and normally a reply is sent within a period of ten days of receipt, except in cases of disputes or legal impediments. The designated email ID for grievance redressal is info.npil.ho@nationalplywood.net and the email ID for registering complaint by investors to the Compliance Officer is sk.jain@nationalplywood.net.

7. SEPARATE INDEPENDENT DIRECTORS' MEETINGS

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors or Management personnel. Such meetings are conducted informally to enable Independent Directors to discuss matters pertaining to the Company's affairs.

During the period under review, the Independent Director met once, inter alia, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole
2. Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties

All the Independent Directors were present at the meeting.

8. CERTIFICATE FROM CEO & CFO

Certificate from Piyush Periwal, Chairman & Managing Director of the Company in terms Regulation 17(8) of the Listing Regulations for the financial year ended 31st March, 2018 was placed before the Board of Directors and is attached herewith as "Annexure 6".

9. GENERAL BODY MEETINGS

9.1 Annual General Meeting: The last three Annual General Meetings of the Company were held as under:

Year	Date	Time	Venue	No. of special resolution passed
2017	23rd Sept 2017	11.30 A.M.	Makum Pathar, Margherita, Tinsukia, Assam	3
2016	29th Sept 2016	2.30 P.M.	Makum Pathar, Margherita, Tinsukia, Assam	0
2015	29th Sept 2015	2.30 P.M.	Makum Pathar, Margherita, Tinsukia, Assam	0

9.2 Postal ballot

During the financial year ended 31st March 2018, no special resolution was passed through postal ballot. No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

Time: 11:00 AM

Venue: Makum Pathar, Margherita - 786187, Tinsukia, Assam

9.3 Means of Communication

- Quarterly/Half yearly Disclosures: Quarterly and Half Yearly Reports of the Company are not sent separately to the individual members. The Quarterly/Half Yearly Reports are communicated to the Stock Exchanges immediately after they are approved by the Board.
- Financial results of the Company are displayed on its website www.nationalplywood.net.
- Annual Reports: Annual Report containing inter-alia, Notice of Annual General Meeting, Directors' Report, Auditors' Report, Audited Annual Accounts and other important information is circulated to Members and others entitled thereto.
- The Company does not display official news releases & presentations to the Institutional Investors.

10.2 Financial Year:

For the financial year ended 31st March 2018 i.e. 1st April 2017 to 31st March 2018, results were announced on:

First Quarter : On or before second week of August

Second Quarter : On or before second week of November

Third Quarter : On or before second week of February

Fourth Quarter & Audited Results : On or before last week of May

For the year ended 31st March 2019, results will be announced on:

First Quarter: Within 45 days from the close of Quarter ending June 2018.

Half-Yearly: Within 45 days from the close of Quarter ending September 2018.

Third Quarter: Within 45 days from the close of Quarter ending December 2018.

For the year ending 31st March 2019: Within 60 days from the close of financial year ending 31st March 2019.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting
: 27th September 2018

10.3 Book Closure Date : 21st September 2018 to 27th September 2018 (including both dates)

10.4 Listing on Stock Exchanges

Name of the stock exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	516062
Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700001	

The International Security Identification Number (ISIN) of National Plywood Industries Ltd. on both NSDL and CDSL under Depository System is **INE497C01016**

The Company confirms that it has paid annual listing fee to BSE Limited, Mumbai for the year from 1st April 2017 to 31st March 2018.

10.5 Registrar and Transfer Agent

M/s. Maheshwari Datamatics Private Limited is the Registrar and Share Transfer Agent of the Company for handling both electronic and physical shares. Shareholders are requested to contact the Transfer Agents for all share related work. The address of the Registrar and Share Transfer Agent is given below:

M/s. Maheshwari Datamatics Pvt Ltd
23, R.N. Mukherjee Road, 5th Floor
Kolkata- 700001
Phone: (033) 2243-5809/5029
Fax: (033) 2248-4787
Email: mdpldc@yahoo.com

10.6 Share Transfer System

The shares of the Company are traded in the compulsory dematerialized mode for all investors. The shares sent for transfer in physical form are registered within ten days (if in order and complete in all respects) and the share certificates are immediately returned to the shareholders. With respect to requests received for dematerialization of shares, the same are confirmed to the respective depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within the stipulated time.

In compliance with the Listing Guidelines, every six months, the practicing Company Secretary audits the system of transfers and a certificate to that effect is issued. Also, in compliance with the SEBI guidelines, a Quarterly Secretarial Audit Report is issued, which, in turn, is submitted to the stock exchange. The said Secretarial Audit Report is also placed before the Board from time to time.

10.7 Distribution of Shareholding as on 31st March, 2018

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholders
Upto 500	4,928	90.99	10,27,099	17.54
501 to 1000	280	5.17	2,40,661	4.11
1001 to 2000	105	1.94	1,64,250	2.81
2001 to 3000	29	0.54	73,000	1.25
3001 to 4000	11	0.20	40,200	0.69
4001 to 5000	8	0.15	38,800	0.66
5001 to 10000	20	0.37	1,44,000	2.46
Above 10000	35	0.64	41,25,740	70.48
TOTAL	5,416	100.00	58,53,750	100.00

- 10.8 Dematerialization of shares and liquidity
74.90 per cent of the equity shares have been dematerialized up to 31st March 2018. The shares of the Company can be dematerialized by the shareholders either with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- 10.9 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil
- 10.10 Commodity Price Risk/Foreign Exchange Risk and Hedging: Nil
- 10.11 LOCATION OF PLANTS
1. At Hosur: Thally Road, Kalukondapally, Tamil Nadu
 2. At Margherita: Makum Pathar, Margherita - 786187, Dist.: Tinsukia, Assam.
- 10.12 Address for Correspondence:
National Plywood Industries Limited
5, Fancy Lane, 7th Floor,
Kolkata – 700 001
- 11 DISCLOSURES**
- 11.1 There is no materially significant Related Party Transaction entered into by the Company that may have potential conflict with the interests of the Company at large.
- 11.2 There were no instances of non-compliance nor have any penalties or strictures been imposed by the stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- 11.3 The Company has followed the applicable guidelines of Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- 11.4 The Company has announced a Whistle Blower Policy and the same can be viewed on the website of the Company at <http://www.nationalplywood.net/policy/>.
- 11.5 During the financial year ended 31st March 2018, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.
- 11.6 The Company has no material subsidiary hence the requirement to formulate policy for determining material subsidiaries is not applicable.
- 11.7 During the year ended 31st March 2018, the Company did not engage in commodity hedging activities.
- 11.8 There has been no instance of non-compliance of any requirement of Corporate Governance Report.
- 11.9 ADOPTION OF NON-MANDATORY REQUIREMENTS
1. The Board
The Non-Executive Chairman of the Company does not maintain his separate office.
 2. Audit Qualifications
During the year under review there was no audit qualification in Auditors' Report on the Company's financial statements.
 3. Separate posts of Chairman and Managing Director
The post of the Chairman of the Company and Managing Director are held by same person.
- 11.10 The Company has fully complied with the applicable requirement specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46.
- 12. COMPLIANCE CERTIFICATE OF THE AUDITORS**
- The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in the Listing Regulations and the same is provided as "Annexure 7"
- All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

13. CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

In compliance with the SEBI Regulations, to prevent insider trading, the Company has instituted a comprehensive Code of Conduct for its Management and staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made while dealing with shares of Company and cautions them of the consequences of violations.

14. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2017,

with transition date of 1 April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16 February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements comply with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for the year ended 31st March 2018 are prepared under Ind AS.

For and on behalf of the Board

PIYUSH PERIWAL

Chairman & Managing Director

DIN: 00698796

Date: 30th May, 2018

**Certificate under Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

CERTIFICATION

The Board of Directors
National Plywood Industries Ltd

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that:

- a) I have reviewed the financial statements and the Cash Flow Statement for the financial year ended 31st March, 2018 and that to the best of our knowledge and belief, I state that:
 - (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 the existing accounting standards, applicable laws and regulations
- b) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended 31st March 2018 which 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 that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or proposed to take to rectify these deficiencies.
- d) I have indicated, based on my most recent evaluation wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the financial year ended 31st March 2018
 - (ii) significant changes, if any, in accounting policies made during the financial year ended 31st March 2018 and the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 30th May, 2018

Sd/-
PIYUSH PERIWAL
Chairman & Managing Director
DIN: 00698796

**Certificate on Corporate Governance to
The Members of National Plywood Industries Limited**

We have examined the compliance of conditions of Corporate Governance by **NATIONAL PLYWOOD INDUSTRIES LIMITED** for the year ended 31st March, 2018 as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is

neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **JHUNJHUNWALA & Co.**
Chartered Accountants
(F.R. No.302169E)

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

Place: Kolkata
Date: 30th May, 2018

Financial
Section 

INDEPENDENT AUDITOR'S REPORT

To the Members of
NATIONAL PLYWOOD INDUSTRIES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **National Plywood Industries Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the standards on auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we Report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The accounts of the branch offices of the Company have been audited by us under Section 143 (8) of the Act and have been properly dealt with by us in preparing this Report.
- (d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the accounts of the branches
- (e) In our opinion, the aforesaid standalone financial statements comply with the

accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (f) On the basis of the written representations received from the Directors as on 31st March, 2018, taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2018 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **JHUNJHUNWALA & Co.**
Chartered Accountants
FRN: 302169E

6, Commercial Building
23 Netaji Subhas Road, Kolkata-700001

CA R.K.JHUNJHUNWALA
Proprietor
Membership No. : 006604

Place: Kolkata
Date: 30th May 2018

ANNEXURE TO THE AUDITOR'S REPORT

The Annexure referred to in paragraph 1 of our Report of even date to the members of National Plywood Industries Limited on the accounts of the Company for the year ended 31st March, 2018.

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the Management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
2. (a) As explained to us, inventories have been physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the Management as compared to book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Act. Consequently, clauses 3(a) and 3(b) are not applicable.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the Management, the particulars of contracts or arrangements referred to in Section 189 of the Act have been entered in the register required to be maintained under that section.
6. The Company has not accepted any deposits from the public.
7. As per information & explanations given by the Management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the Management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund,

- Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there is an amount payable in respect of Income tax, Wealth tax, Service tax, Sales tax, Customs duty and Excise duty which have not been deposited on account of any disputes.
10. The Company does have accumulated loss and has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the Management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of this clause is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the Management, we Report that the Company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2018, we Report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the Management, we Report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we Report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the Management.

For **JHUNJHUNWALA & Co.**
Chartered Accountants
FRN: 302169E

6, Commercial Building
23 Netaji Subhas Road, Kolkata-700001

CA R.K.JHUNJHUNWALA
Proprietor
Membership No. : 006604

Place: Kolkata
Date: 30th May 2018

BALANCE SHEET

AS AT 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note	As at 31st March 2018	As at 31st March 2017
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
Share capital	2	5,85,37,500	5,85,37,500
Reserves and surplus	3	(45,60,68,100)	(46,04,27,368)
2 Non-current liabilities			
Long-term borrowings	4	22,36,41,315	20,45,91,367
Long term provisions	5	16,10,66,959	14,48,66,959
3 Current liabilities			
Short-term borrowings	6	54,05,718	55,13,910
Trade payables	7	32,32,94,242	37,06,26,930
Other current liabilities	8	23,34,08,230	17,89,19,217
TOTAL		54,92,85,864	50,26,28,515
II. ASSETS			
1 Non-current assets			
Fixed assets			
Intangible assets	9	6,74,10,000	6,74,10,000
Tangible assets	9	4,37,16,752	4,85,93,376
Capital work in progress	9	-	-
Non-current Investment	10	1,00,000	1,05,000
Long-term loans and advances	11	4,18,60,839	4,57,54,792
2 Current assets			
Inventories	12	6,83,05,079	8,14,20,484
Trade receivables	13	31,78,97,574	25,32,90,230
Cash and cash equivalents	14	78,15,021	27,63,552
Short-term loans and advances	15	21,80,599	32,91,081
TOTAL		54,92,85,864	50,26,28,515
Significant Accounting Policies	1		
Notes on financial statements	2 to 35		

As per our Report of even date

For JHUNJHUNWALA & Co.

Chartered Accountants

Firm Reg no: 302169E

CA. R K JHUNJHUNWALA

Proprietor

Membership No. 006604

PIYUSH PERIWAL

Chairman & Managing Director

Place: Kolkata

Date: 30th May, 2018

ABHIJIT SARKAR

Independent Director

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	Note	For the year ended 31st March 2018	For the year ended 31st March 2017
I. Revenue from operations	16	41,69,58,911	43,78,28,786
II. Other income	17	2,20,33,000	4,92,56,726
III. Total Revenue (I + II)		43,89,91,911	48,70,85,513
IV. Expenses:			
Cost of material consumed	18	9,67,00,845	21,05,82,602
Purchase of stock -in-trade		24,10,55,973	18,71,08,591
Changes in inventories of stock-in-trade	19	58,74,593	99,47,883
Employee benefits expense	20	3,17,25,572	3,11,56,229
Financial expenses	21	25,75,804	9,83,426
Depreciation and amortisation expenses	22	57,14,229	54,31,547
Other expenses	23	5,09,85,627	3,95,68,243
Total expenses		43,46,32,643	48,47,78,522
V Profit before tax		43,59,268	23,06,991
VI Tax expense:			
(1) Current tax (No MAT as per Sick Company Act)		-	-
(2) Income tax adjustment for earlier year		-	-
VII Profit (Loss) for the period (V - VI)		43,59,268	23,06,991
VIII Earnings per equity share:			
(1) Basic	26	0.74	0.39
(2) Diluted	26	0.74	0.39
Significant Accounting Policies	1		
Notes on financial statements	2 to 35		

As per our Report of even date

For **JHUNJHUNWALA & Co.**

Chartered Accountants

Firm Reg no: 302169E

CA. R K JHUNJHUNWALA

Proprietor

Membership No. 006604

PIYUSH PERIWAL

Chairman & Managing Director

Place: Kolkata

Date: 30th May, 2018

ABHIJIT SARKAR

Independent Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	43,59,268.00	23,06,991.00
Adjustments for :		
Depreciation	57,14,229.00	54,31,547.00
Loss /(Profit) on sale of fixed assets	-	-
Interest	25,75,804.00	9,83,426.00
Profit on sale of shares	(33,000.00)	-
Operating Profit before Working Capital changes	1,26,16,301.00	87,21,964.00
Adjustments for :		
Trade and other receivables	(6,46,07,344.00)	(1,15,64,199.00)
Inventories	1,31,15,405.00	1,78,28,669.00
Trade payables	71,56,326.00	(2,28,75,953.00)
Investments	-	-
Term loan	-	-
Working capital loan from bank	-	-
OTS settlement	-	-
Preliminary expenses	-	-
Cash Generated from Operations	(3,17,19,312.00)	(78,89,519.00)
Income tax refund	-	-
Income tax paid	-	-
Wealth tax paid	-	-
Net Cash Flow from Operating Activities(A)	(3,17,19,312.00)	(78,89,519.00)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend income	-	-
Purchase of fixed assets	(8,37,605.00)	(24,83,286.00)
Sale of fixed assets	-	-
Sale of shares	38,000.00	-
Net Cash Flow from Investing Activities(B)	(7,99,605.00)	(24,83,286.00)



CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	1,90,49,948.00	1,73,20,278.00
Increase in long term provisions	1,62,00,000.00	-
Decrease /increase in financial liability	48,96,242.00	(73,60,398.00)
Interest Paid	(25,75,804.00)	(9,83,426.00)
Net Cash Flow from Financing Activities (C)	3,75,70,386.00	89,76,454.00
Net Increase/(Decrease) in Cash & Cash equivalents (A+B+C)	50,51,469.00	(13,96,351.00)
Cash and Cash equivalents as on 01.04.2017	27,63,552.00	41,59,903.00
Cash and Cash equivalents as on 31.03.2018	78,15,021.00	27,63,552.00

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of **NATIONAL PLYWOOD INDUSTRIES LIMITED** for the year ended 31st March,2018. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchanges and is based on and in agreement with the books and records of the Company and also the Statement of Profit and Loss Account and Balance Sheet covered by our Report of even date to the members of the Company.

For **JHUNJHUNWALA & Co.**
Chartered Accountants
Firm Registration No 302169E

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

Kolkata
Date: 30th May, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

1 SIGNIFICANT ACCOUNTING POLICIES

A Basis of accounting and preparation of financial statements

The Company has prepared these financial statements to comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act 2013 ("the 2013 Act") read with Rule 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

B Use of estimates

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

C Fixed assets

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

D Depreciation

Depreciation on fixed assets is provided on Straight Line method at the rates prescribed in Schedule II of the Companies Act, 2013 or at rates determined based on the useful life of the assets, whichever is higher.

E Impairment of assets

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

F Investments

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

G Inventories

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

H Revenue recognition

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

Interest

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

Foreign currency transactions

Foreign currency transactions are recorded on the basis of exchange rates prevailing on the date of their occurrence.

I Employee Benefit

Provident Fund

Contribution towards Provident Fund for certain employee is made to the regulatory authorities where the Company has no further obligation.

Gratuity

The Company does not provide for gratuity, a defined benefit plan (the Gratuity Plan) covering eligible employee in accordance with the Payments of Gratuity Act,1972.

J Earnings per share

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

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

K Taxation

Tax expenses comprise current and deferred tax.

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

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the period in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in a guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each Balance

NOTES FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

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

L Cash and cash equivalents

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

M Excise: Re Aqueous Solution Case

- i) Refund claim of ₹ 66.29 lakhs transferred to Consumer Welfare Fund. Appeal filed is pending with CESTAT, Kolkata.
- ii) Refund claim of ₹19.11 lakhs sanctioned and paid but Department has filed an appeal before the Tribunal which has been remanded to the Department for de-novo examination of provisional assessment, and is pending.
- iii) Refund claim of ₹53.56 lakhs pending in an appeal before Tribunal, Kolkata.

Total Contingent Refund is approx ₹119.85 lakhs .

N Contingent liabilities

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

Central Excise

- i) Due to dispute in classification and/or valuation of certain items of finished goods under the Central Excise & Salt Act, 1944, a demand of ₹ 19.03 lakhs (approx) has been confirmed by Central Excise Department. Department has been requested to adjust the amount against refund claim pending with the Department.
- ii) Demand of duty of ₹ 182.68 lakhs (approx.) against notice dated 11.12.1985 was confirmed by the Commissioner C.E. on 10.10.2001. The said demand was issued on Notional Basis. An appeal against the order of the Commissioner of Central Excise was filed before the Tribunal, Kolkata which was rejected by the Tribunal on the ground of being time-barred. Against the order of the Tribunal an appeal was filed before the Hon'ble Guwahati High Court which was allowed with a direction to the Tribunal, Kolkata for taking final decision. The matter is still pending before Tribunal, Kolkata for final decision.
- iii) Demand of duty of ₹ 20.65 lakhs confirmed. Appeal and stay petition has been filed before the Tribunal Kolkata. Stay petition has been allowed and appeal is pending.

Total Contingent liabilities on this account is approx ₹250.49 lakhs.

Provident Fund

Provident Fund Liabilities are being paid as per agreed stipulated term. Necessary applications were filed with concerned authorities to waive penal interest(s), penalties, damages & other charges on the liabilities of the company as on 31.03.2018. A proposal has been submitted to



NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

the P.F. Authorities Salem for an instalment of the outstanding dues and a formal confirmation is awaited. Meanwhile monthly instalments are being paid.

Sales Tax (Hosur, Tamil Nadu)

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

Enforcement Department (E.D.)

Enforcement Department imposed a penalty of ₹ 15.00 lakhs towards non-receipt of the inward foreign remittance for export consignments in the year 2002. The said consignments were having quality disputes, which could not be replaced due to lock-out of the factory and subsequently the Company went for revival in BIFR and the unit was sold through the BIFR tender process. Subsequently, though all the secured creditors were settled and the Company received the "No Dues Certificate" from the concerned banks, the Enforcement Department without considering the aforesaid facts, imposed the said penalty. An appeal with the Appellate Authority is pending for hearing

- O** In order to bring value to the Company, the promoter Late M. L. Periwal had decided to sell the "NATIONAL" BRAND for using in plywood and laminates and other allied products to the Company at a cost of ₹ 674.10 lakhs arrived at as per independent valuation Report dated 31.03.2006. In lieu of this the Company proposed to issue shares of the face value of ₹ 10/- each at a premium of ₹ 5/- per share to acquire the "NATIONAL" BRAND for which approval was sought from the BIFR vide the Draft Rehabilitation Scheme pending with them since 2006-07 where the provision was made for this allotment against Promoters' Contribution. Since the Hon'ble BIFR and SICA have been repealed with effect from 1st December, 2016, the Board has decided to allot 44,94,000 equity share @ ₹ 15/- per share to Late M. L. Periwal's nominees as inheritance as per the extract of his duly probated WILL. This is subject to other necessary approvals as required from the concerned authorities.

P Preferential Issue Of Shares

Some creditors and promoters had invested ₹ 822.30 lakhs as long term unsecured loans free of interest in the Company since 2006 to enable the settlement with secured lenders (banks). A broad understanding was made with them that these amounts would be converted to Equity at a price equivalent to the issue to promoters as per the scheme submitted to the BIFR. This would be subject to the approval of such scheme. However the BIFR was dissolved and SICA was repealed on 01.12.2016. The board has approved this conversion of unsecured loan to ₹ 54.82 lakh equity shares of ₹ 10/- each at a premium of ₹ 5 /- per share. This is however subject to the shareholders approval and permission .

Q Provisions

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

NOTES FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

2 Share Capital

a) Share Capital

(Amount in ₹)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Amount (₹)	Number	Amount (₹)
Authorised				
Equity Shares of ₹10 each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Preference Shares of ₹10 each	-	-	-	-
	-	-	-	-
Total	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued, Subscribed & Paid up				
Equity Shares of ₹10 each	58,53,750	5,85,37,500	58,53,750	5,85,37,500
Preference Shares of ₹10 each	-	-	-	-
Total	58,53,750	5,85,37,500	58,53,750	5,85,37,500

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

Equity shares

(Amount in ₹)

Particulars	Equity shares	
	Number	Amount (₹)
Shares outstanding at the beginning of the year	58,53,750	5,85,37,500
Shares Issued during the year	-	-
Shares outstanding at the end of the year	58,53,750	5,85,37,500

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

Equity shares

(Amount in ₹)

Name of Shareholders	As at 31st March 2018		As at 31st March 2017	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Chandrakanta Periwal	6,93,340	11.84	5,64,650	9.65
Madhulika Periwal	3,66,540	6.26	3,43,240	5.86
Piyush Periwal	3,22,575	5.51	3,22,575	5.51
Chirag Vinimay Pvt. Ltd.	4,00,000	6.83	-	-
Amrex Marketing Pvt Ltd	23,740	0.41	5,98,740	10.23
Mahendra G. Wadhvani	3,06,000	5.23	3,06,000	5.23
	21,12,195	36.08	21,35,205	36.48

Preference Shares

(Amount in ₹)

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Preference Shares held	% of Holding	No. of Equity Shares held	% of Holding
	-	-	-	-
	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

3 Reserve and Surplus

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
General Reserve		
Opening balance	8,50,00,000	8,50,00,000
Closing balance	8,50,00,000	8,50,00,000
Capital Reserve		
Opening balance	3,07,55,905	3,07,55,905
Add: Securities premium credited on share issue	-	-
Closing balance	3,07,55,905	3,07,55,905
Investment Allowance Reserve		
Opening balance	8,67,830	8,67,830
Add: Additions during the year	-	-
Closing balance	8,67,830	8,67,830
Securities Premium Account		
Opening balance	2,03,65,000	2,03,65,000
Closing balance	2,03,65,000	2,03,65,000
Statutory Reserve		
Capital subsidy account	15,00,000	15,00,000
Grant received	20,00,000	20,00,000
	35,00,000	35,00,000
Surplus		
Opening balance	(60,09,16,103)	(60,32,23,094)
Add: Net profit for the current year	43,59,268	23,06,991
Closing balance	(59,65,56,835)	(60,09,16,103)
Total	(45,60,68,100)	(46,04,27,368)

4 Long-term Borrowings

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Unsecured		
From sundry parties	18,90,45,566	16,68,77,072
Security deposits	-	31,18,546
Others- sales tax deferred scheme	3,45,95,749	3,45,95,749
Total	22,36,41,315	20,45,91,367

NOTES FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

5 Long-term Provisions

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
Mtitanum Apartments (P) Ltd.	2,25,00,000	2,25,00,000
Hazarimal Laxminaryan	4,50,00,000	4,50,00,000
Samra Importex Pvt. Ltd.	60,00,000	-
M.N. Saw Cum Veneer Mills Pvt. Ltd.	1,02,00,000	-
Advance for brand	6,74,10,000	6,74,10,000
Advance toward share buy-back from banks/FI	98,20,000	98,20,000
Unclaimed dividends 1995-96	86,794	86,794
Share application - refund account	50,165	50,165
Total	16,10,66,959	14,48,66,959

6 Short-term Borrowings

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Secured		
Working capital loans		
From banks		
Rupee loans	54,05,718	55,13,910
Term loan	-	-
Interest accrued on term loan	-	-
Temporary overdraft from banks	-	-
Total	54,05,718	55,13,910

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

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

7 Trade Payables

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Due to Micro, Small and Medium enterprises	32,32,94,242	37,06,26,930
Total	32,32,94,242	37,06,26,930

8 Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March 2017
(a) Payable for expenses	1,22,82,666	63,19,337
(b) Other payables	15,64,90,715	16,15,72,320
(c) Advance from customers	6,46,34,850	1,10,27,560
Total	23,34,08,230	17,89,19,217

NOTES FORMING PART OF THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2018

NOTES- 9 SCHEDULE OF FIXED ASSETS 31ST MARCH, 2018

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	COST AS AT 01.04.2017	ADDITION DURING THE YEAR	SALES/ TRANSFER	TOTAL COST AS AT 31.03.2018	UP TO 31.03.2017	ADJUST- MENTS DURING THE YEAR	FOR THE YEAR	TOTAL	AS AT 31.03.2018	AS AT 31.03.2017
LAND	4229035	-	-	4229035	-	-	-	-	4229035	4229035
BUILDINGS	38036911	-	-	38036911	26591815	-	1396812	27988627	10048284	11445096
PLANT & MACHINERY	179393882	701363	-	180095245	148177998	-	3933440	152111438	27983807	31215884
VEHICLES	8555066	-	-	8555066	8528414	-	10033	8538447	16619	26652
ELECTRIC FITTINGS	2925126	-	-	2925126	1691677	-	194220	1885897	1039229	1233449
FURNITURE & FIXTURES	8842060	39596	-	8881656	8642669	-	21187	8663856	217800	199391
OFFICE EQUIPMENTS	9405195	31340	-	9436535	9283464	-	74337	9357801	78734	121731
COMPUTER	1609337	65306	-	1674643	1531534	-	74330	1605864	68779	77803
AIR CONDITIONERS	819241	-	-	819241	774906	-	9870	784776	34465	44335
BRAND GOODWILL	67410000	-	-	67410000	-	-	-	-	67410000	67410000
TOTAL	321225883	837605	-	322063458	205222477	-	5714229	210936706	111126752	1160003376
WORK IN PROGRESS	-	-	-	-	-	-	-	-	-	-
TOTAL	321225883	837605	-	322063458	205222477	-	5714229	210936706	111126752	1160003376

NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

10 Non-Current Investments

(Amount in ₹)

Particulars	As at	As at
	31st March 2018	31st March 2017
Investments (refer below)		
Investment in equity instruments	1,00,000	1,00,000
Others	-	5,000
Total	1,00,000	1,05,000

Details of Non-Trade Investments

(Amount in ₹)

Name of the Body Corporate	No. of Shares / Units		Amount (₹)	
	2018	2017	2018	2017
a. Investment in Equity Instruments				
Unquoted, fully paid long term investments				
Perival Plastics Pvt Ltd of ₹100 each	1,000	1,000	1,00,000	1,00,000
Total			1,00,000	1,00,000
b. Others				
Assam Petro Chemicals Ltd of ₹10 each	-	500	-	5,000
			-	5,000
Grand Total			1,00,000	1,05,000
Aggregate amounts of Unquoted Investments			1,00,000	1,05,000

11 Long Term Loans and Advances

(Amount in ₹)

Particulars	As at	As at
	31st March 2018	31st March 2017
a. Others		
Advance Payment of taxes (net)	27,87,450	27,10,469
Advance to others	2,15,53,689	3,54,92,742
b. Loans	22,31,650	22,31,650
c. Deposits		
Sundry deposits	1,52,88,050	53,19,930
	4,18,60,839	4,57,54,792

12 Inventories

(Amount in ₹)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Quantity	Amount (₹)	Quantity	Amount (₹)
a) Finished goods (valued at cost)		1,57,84,400		2,16,58,993
b) Goods in transit		6,45,798		-
c) Raw materials		5,18,74,881		5,97,61,491
Total		6,83,05,079		8,14,20,484

NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

13 Trade - Receivables

(Amount in ₹)

Particulars	As at	As at
	31st March 2018	31st March 2017
Trade receivables outstanding for a period more than six months from the date they are due for payment		
Unsecured, considered good	18,89,60,258	14,52,39,832
Unsecured, considered doubtful	-	-
Trade receivables outstanding for a period less than six months from the date they are due for payment	12,89,37,315	
Unsecured, considered good		10,80,50,398
Total	31,78,97,574	25,32,90,230

14 Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at	As at
	31st March 2018	31st March 2017
a. Cash in hand	57,79,127	18,59,135
b. Balances with banks	20,35,894	9,04,418
c. Fixed Deposits with banks	-	-
	78,15,021	27,63,552

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

15 Short Term Loans and Advances

(Amount in ₹)

Particulars	As at	As at
	31st March 2018	31st March 2017
a. Advance to related party		
Advances to related party	25,000	25,000
b. Others		
Advance to staff	21,55,599	31,02,140
Advance against property	-	-
Advance to others	-	-
Advance payment of taxes (net)	-	-
Balance with gov. authorities	-	1,63,941
Accrued interest on fixed deposits	-	-
c. Deposits		
Sundry deposits	-	-
	21,80,599	32,91,081

NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

16 Revenue from Operations

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Sale of products		
Gross sale	42,16,38,739	46,35,11,155
Less: Excise duty	46,79,828	2,56,82,369
Drawback on export sale	-	-
Total	41,69,58,911	43,78,28,786

17 Other Income

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Other income	31,69,320	1,05,55,117
Foreign exchange fluctuation	1,21,060	-
Profit on sale of shares	33,000	-
Liabilities/creditors no longer payable w/back	1,86,26,988	3,86,30,219
Profit on sale of fixed assets	-	1,200
Interest received	82,632	70,190
Total	2,20,33,000	4,92,56,726

18 Cost of Material Consumed

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Consumption of -		
Raw materials	9,67,00,845	21,05,82,602
Total	9,67,00,845	21,05,82,602

19 Changes in Inventories of Stock-in-Trade

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Closing stock of finished/trading items	1,57,84,400	2,16,58,993
Less: Opening stock of finished/ trading items	2,16,58,993	3,16,06,876
Total	(58,74,593)	(99,47,883)

20 Employee Benefits Expense

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Salaries, bonus and leave pay	3,07,34,141	3,00,66,782
Contribution to Provident Fund and other funds	9,74,323	9,61,996
Staff welfare expenses	17,108	1,27,451
Total	3,17,25,572	3,11,56,229



NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

21 Financial Expense

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Interest		
To bank	25,75,804	9,83,426
Total	25,75,804	9,83,426

22 Depreciation and Amortisation Expense

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Depreciation and Amortisation	57,14,229	54,31,547
Total	57,14,229	54,31,547

23 Other Expenses

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Manufacturing, administrative & selling expenses		
Stores and spares consumed	50,33,720	23,94,900
Packing & forwarding charges	6,10,562	77,42,291
Repair to plant & machinery	66,605	6,70,523
Repair to building	-	-
Repair to others	1,81,559	1,41,915
Payments to auditors	35,000	35,000
Power & fuel	1,14,79,506	1,38,37,145
Service tax on freight	74,639	2,04,618
Service tax on auxiliary services	-	22,763
Service tax on legal consultancy service	-	4,434
Miscellaneous expenses	1,11,07,727	99,67,463
Vehicle maintenance expenses	3,06,431	1,50,930
Sundry balance advance w/off back	17,446	6,73,814
Rates & taxes	2,64,456	4,85,305
Insurance	3,62,646	2,04,844
Rent (office & godown)	25,31,201	21,58,694
Sampling charges	30,62,901	8,72,210
Sales tax	2,727	1,395
Freight	1,43,51,190	-
Travelling	14,97,312	-
Total	5,09,85,627	3,95,68,243

NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

24 Payment to auditor

(Amount in ₹)

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Statutory audit	35,000	35,000
Total	35,000	35,000

25 Disclosures of related party transactions (as identified & certified by the Management):

- (i) As per Accounting Standard-18- ' Related Party Disclosures' issued by the Institute of Chartered Accountants of India have been complied with.
- (ii) Key Management
- | | |
|------------------------|------------------------------|
| (a) Piyush Periwal | Chairman & Managing Director |
| (b) Vinod Kumar Sharma | Director |
| (c) N.G.Paul | Director |
| (d) Abhijit Sarkar | Director |

26 Earning per share (EPS)

Particulars		For the year ended 31st March 2018	For the year ended 31st March 2017
Profit after tax	₹	43,59,268	23,06,991
Weighted average number of equity shares outstanding during the year	Nos.	58,53,750	58,53,750
Nominal value of equity per share	₹	10	10
Basic earning per share (EPS)	₹	0.74	0.39

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

28 Micro, Small and Medium Enterprises

There are Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding as at 31st March 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

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



NOTES FORMING PART OF THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2018

- 30** Balances of some of the Sundry creditors, loans and advances incorporated in the books as per balances appearing in the relevant subsidiary records, are subject to confirmation from the respective parties and consequential adjustments arising from reconciliation, if any. The Management however is of the view that there will be no material discrepancies in this regard.
- 31** Historically, the Company's investment in unquoted shares has been done with a view to hold them for long term and thereby earn capital gains, since dividend payout on such investments has generally been nil. The aforesaid policy has been taken into consideration while computing the provision for income tax as applicable
- 32** The financial statements for the year ended 31st March, 2017 had been prepared as per the then applicable revised Companies Act, 2013. Consequent to the notification under the Companies Act, 2013, the financial statements for the year ended 31st March, 2018 are also prepared under revised Schedule . Accordingly, the previous year figures have also been reclassified to conform to this year's notifications.
- 33 Goods and Service Tax**
Effective 1st July, 2017, sales are recorded net of GST whereas earlier sales were recorded gross of Excise duty which formed part of expenses. Hence, revenue from operations for the year ended 31st March, 2018 are not comparable with corresponding figures from the previous year.
- 34** Figures in the brackets relate to previous year.
- 35** Figures have been rounded off to nearest rupee.

As per our Report of even date

For **JHUNJHUNWALA & Co.**
Chartered Accountants
Firm Reg no: 302169E

CA. R K JHUNJHUNWALA
Proprietor
Membership No. 006604

PIYUSH PERIWAL
Chairman & Managing Director

Place: Kolkata
Date: 30th May, 2018

ABHIJIT SARKAR
Independent Director

