

PREPAREDNESS

How we have invested in our business
to enhance our future-readiness

NATIONAL PLYWOOD INDUSTRIES LIMITED
Annual Report 2018-19

Forward-looking statement

In this Annual Report, we have presented 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 known 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.

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PREPAREDNESS

There is an over-arching message that we wish to communicate in this Annual Report.

That even as consumer sentiment continues to be weak and the real estate sector sluggish, the management at National Plywood continues to invest in its business for sustainable growth.

This state of preparedness has strengthened our Company's resolve to be among the first off the block when consumer spending revives.

The exciting world of National Plywood



Legacy

The Company went into business as a tea chest manufacturer (1951) in Assam. Thereafter, the Company extended into the manufacture of plywood and block boards (1973) and laminates (1994). With more than six decades of manufacturing expertise, National Plywood is respected as one of the most enduring enterprises for wood products in India.

Quality

National Plywood is respected for its ability to establish sectoral quality benchmarks. The Company has been uncompromising in adherence with Bureau of Indian Standards guidelines. Besides, the Company's products are manufactured in a dust-free environment and tested extensively at our in-house facilities (for temperature and moisture resistance). The use of the glue line preservative method and quality resin ensures that our products possess superior bonding strength, dimensional stability and resistance to insect infestation.

Management

The Company has been promoted by the Kolkata-based Periwai family and is now managed by Piyush Periwai. The management possesses capital derived from decades of business experience, trade relationships, market understanding and product knowledge. As on 31st March 2019, 40.29% of the Company's shares were owned by the promoters.

Our product portfolio

The Company's portfolio comprises the standard boiling water proof (BWR) marine, boiling water resistant (BWR) and moisture resistant (MR) plywood and block board varieties offered across a range of sub-brands – from the high-end National Club Plus, Platinum Club and Titanium brands to economy brands such as Pioneer National, Prima National, National Gold Plus and National Bronze. The result is the ability to provide a product across every price point.

How we have evolved in the last few years

2015

The Company achieved ₹40.77 crore turnover with no external secured debt. The Margherita unit resumed operations following a negotiated settlement with banks.

2016

The Company received No Dues Certificates (NOCs) from all banks. The Company reported a turnover of ₹43.78 crore.



Network

The National Plywood brand has been sustained by a wide and deep distribution network. The Company comprises five branches, 23 distributors and more than 500 dealers across India. Nearly 90% of the trade partners have been engaged with the Company's trade partners for over 10 years.

Customers

The Company's institutional clientele comprises brand-enhancing names like SBI, Reliance, Infosys, Hyatt, Larsen & Toubro, Wipro, Shoppers Stop, ITC, Microsoft and Indian Institution of Management, among several others.

2017

The Balance Sheet was cleaned up with a bank interest waiver post settlement. This contributed to significant improvements in the Company's net worth.

Listing

The Company is listed on Bombay Stock Exchange (BSE: 516062) and enjoyed a market capitalization of ₹81.32 crore as on 31st March 2019.

2018

The Company began trading value-added and technologically advanced products such as acrylic solid surfaces from LG Hausys, South Korea, known as LG HI-MACS (as the exclusive authorised distributor in Eastern India) and fibre cement boards manufactured by TPI Polene, Thailand, under the Company's own brand of National Fibre Cement Boards across India. The Company also began to focus on offering economy range plywood and block boards to widen its market base.

40.29

Promoters' holding,
31st March 2019 (%)

81.32

Market capitalisation,
31st March 2019
(₹ crore)

2019

The Company was re-listed on Bombay Stock Exchange (BSE: 516062) after 16 years. The Company entered new markets. The preferential issue of share capital and share warrants marked an improvement in net worth (from -₹40 to -₹7 crore) and improved profits for the year.

127.55

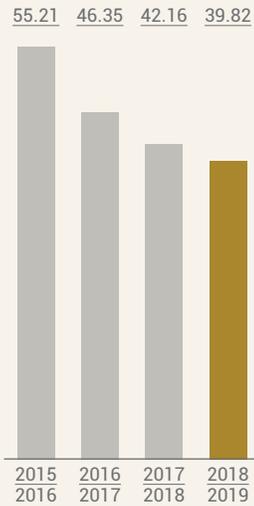
Enterprise value,
31st March 2019
(₹ crore)

The performance of National Plywood Industries Limited across the years



Revenues

(₹ crore)



Definition

Revenue is the income generated before the deduction of costs and expenses, taxes and promotions.

Why this is measured

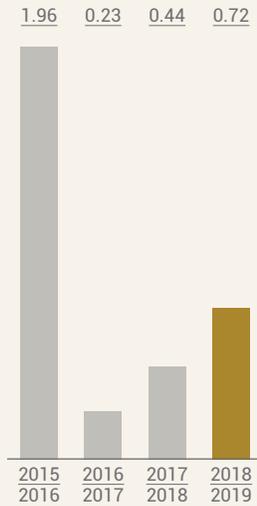
It is an index that showcases a company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

NPIL's performance

Revenues decreased by 5.6% to reach ₹39.82 crore in FY2018-19. While revenues have stabilised after demonetisation and the introduction of the GST, this year saw a decrease mainly because the Company introduced an entire new range of products, the off-take of which has just started.

Net profit

(₹ crore)



Definition

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

Why this is measured

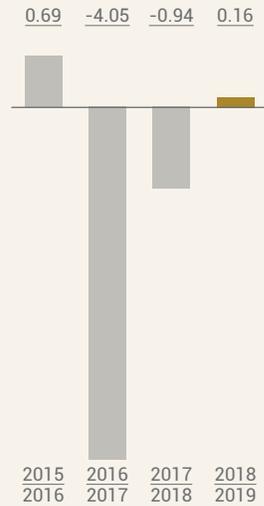
It highlights the strength of the business model in terms of generating value for its shareholders.

NPIL's performance

The Company reported a 65% increase in its net profit in FY2018-19, mainly driven by lower overhead costs and increased efficiency of production achieved with prudent capital expenditure.

EBITDA

(₹ crore)



Definition

EBITDA is the earnings before the deduction of interest, depreciation and tax.

Why this is measured

The EBITDA indicates the Company's ability to optimise operating costs despite inflationary pressures.

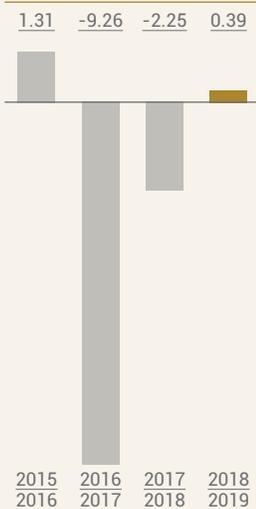
NPIL's performance

The Company reported a growth in EBITDA by 117% in FY2018-19.

Our product portfolio

EBITDA margin

(X)



Definition

EBITDA margin is a profitability ratio used to measure a Company's pricing strategy and operating efficiency.

Why this is measured

The EBITDA margin indicates how much a company earns (before accounting for interest and taxes) on each rupee of sales.

NPIL's performance

The Company reported a 264 bps increase in EBITDA margin during FY2018-19.

Plywood

- Boiling water proof (BWR) marine plywood
- Boiling water resistant (BWR) plywood
- Moisture resistant (MR) plywood.
- Flexiply and film faced (shuttering) plywood

Block boards

- Boiling water proof (BWP) marine block boards
- Moisture resistant (MR) block boards

Flush doors

- Made to order custom-sized flush doors

High Pressure Laminates (HPL)

- 1mm under the brand National Laminart
- 0.8mm under the brand Uninational Laminates
- 0.7mm as well

Imported, new-age, value-added products

- Fibre cement boards from TPI Polene, Thailand under the brand National Fibre Cement Boards
- Acrylic solid surfaces manufactured as LG HI-MACS by LG Hausys, South-Korea

The superior value that we bring to our consumers



10 key strengths of the National brand

Product integrity

The superior National product is derived from prudently selected, sustainable, mature timber from the dense, natural, tropical forests of the northeast. This superlative raw material is, unlike industry practices, used in both the face and core of our product, and this gives our products the desired quality.

Treatment

Our superior raw material is extensively treated to resist moisture, extreme weather and insect infestation, manufactured with strict adherence to BIS standards. Resin of the highest quality is used along with the most effective preservatives between each layer of the plywood sheet, making it durable and structurally sound.

Choice

We manufacture products in a range of thicknesses, which are then marketed across a diverse set of sub-brands, each addressing different quality and price requirements. Our newly introduced economy range plywood addresses the needs of price sensitive customers who are unwilling to compromise on quality.

Adaptability

Our product breadth and manufacturing expertise allows us to cater to specific demands with ease. We are able to provide customers with multiple combinations of face and core to suit all kinds of needs. Our flush doors are made to order based on the size and finish required by the project. Our diverse laminates and textures are manufactured in line with constant customer and channel partner feedback to remain at the forefront of market trends.

Innovation

We invest consistently in raising product benchmarks and introducing new products, strengthening our recall across trade partners.

Access

We introduced several trade schemes and sales incentives, strengthening our engagement with trade partners and accelerating product off-take. Our efficient sales staff, appointed across India, engage in constant back and forth with all our channel partners to keep abreast of the market sentiment at all times.

Warranty

Our rigorous quality standards enable us to provide the National guarantee on almost all our products. Our premium range offers up to 300% money back or replacement guarantee in the rare event of manufacturing defects/ insect infestation.

Authenticity

We implement an array of measures to empower our consumers to distinguish our product from counterfeits. We use hologram stickers called Uniqlabels on each unit of our product that our customers can scan using a mobile app to identify its authenticity. We also use a complex design of stickers and stamps on our products to help our dealers easily identify their genuineness.

One-stop solution

The Company extended beyond plywood to provide margin-accretive interior infrastructure products, strengthening its proposition as a one-stop solution provider. These imported traded products facilitate product bundling and widen access to a new network of dealers, distributors and markets.

Freshness

The Company initiated a brand revamp with new sub-brands and a fresh look at our existing communication material to address young consumers.

Our overarching USP



Superior raw material quality



Sourced from virgin timber



Branded products



Priced attractively



Unmatched product warranty



Wide choice in each product category



One-stop solution for building material

Our core brands



Products

Plywood
BWP grade
(as per IS 710)

Block board
BWP grade
(as per IS 1659)

USP



Top most quality calibrated plywood and block boards made with 100% Meghalaya pinewood fillers (also available with double core construction). Bonded with only waterproof phenol formaldehyde (PF) resin, National Club Plus has a lifetime 3x money back/ replacement guarantee*

Products

Plywood
BWP grade (as per IS 710), MR grade (as per IS 303), Flexiply

Block board
BWP grade and MR grade (as per IS 1659)

Flush door
BWP grade as per IS 2202 (Part 1)

USP

Platinum is known for its resistance to extreme heat and cold, water and corrosion, along with incredible aesthetic appeal. Our Platinum Club products stay true to the name, offering an extremely durable and beautiful range of plywood, block boards and flush doors, all with a lifetime guarantee*

Products

Plywood
BWP grade (as per IS 710), MR grade (as per IS 303), Flexiply

Block board
BWP grade and MR grade (as per IS 1659)

Flush door
BWP grade as per IS 2202 (Part 1)

USP

Just like the metal, our Titanium range of plywood, block boards and flush doors is synonymous with high tensile strength, density and ability to withstand variation in moisture and temperature. All our Titanium products offer a 25-year guarantee*

Products

Plywood
Boiling Water Proof (BWP) grade as per IS 710 specifications

Block board
BWP grade as per IS 1659 specifications
BWP grade Flush door:
BWP grade as per IS 2202 (Part 1)

USP

Pioneer National offers our highest quality of economy range products having 100% Shorea assamica face and tropical hardwood core, bonded with prime quality PF resin. Our Pioneer National products are all accompanied with a 7-year product guarantee*



Products

Plywood
BWP grade (as per IS 710), BWR and MR grade (as per IS 303)

Block board
BWP grade and MR grade (as per IS 1659)

Flush door
BWP grade as per IS 2202 (Part 1)

USP

Our newest economy range offering, National Gold Plus gives you the outstanding quality you deserve at pocket-friendly prices. Available in Gurjan, Makai & Okoume face, National Gold Plus comes with a 20-year guarantee*

Products

Plywood
BWP grade (as per IS 710), BWR and MR grade (as per IS 303)

Block board
BWP grade and MR grade (as per IS 1659)

USP

Prima National has become reputed for being a reliable economy range of plywood and block boards over the years. Offering a 7-year guarantee*, Prima National products are also available in Gurjan, Makai & Okoume face

Products

Plywood
MR grade (as per IS 303)

Block board
MR grade (as per IS 1659)

USP

Our most affordable and inclusive product, National Bronze has been introduced to cater to consumers who want the reliability of the National brand at prices matching those of non-branded products.

Products

Plywood
Shuttering ply (as per IS 4990)

USP

Highly dense and resistant to corrosion, insects, water and extreme temperatures, National Film Faced Plywood is ideal for cement casting and construction needs.

*T & C apply

Managing Director's **overview**



In the last few years, there has been an evolution in the interior infrastructure products sector that provides us with the optimism that our time is now.



Over the last few years, National Plywood invested in its business model with the objective to be future-ready. We believe that our initiatives have helped strengthen our organisation in various ways, resulting in a sense of preparedness.

The principal message that I wish to send out is that the Company has widened and deepened its operating platform and, as soon as the marketplace provides the consumption traction, the Company will be attractively placed to carve out a share of the sector's growth.

Performance, FY2018-19

In 2018-19, the Company reported profitable growth: even as total revenue decreased by 5.6%, EBITDA and PAT grew by 117% and 65% respectively.

During the year under review, the Company reduced liabilities, optimised working capital, moderated labour engagement, improved manufacturing yield, strengthened quality and reduced wastage.

The Company strengthened its overall receivables cycle through improved delivery schedules and a frequent dispatch discipline. Correspondingly, the creditors were also addressed and their outstandings were reduced substantially.

The Company widened its portfolio to address the price-sensitive middle and lower-middle consumer segments. For this segment, the Company commenced the practice of outsourcing of economy grade plywood (National Gold Plus and Prima National brands) to factories that were meticulously vetted for superior quality. The result: a quality product available at a lower price point, opening up a whole new market of consumers.

Strengthening foundation

From a sectoral perspective, a number of realities are falling into place.

One, the implementation of Goods & Services Tax starting 2017 has strengthened the long-term prospects of the country's interior infrastructure products sector in a single stroke. By bringing most players into the tax net, there has been an increase in compliance and manufacturing costs for the unorganised players, correspondingly narrowing the vast cost difference that they enjoyed over compliant organised manufacturers. The introduction of electronic waybills could have a similar effect in catalysing a shift towards the formal sector.

carve out a larger portion of the country's consumption. The numbers of the last couple of years indicate that the growth of the organised sector has been higher than the growth of the overall sector, validating the preference for organised and branded products.

Two, even as the growth of the real estate sector has been sluggish in the last few years, we are optimistic on account of a number of related factors: that apartment and home pricing has become more affordable than ever; that a large number of constructed apartments will soon be occupied and readied for fit-outs; that as income grows, home ownership will continue to top the aspirations agenda.

Three, the overall cost of interior infrastructure products remains a relatively small fraction of the overall cost of home ownership. Given this reality, consumers would rather invest in credible and dependable products than risk periodic replacement on the grounds of poor quality.

Four, a decline in secured lending by commercial banks will make it increasingly challenging for small players to mobilise growth and maintain capital, strengthening prospects for the established players.

In 2018-19, the Company reported profitable growth: even as total revenue decreased by 5.6%, EBITDA and PAT grew by 117% and 65% respectively.

As a result, the country's organised sector is more attractively placed today than ever before to leverage the economies of scale, brand and distribution network and



Five, the emergence of low-cost housing using pre-fabricated material is opening up completely new demand for large volumes of cost-effective material. Besides, the growing affordable housing opportunity is widening the market for plywood and other products.

National's strategy of the present

At National Plywood, we are adequately prepared for a turnaround in market sentiment.

The Company possesses a strong brand with positive recall; the brand is being rejuvenated to address a younger and larger consumption audience.

The Company is evolving from a longstanding focus on product manufacture to product outsourcing cum

manufacture. On the one hand, the Company will outsource the manufacture of non-premium plywood grades to quality-committed vendors; on the other hand, the Company will import complementary interior infrastructure products. The result is expected to translate into a one-stop solution for consumers and enhanced revenues for trade partners.

The introduction of economy grade plywood has opened up a whole new market for the Company.

The Company's capital expenditure on new equipment has been initiated, the benefits of which are expected to commence.

The Company is widening and deepening its presence in Tier II and Tier III towns,



The Company is widening and deepening its presence in Tier II and Tier III towns, which are experiencing a larger growth in residential investments over the relatively saturated urban markets.



which are experiencing a larger growth in residential investments over the relatively saturated urban markets. The Company's marketing team is being strengthened in Andhra Pradesh, Telangana, Kerala and other new markets in North India (Punjab, Uttar Pradesh and Haryana). This wider and deeper marketing will absorb a larger quantity of the Company's increased manufacturing output, strengthening its overall profitability.

The Company intends to mobilise additional capital (equity and debt) to launch a targeted advertising campaign. This is expected to translate into higher off-take of products for every price point with incentives for all stakeholders across the value chain (suppliers to dealers to consumers) and a stronger pan-India recognition and respect.

National's strategy for the future

The Company intends to strengthen its business model through the following initiatives.

Working capital adequacy:

In the business of interior infrastructure products, a capital rotation of three cycles generally suffices for a healthy

turnover. By this yardstick, an annual turnover of ₹100 crore warrants finance of at least ₹30-35 crore. Following the last capital infusion of ₹16 crore, the Company intends to add ₹12-13 crore of debt to address this requirement. The profit generated would be added to the corpus cycle so an additional infusion of ₹10 crore in debt in two years could result in a turnover of ₹180 to 200 crore with a corresponding increase in profits and margins.

Strengthening of capex: A capex of ₹6-8 crore across three years could enrich the portfolio. Modernised equipment could improve production and reduce wastage. An international product standard could help cater to multi-national OEMs. We believe that a ₹8-10 per sq. mtr spread, achieved over three years, could enhance yield, efficiency and realisations by at least 8-10%.

Traded portfolio: We plan to grow the revenues for our traded products by capitalising on our increased financial resources. Some ways in which we plan to

do so comprise increased promotional spending, dealer and architect engagements, fabricator training, storefront displays and aggressive marketing especially in the project segment marked by high volumes.

Overview

In view of these realities and corresponding initiatives, the Company is attractively placed to capitalise on opportunities following a second cash infusion and improved market sentiment.

We are optimistic of carving out a progressively larger market and revenue share, increasing margins and value in a sustainable way across the future.

We are prepared!

Piyush Perival,
Managing Director

Our future-ready business model

• • • •

The context of the sector

Product relevance: Demand for plywood, block boards and laminates is increasing in a growth-driven India.

Incomes: Per capita income and aspirations are rising; a vast gap between the lifestyle standards of developed nations and India indicates years of sustainable sectoral growth prospects.

Widening market: India's residential market has been catalysed by the Housing for All 2022 project for affordable housing, the largest such project ever undertaken in India.

Responsibility: A growing segment is examining sustainable and convenient futuristic products such as fibre cement boards and LG HI-MACS.

Tax incentives: Profits from projects classified as 'affordable' are not taxed, a significant initiative drawing the attention of organised real estate developers in India.

Resource crunch: A ban on timber felling in a number of neighbouring countries is reducing access to timber, putting a premium on resource access.

Staggered felling: Within the country, there is a restriction on wanton felling, reducing the access to abundant timber.

Alternatives: The emergence of product substitutes can

potentially shift consumption away from plywood varieties.

Single stop solution: There is a growing consumer preference for buying all interior infrastructure products at a single location, making it imperative for manufacturers and trade partners to widen their portfolio.

Branded: There is a growing off-take of branded products manufactured by the organised sector, a validation of the consumer's growing preference for a superior price-value proposition (as opposed to the lowest price).

Our business strengths

Innovative products: The Company possesses a range of products from the high-end premium to the mid-priced popular, addressing every consumer price point.

Locational advantage: Our presence in the northeast and our relatively exclusive access to the raw material of the tropical forests of the area has given us a significant advantage in an industry which is struggling with timber supply.

Product-value proposition: The Company has complemented proprietary products (manufactured) with outsourced products, a prudent asset-light approach.

Network: Our network of distributors possess the experience, spanning over six decades of marketing

building material to similar and overlapping consumer segments.

Price-value proposition: We are able to provide the high-quality face material even for economy range plywood with eucalyptus and/or poplar in the core, making them far superior to competing products.

Alliances: We have engaged in exclusive marketing alliances with global companies. We are the exclusive authorised distributor for LG HI-MACS (in East and North East India (West Bengal, Orissa, Bihar, Jharkhand and the seven states of northeast India), manufactured by LG Hausys (South Korea). We also have an agreement with TPI Polene (Thailand) wherein they manufacture fibre cement boards and planks under our brand name – National Fibre Cement Boards. Trading activities offer superior margins leveraging our brand and distribution competencies more effectively.

Product spaces: We address the plywood and allied wood products, laminates, marble and tile segments through our products.

Solution provider: We offer a range of products comprising fibre cement boards for partitions, plywood and laminates for furniture and interior cladding, and solid surface for table tops and decorative surfaces, strengthening our overall solution.

Our resource management

Overview

In the business of plywood and allied wood products, where the product efficacy is tested only across the long-term, there is a premium on consistently providing the best product quality and establishing indisputable trust.

At National Plywood, we have built this trust through various initiatives.

One, we manufacture plywood primarily using natural, tropical timber from the Dipterocarpaceae family of timber, namely Gurjan (*dipterocarpus turbinatus*), Hollong (*dipterocarpus macrocarpus*) and Makai (*shorea assamica*) timber varieties, each possessing established long-term product characteristics.

Two, the natural timber of the dense forests of northeast India are significantly thicker in girth over plantation varieties. The result is that when peeled, they make it possible for entire sheets to be generated without jointing and with long panel cores, offering high dimensional stability and structural strength. Plantation timber (*eucalyptus* and *poplar*) is thinner in girth and, while ideal for paper manufacture, needs to be jointed together in the manufacture of plywood, which makes it automatically less structurally sound than natural timber.

Three, we are among a handful of plywood manufacturers with licenses to have factories in and source timber from the dense forests of northeast India, given our sustainable practices over decades. Hence, our timber quality is comparable to the excellent timber available in Myanmar, Malaysia and Indonesia, liberating us from imports.

Four, abundant timber availability empowers us to use the same timber for the face and core as opposed to a practice where natural timber is used for the face and plantation timber for the core.

Five, for our block board and flush door cores, we source 100% Meghalaya pinewood, which has demonstrated capabilities in forming core panels.

Six, we made timely payments to creditors, ensuring regular timber supplies.

Outlook

The Company will continue to enjoy access to sustainable, natural and tropical timber resources of northeast India even as competitors will need to import face timber and using lower quality timber in the core.

Besides, the Company is engaged in sustainable replanting, providing us with access to agro-forestry / plantation resources as well.

Advantages of our traded products

Fibre cement boards:

Superior pre-fab material with low turnaround time in product assembly; technologically advanced; high heat-bearing and fire-resistant properties; ideal for modular spaces

LG HI-MACS: New age marble substitute composed 100% of acrylic; can be thermoformed and bent into any shape; homogenous which allows for seamless jointing; non-porous making it ideal for use even in wet areas; translucent and can be cut using a CNC machine into any design; available in an abundant variety of colors and designs

Corporate information



Board of Directors

Piyush Periwal

Chairman & Managing Director
(DIN: 00698796)

Nani Gopal Paul

Executive Whole-time Director
up to 26/04/2018
(DIN: 01576982)

Vijay Kumar Periwal

Non-Executive Director
(DIN: 00705848)

Malvika Periwal

Female Non-Executive 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

L.N. Malik & Co.

Chartered Accountants
New Delhi

Chief Financial Officer

Alok Lakhotia

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, Hosur - 645 114

Dist.: Dharmapuri, 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

Email: mdpldc@yahoo.com

ISIN/Listing of Equity Shares

ISIN: INE497C01016

Scrip Code: BSE (516062)

CSE: (24067)



Statutory Report

Directors' Report

To the members

Your Directors are pleased to present the 44th Annual Report and audited accounts for the financial year ending on 31st March 2019.

Financial results

(₹ in Lakhs)

PARTICULARS	As at 31.03.2019	As at 31.03.2018
Revenue from operations	3,982.50	4,216.39
Other income	131.57	220.33
Total income	4,114.07	4,436.72
Profit/(loss) before interest and depreciation	147.20	126.49
Finance cost	19.85	25.76
Depreciation & amortization expense	32.96	57.14
Profit/(loss) before tax	94.39	43.59
Provision for tax	22.42	-
Profit/(loss) after tax	71.97	43.59
Proposed dividend on equity shares	-	-
Balance brought-forward from balance sheet	(5,965.57)	(6,009.16)
Balance carried forward to balance sheet	(5,893.60)	(5,965.57)

Company's state of affairs

The revenue from operations recorded for the financial year ended 31st March, 2019 was ₹3,982.50 lakhs as compared to ₹4,216.39 lakhs in the previous financial year ended 31st March, 2018 marking a decrease in the turnover by 5.55%. Several new products have been added to the portfolio to improve profitability, especially in the economy range of plywood as well as in value added items. These products are in their nascent stage of introduction and require a longer period of time to see higher off-take that will then increase turnover. Expenditure on advertising and marketing was also negligible but is expected to increase significantly, especially for the promotion of the new products, which should also result in higher off-take.

The Company is striving towards obtaining a working capital infusion and shortening the cycle of cash flow with the introduction of advance payment discounts and other trade incentives so as to manage operations more smoothly. Additionally, capital investment in machinery at

the Margherita unit has already been initiated and is further envisaged for FY 2019-2020. A change in product mix resulted in an increase in profits despite stabilization of revenue and is set to ensure better productivity that will lead to better yields.

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 Margherita Unit. However, employees at the Hosur Unit have raised exorbitant and unreasonable demands, and the Company is currently negotiating with them for a mutually accepted settlement. Normal functioning of the factory is presently suspended until the situation is resolved. Until then, the alternative arrangements for job work of its laminate products that the Company has made in both Gujarat and West Bengal are meeting the existing demands of the Company.



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 2019 has increased from ₹5.85 Crores to ₹24.64 Crores by issue of preferential shares to promoters and outsiders. The Company has issued 41,00,000 share warrants of ₹17/- each, on which ₹4.25 has been paid-up. The said share warrants will be converted to equity shares on receipt of balance payment after expiry of 18 months from the date of allotment i.e. 14.09.2018. Thereafter the warrants will stand cancelled after issuing of equity shares which will be listed subsequently.

Dividend

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

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 not given any loan/guarantee or provided any security and/or made any investments. Thus, compliance to Section 186 of the Companies Act, 2013 is not applicable.

Subsidiaries, joint ventures & associate companies

The Company has no subsidiaries, joint ventures or associate companies.

Depository system

The Company's shares are available for dematerialization with the National Securities Depository Ltd. (NSDL) and Central Depository Services (I) Ltd. (CDSL). 95.55% of the total shareholding of the Company was held in dematerialized form as on 31st March, 2019.

Directors

Malvika Periwal, DIN: 02927105, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers herself for reappointment.

During the year under review, the office of Vijay Kumar Periwal, DIN 00705848, has been vacated under Section 167(1)(b) of the Companies Act, 2013 as on 30.05.2019 since he has not attended any board meeting of the Company held during a period of twelve months.

Corporate Governance

As required under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "the Listing Regulations"), a separate report on Corporate Governance is also enclosed as a part of this Annual Report, duly certified by L.N. Malik & Co., Chartered Accountants, the Statutory Auditors of the Company, confirming compliance of the conditions of Corporate Governance .

Board meetings

During the year under review, five (5) 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 the Listing Regulations were adhered to while considering the time duration between two meetings.

Declarations by Independent Directors

The Company has received declarations from all the Independent Directors 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 the provisions of the Listing Regulations.

Independent Directors are familiarized with their roles, rights and responsibilities as well as with the nature of the industry and business model through an induction programme at the time of their appointment as Directors as well as through presentations on the economy & industry overview, key regulatory developments, strategy and performance which are made to them from time to time. The terms & conditions of the appointment of Independent Directors can be accessed in the Investor Relations tab on the Company website, 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 and also on the basis of discussions with the Statutory Auditors of the Company from time to time, the Directors make the following Directors' Responsibility Statement pursuant to Section 134(3)(c) of the Companies Act, 2013:

- a) That in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any
- b) That such accounting policies have been selected and applied consistently and that judgment and estimates have been made that are both reasonable and prudent so as to give a true and fair view of the state of affairs and of the profit of the Company for the year ended on 31st March, 2019
- c) That proper and sufficient care has been taken to maintain adequate accounting

records in accordance with the provisions of the Companies Act, 2013, both 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 have been in place and that the financial controls have been adequate and operating effectively
- f) That proper systems to ensure compliance with provisions of all applicable laws have been in place, and have been adequate and operating effectively

Board evaluation

In compliance with the Companies Act, 2013 and Regulation 17 of the 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. This exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board, such as the composition of the Board and its committees, the experience & competency of the members of the Board, their performance of specific duties & obligations, contribution in meetings and otherwise, their independent judgment, governance issues, etc.

The evaluation criteria of the Company can be accessed in the Investor Relations tab of the website, www.nationalplywood.net.

Listing

The entire equity share capital amounting to ₹24,64,27,500 was listed with the Bombay Stock Exchange (BSE)

The Company has applied on 27th March, 2018 to the Calcutta Stock Exchange (CSE) for the voluntary delisting of the equity shares of the Company. The application for delisting from the CSE is in process.

Nomination and Remuneration Policy

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

The Nomination & Remuneration Policy of the Company can be accessed in the Investor Relations tab of the website, www.nationalplywood.net.

Internal financial control systems and their adequacy

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

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

Indian Accounting Standards (IND AS), 2015

The annexed financial statements comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act [Companies (Indian Accounting Standards) Rules, 2015] and under other relevant provisions of the Act.

Risk management

The laying down of a Risk Management Policy and setting up of a Risk Management Committee, as prescribed under Regulation 21 of the Listing Regulations, 2015, is not applicable to the Company.

Corporate Social Responsibility (CSR)

As per the 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 annexed thereto under Annexure – 1.

Obligation of the Company to set up a complaints committee against the sexual harassment of women in the workplace

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 woman employee.

The Company has adopted a policy for the prevention of sexual harassment of women in the workplace.

During the financial year ended 31st March, 2019, the Company had not received any complaint of sexual harassment of any kind.

The Prevention of Sexual Harassment Policy of the Company can be accessed under the Codes and Policies section in the Investor Relations tab of www.nationalplywood.net.

Extract of annual return

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

Related party transactions

As required by the Listing Regulations, 2015, related party transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continuous transactions and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

All related party transactions/arrangements entered into by the Company during the year were at an arm's length basis and in the ordinary course of business.

There were no materially significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which conflicted with the interests of the Company as a whole. Hence, disclosure in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 has not been made. The details of related party transactions have been explained in the Notes on Accounts section of this report.

Vigil Mechanism/Whistleblower Policy

The Company has adopted a Vigil Mechanism/ Whistleblower Policy and has established the necessary steps for employees and Directors to report concerns about unethical behavior in the Company. No person has been denied access to the Chairman of the Audit Committee.

During the financial year under review, there were no cases pertaining to the Vigil Mechanism/ Whistleblower Policy.

The said policy of the Company can be accessed under the Codes and Policies section in the Investor Relations tab of 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 regulators or courts or tribunals which would impact the going concern status and the Company's future operations.

Statutory Auditors and Auditors' report

In terms of the provision of Section 139 of the Companies Act, 2013, M/s. L.N. Malik & Co., Chartered Accountants, New Delhi, were appointed as Statutory Auditors of the Company to hold office from the conclusion of the 43rd Annual General Meeting (AGM) on 27th September, 2018, for a further period of three years subject to ratification by the members at every Annual General Meeting. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain qualifications, reservations, or adverse remarks.

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, 2019 is provided as Annexure – 2. There were no qualifications, reservations or adverse remarks given by the Secretarial Auditor of the Company.

Particulars of employees

None of the employees of the Company have drawn a remuneration during the year under review in excess of the prescribed limit under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,



2014. Hence, disclosure required under the said rule 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 is provided in Annexure – 4 of this report.

Material changes and commitments affecting the financial position of the Company

No material change or commitment has occurred between the end of the financial year and the date of this report which affects the financial statement of the Company with respect to the reporting year.

Conservation of energy, technology absorption and foreign exchange earning and outgoing

A statement giving details of conservation of energy, technology absorption and foreign

exchange earnings and outgoings 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 of this report.

Acknowledgement

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

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

Place: Kolkata
Date : 30th May, 2019

P. PERIWAL
Chairman & Managing Director
DIN: 00698796

Management Discussion and Analysis

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Indian economic overview

India emerged as the sixth-largest economy in the world and retained its position as the fastest-growing trillion-dollar economy for a major part of the year under review. However, after growing by 7.2% in 2017-18, the Indian economy grew at 6.8% in 2018-19 as per the provisional second advanced estimate of the Central Statistics Office.

The principal developments during the year under review comprise a sustained increase in per capita income, decline in national inflation, steadying interest rates, and weakened consumer sentiment starting from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial institution announcing its inability to address liabilities.

In 2018, India attracted foreign inflow of ~US\$ 38 billion while also making a 23-notch jump to a record 77th position in the World Bank's report on the ease of doing business that captured the performance of 190 countries. The commencement of the US-China trade war opened new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was pegged at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded to ₹69.44 against the dollar on 31 March 2019 after having touched a low of ₹74.45 in the year under review. During the fiscal year under review, the Indian Government continued to invest deeper in digitalisation, renewable energy capacity generation and infrastructure building.

Outlook

India's markets are expected to remain in a state of slowdown through 2019-20 even as the medium-term outlook appears better and the long-term outlook favourable.

Indian plywood sector overview

The size of the Indian plywood sector was pegged at US\$ 4.2 billion in 2017 growing at a CAGR of 5% since 2010. The segment is projected to reach US\$ 5.3 billion by 2023.

Plywood is made of three or more thin layers of wood bonded together with an adhesive. To reduce shrinkage and boost the strength of the finished piece, each layer of wood, or ply, is oriented with its grain running at right angles to the adjacent layer. Generally, plywood is pressed into large and flat sheets used in building construction.

India has always been a predominantly plywood-consuming country, as evidenced by the fact that, in the Indian market, the use of plywood and other panels (MDF, particleboards) stands at a ratio of 90:10. This Indian ratio of use is quite the reverse of that in the developed and mature markets, where it is 10:90.

Additionally, Indian plywood industry is fragmented with ~75% of the market share marked by the unorganised sector, while the organized sector accounts for 25%.

Furniture sector

With the Indian furniture market's contribution of around 0.50% of the total GDP, the segment was estimated at US\$ 32.61 billion in 2018 and projected to grow at a CAGR of 13.38% from 2018-2023 to US\$ 61.09 billion by 2023.

The Indian furniture market is broadly divided into the residential and commercial segment. The residential segment accounted for US\$ 20.65 billion in 2018 and is projected to grow at a CAGR of 14.16% from 2018-2023. The wooden furniture segment which normally dominates the furniture market, continues to do so and is expected to grow at a CAGR of 11.32% during 2018-2023. The luxury furniture market is expected to reach US\$ 27.01 billion by 2020, registering a five-year CAGR of 4.1%.

The Make in India campaign of the Government of India focuses on the objective of achieving qualitative excellence within the country. This has resulted in attracting international capital and technology investments in India. The FDI inflow under this scheme has grown by 60% and resulted in an increased employment of skilled workers. The expectation is that India's furniture and furnishings industry is expected to employ 11.3 million skilled workers by 2022.

(Source: India Wood, World Bank, National Skill Development Council, National Sample Survey Office, Businesswire, Goldman Sachs)

Office furniture market

The improvement in the economic situation and steady growth in the industrial and service sectors resulted in an increasing demand for more office space. Subsequently, the office furniture sector in India has reached US\$ 2.5 billion in size, accounting for ~17% of the total Indian furniture market.

(Source: Business Wire)

Laminates and veneers

Veneer sheets and decorative laminates are popular for being used as furniture surface materials or wall panelling. This helps in enhancing the aesthetic appeal of solid wood used in making furniture, doors, and architectural structures. Decorative laminates have become the most important part of the interior surfacing solutions segment.

The size of the laminates and decorative veneers market in India stood at ₹7,000 crore with the unorganised players accounting for a ~30% share of the market in 2015 compared to 40% in 2013. This reflects a clear and gradual shift towards the organised market due to the emergence of innovative product mixes and lowered input prices, which have resulted in higher margins for laminates and decorative veneer companies. It is reported that ~30% of the country's laminates are supplied by Gujarat from units based in Ahmedabad and Morbi.

(Source: Business Standard, Economic Times)

Growth drivers

Economic growth: The GDP and economic reform programs of the Central Government indicate recovery. Consumer price inflation is expected to remain subdued; interest rates could be steady and global crude oil prices could remain stable. Besides, factors like bank recapitalisation, rural consumption revival and the Insolvency and Bankruptcy Code reform could strengthen the economy.

Rising income: India's per capita GDP has increased from ₹1,11,782 in 2017-18 to an estimated ₹1,26,406 in 2018-19, with a y-o-y growth rate of 10%. The increased disposable incomes catalysed the consumption.

Urbanisation: India is arguably the fastest urbanising country. In FY2018, 34% of India's population was living in urban areas (3% increase since the 2011 census) which is anticipated to reach 36% by CY20 compared to 51.3% urban population in China in 2011.

Working population: India's urban middle-class workforce (over US\$ 11,000 annual income) stands at 27 million or 2% of its population with a large headroom for growth and potential for accelerated consumption.

Growing middle-class: India's wealth has grown 9.2% per annum since 2000 after accounting for a 2.2% annual population growth. This rate of wealth accumulation is higher than the global average rate of 6% and indicates strengthened consumption.

Real estate: The growth in the plywood industry is highly correlated with the growth of the real estate market. The housing sector in India contributes around 5-6% to the GDP and the real estate sector is anticipated to reach US\$ 1 trillion by 2030. This growth in the real estate sector is mainly reinforced by increased Government support. The Pradhan Mantri Awas Yojana (PMAY) was introduced in June 2015 to provide affordable housing to the urban and rural poor. The mission is to provide Housing for All by 2022. Under this scheme, affordable houses will be built in select cities and towns using eco-friendly methods. In the Credit Linked Subsidy

Scheme, PMAY beneficiaries are eligible for interest subsidy if they avail a loan to purchase or construct a house.

Growth in the replacement market: The growth in the replacement market will also be one of the driving factors for the plywood industry as people would strive for a better standard of living with their per capita income rising. Currently, the replacement cycle for furniture is estimated to be eight to ten years, but this number is likely to come down to five to seven years. This would ensure that the replacement market grows at a steady pace.

Consumer preference: Consumers are much more trend-conscious today. The introduction of new designs and a diverse product range of furniture have therefore helped in creating new demand among the consumers.

Smart Cities: The Government of India launched the Smart Cities Mission in June 2015 to promote sustainable and inclusive cities that would provide core infrastructural facilities and offer clean environment through the application of 'smart' solutions.

Growing e-commerce sales: Over the past years, buying furniture online has become a common trend. Improved logistics, reduction in shipping costs for larger items and the availability of a gamut of choices has caused online furniture buying to surge. On the supply side, they have provided organised platforms to suppliers by bringing them onto a well-managed marketplace or by creating private labels.

(Source: Census of India 2011, MoSPI, Technopak Analysis, The Economic Times Televisory, IMARC, Ply Reporter, Credit Suisse Global Wealth Report)

SWOT analysis of the plywood industry

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> • One of the fastest-growing industries in the world • Semi-skilled labour is required, which is abundantly available in this region • Strong customer knowledge and acceptability • Massive role in construction industry across economic levels • No conceptual wastage – apart from 4-8% loss in timber, all raw material finds a use 	<ul style="list-style-type: none"> • Fluctuation in prices of raw material • Too many players in an industry within which the product is more of a standardized commodity – relative lack of USPs leading to relative lack of brand loyalty • Too many unorganized players conducting aggressive deforestation without significant government intervention, leading to a stress on raw material availability 	<ul style="list-style-type: none"> • Growing per capita income, growing urban population and increasing number of nuclear families boosting furniture and construction industries • Possibility of introducing more value-added products to widen the portfolio • Development of better technology and superior machinery for higher yields, improved products and even less wastage 	<ul style="list-style-type: none"> • Restricted access to limited raw material especially for face veneer • Tight control on raw materials in neighbouring countries • Competition from the unorganised sector and their counterfeiting of branded products • Availability of cheaper substitutes of the products • Shift in consumer preferences towards new age, sustainable products

Risk management

Economic risk: The industry could be impacted due to slowdown in the economy.

Mitigation: The Indian economy is expected to remain sluggish following a slowdown in growth to 6.8% in 2018-19, a 40 bps decline in growth over the previous year. Although this sluggishness could test the plywood sector, the medium and long-term outlooks appear more favourable. The key would be to ride this tide of economic slowdown until consumer sentiments are revived.

Industry risk: The off-take could be affected by a slowdown in downstream sectors

Mitigation: The demand for panel products is expected to grow due to two major reasons: one, the growing demand in the real estate sector and two, increasing support for the Central Government's Housing for All by 2022 plan. Furthermore, the demand for office furniture in the country is also expected to rise as a result of increasing office space consumption.

Innovation risk: The lack of introducing new and innovative products by the Company could impact the business in long term.

Mitigation: With excellent quality plywood in India, National Plywood has always gained its respect in the market through the introduction of new and innovative products. The strength of the Company lies in reinforcing outstanding product quality and committing to use only the best raw material. The Company has already introduced new brands of economy range plywood and has been tying up with several companies (TPI Polene, LG Hausys) to add new products to its marketing portfolio.

Cost risk: The Company's profitability could be affected due to fluctuating input material costs.

Mitigation: In order to rationalise operational costs, the Company has been consistently de-

bottlenecking its units. Over and above strategic de-bottlenecking, the Company has access to a large quantity of tropical sustainably-grown timber due to its locational advantage with factories in northeast India.

Employee risk: Business growth could be adversely impacted due to high attrition rate and inability to attract skilled employees.

Mitigation: The Company treats its employees as its assets. Most of the employees have been associated with the Company for more than 5 years.

Competition Risk: The Company's profitability might be affected due to growing competition.

Mitigation: The Company has favourably positioned itself to capitalise on impending sectoral upturn through consistent outperformance and strong quality.

Quality risk: Failing to gain market acceptance might be another risk for the Company.

Mitigation: Leveraging cutting-edge technology and high-quality products, the Company sustains strong relationships with key customers. The Company is also planning a significant, targeted advertising campaign in the coming years, especially for promotion of its new sub-brands.

Logistics risk: A loss in sales could be faced due to ineffective distribution and reach.

Mitigation: The Company's products are available across the country, supported by a widespread network of dealers.

Environmental risk: Inefficiency in complying with environmental norms can lead to censure.

Mitigation: The Company's products comply with all relevant sectoral norms and guidelines issued by the Central and State Pollution Boards.

Financial review

Sales

Revenues during the year stood at ₹39.82 crore, decreasing by 5.6% as compared to ₹42.16 crore in FY2017-18.

Interest and finance costs

Net interest and finance costs decreased by 23% during the year due to repayment of institutional borrowing.

Profit before tax

The Company registered a profit before tax of ₹0.94 crore compared to ₹0.44 crore in the previous year.

Profit after tax

The Company registered a profit after tax of ₹0.72 crore compared to ₹0.44 crore in the previous year.

Key financial ratios

Ratio	FY2018-19	FY2017-18
EBITDA/ Turnover (%)	0.39	(2.25)
EBITDA/ Net interest	0.79	(3.64)
Debt Equity Ratio	(6.70)	(2.38)
Return on equity (%)	9.80	1.10
Book value per share (₹)	(2.98)	(67.91)
Earnings per share (₹)	0.45	0.74

Human resources

The Company believes that its intrinsic strength lies in its dedicated and motivated employees. As such, the Company provides competitive compensation, 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 co-ordinated manner

while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors.

Cautionary statement

The statements in the 'Management Discussion and Analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results 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. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

Annexure – 2

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, 2019

To

The Members

National Plywood Industries Limited

Makum Pathar ,

Margherita – 786 187,

Assam

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**, the books, papers, minute books, forms and returns filed and other records maintained by the Company, and 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, 2019, 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, 2019, 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 there under (not applicable to the Company during the Audit Period)

(iii) The Depositories Act, 1996 and the Regulations and by-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 clients
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 and
 - 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 acts of respective states
- Trademarks 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 Explosives 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 and 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 were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors for schedule of 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 and for meaningful participation at the meeting.

Majority decision is carried through 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 are having 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, 2019

Annexure – A

To
The Members
National Plywood Industries Limited
Makum Pather ,
Margherita – 786 187,
Assam

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 the Companies Act 2013 & Rules made thereunder relating to the maintenance of books of accounts, papers & 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 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 the management. My examination is limited to the verification of procedures on a 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, 2019



Annexure – 3

Form No. MGT 9

Extract of annual return

As on financial year ended on 31.03.2019

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	11/12/1973
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, Margherita – 786 187, District: Tinsukia, Assam Email: info.npil.ho@nationalplywood.net; Phone: 033 2248 0116/7
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: 033 2243 5029/2248 2248; Email: mdpldc@yahoo.com

II. Principal business activities of the Company

(All the business activities contributing 10 % 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	48.50%
2	Laminate	1621	41.45%
3	Others		10.05%

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				

IV. Shareholding pattern

(i) Category-wise shareholding

(Equity share capital breakup as percentage of total equity)

Category of Shareholders	No. of shares held at the beginning of the year (As on 01-04-2018)			No. of shares held at the end of the year (As on 31-03-2019)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/HUF	24,15,530	2,37,370	26,52,900	95,02,010	1,41,370	96,43,380	39.13%
b) Central Govt	-	-	-	-	-	-	0.00%
c) State Govt(s)	-	-	-	-	-	-	0.00%
d) Bodies Corp.	1,59,190	-	1,59,190	2,85,190	-	2,85,190	1.16%
e) Banks / FI	-	-	-	-	-	-	0.00%
f) Any other	-	-	-	-	-	-	0.00%
Sub Total (A) (1)	25,74,720	2,37,370	28,12,090	97,87,200	1,41,370	99,28,570	40.29%
(2) Foreign							
a) NRI Individuals	-	-	-	-	-	-	0.00%
b) Other Individuals	-	-	-	-	-	-	0.00%
c) Bodies Corp.	-	-	-	-	-	-	0.00%
d) Any other	-	-	-	-	-	-	0.00%
Sub Total (A) (2)	-	-	-	-	-	-	0.00%
TOTAL (A)	25,74,720	2,37,370	28,12,090	97,87,200	1,41,370	99,28,570	40.29%
B. Public Shareholding							
1. Institutions							
a) Mutual Funds	-	-	-	-	-	-	0.00%
b) Banks / FI	2,07,260	-	2,07,260	-	-	-	3.54%
c) Central Govt	-	-	-	-	-	-	0.00%
d) State Govt(s)	-	-	-	-	-	-	0.00%
e) Venture Capital Funds	-	-	-	-	-	-	0.00%
f) Insurance Companies	-	-	-	-	-	-	0.00%
g) FIs	-	-	-	-	-	-	0.00%

Category of Shareholders	No. of shares held at the beginning of the year (As on 01-04-2018)			No. of shares held at the end of the year (As on 31-03-2019)			% change during the year	
	Demat	Physical	Total	Demat	Physical	Total		% of total shares
Foreign Venture Capital Funds	-	-	-	-	-	-	0.00%	
i) Others (specify)	-	-	-	-	-	-	0.00%	
Sub-total (B)(1):-	2,07,260	-	2,07,260	-	-	-	0.00%	
2. Non-Institutions								
a) Bodies Corp.								
i) Indian	4,84,340	17,050	5,01,390	37,54,690	9,600	37,64,290	15.28%	
ii) Overseas	-	-	-	-	-	-	0.00%	
b) Individuals								
i) individual shareholders holding nominal share capital upto ₹2 lakh	6,11,030	10,37,080	16,48,110	7,90,421	9,13,330	17,03,751	6.91%	
ii) individual shareholders holding nominal share capital in excess of ₹2 lakh	5,05,600	1,77,800	6,83,400	89,43,650	33,000	89,76,650	36.43%	
c) Others (specify)	1,100	-	1,100	2,56,600	-	2,56,600	1.04%	
Non Resident Indians	-	-	-	-	-	-	0.00%	
Overseas Corporate Bodies	-	-	-	-	-	-	0.00%	
Foreign Nationals	-	-	-	-	-	-	0.00%	
Clearing Members	400	-	400	12,889	-	12,889	0.05%	
Trusts	-	-	-	-	-	-	0.00%	
Foreign Bodies - DR	-	-	-	-	-	-	0.00%	
Sub-total (B)(2):-	16,02,470	12,31,930	28,34,400	1,37,58,250	9,55,930	1,47,14,180	59.71%	
Total Public (B)	18,09,730	12,31,930	30,41,660	1,37,58,250	9,55,930	1,47,14,180	59.71%	
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	0.00%	
Grand Total (A+B+C)	43,84,450	14,69,300	58,53,750	2,35,45,450	10,97,300	2,46,42,750	100.00%	

(ii) Shareholding of Promoters
(Equity Share Capital)

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2018)			Shareholding at the end of the year (As on 31-03-2019)			% 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%	-	20,28,543	8.23%	-	192.58%
2	Madhulika Periwal	3,66,540	6.26%	-	13,75,340	5.58%	-	275.22%
3	Piyush Periwal	3,22,575	5.51%	-	28,92,455	11.74%	-	796.68%
4	Sheela Periwal	2,73,250	4.67%	-	2,14,500	0.87%	-	-21.50%
5	Abhyuday Periwal	1,93,850	3.31%	-	1,93,850	0.79%	-	0.00%
6	Vijay Kumar Periwal	2,50,925	4.29%	-	2,50,925	1.02%	-	0.00%
7	Ajay Kumar Periwal	1,78,350	3.05%	-	1,78,350	0.72%	-	0.00%
8	Neelam Periwal	1,83,670	3.18%	-	1,46,750	0.60%	-	-20.10%
9	Shehlata Periwal	96,000	1.64%	-	96,000	0.39%	-	0.00%
10	Gajananand Periwal	39,750	0.68%	-	39,750	0.16%	-	0.00%
11	Malvika Periwal	17,250	0.29%	-	7,77,350	3.15%	-	4406.38%
12	Mayank Periwal	16,000	0.27%	-	16,000	0.06%	-	0.00%
13	Anant Periwal	5,000	0.09%	-	5,000	0.02%	-	0.00%
14	Platinum Plywood Pvt. Ltd.	30,530	0.52%	-	30,530	0.12%	-	0.00%
15	Narottam Investments & Trading Co. Ltd.	1,16,160	1.98%	-	2,42,160	0.98%	-	108.47%
16	National Couriers Pvt Ltd.	12,500	0.21%	-	12,500	0.05%	-	0.00%
17	Stuti Periwal	-	0.00%	-	7,40,767	3.01%	-	0.00%
18	Akshaye Periwal	-	0.00%	-	6,74,100	2.74%	-	0.00%
19	Piyush Kumar Periwal	13,700	0.23%	-	13,700	0.06%	-	0.00%



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

SN	Particulars	Date	Reason	Shareholding at the beginning [01/04/18] /end of the year [31/03/19]		Cumulative Shareholding during the year [01/04/18 to 31/03/19]	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	National Couriers Pvt Ltd.						
	At the beginning of the year	01/04/18		12,500	0.21%	-	
	Changes during the year					-	0.21%
	At the end of the year	31/03/19		12,500	0.05%	12,500	0.05%
2	Narottam Investments & Trading Co. Ltd.						
	At the beginning of the year	01/04/18		1,16,160	1.98%	-	
	Changes during the year	29/09/18	Transfer	1,26,000	0.51%	2,42,160	0.98%
	At the end of the year	31/03/19		2,42,160	0.98%	2,42,160	0.98%
3	Abhyuday Periwal						
	At the beginning of the year	01/04/18		1,93,850	3.31%		
	At the end of the year	31/03/19		1,93,850	0.78%	1,93,850	0.78%
4	Vijay Kumar Periwal						
	At the beginning of the year	01/04/18		2,50,925	4.28%		
	At the end of the year	31/03/19		2,50,925	1.02%	2,50,925	1.02%
5	Devyani Arvind Nopany						
	At the beginning of the year	01/04/18		-	0.00%		
		29/09/18	Transfer	1,000	0.00%	1,000	0.00%
		05/10/18	Transfer	(1,000)	0.00%	-	0.00%
	At the end of the year	31/03/19		-	0.00%	-	0.00%
6	Ajay Kumar Periwal						
	At the beginning of the year	01/04/18		1,78,350	3.05%		
	At the end of the year	31/03/19		1,78,350	0.04%	1,78,350	0.72%
7	Piyush Periwal						
	At the beginning of the year	01/04/18		3,22,575	5.51%		
		29/09/18	Transfer	2,42,547	0.98%	5,65,122	2.09%
		31/12/18	Transfer	23,27,333	9.45%	28,92,455	11.74%
	At the end of the year	31/03/19		28,92,455	11.74%	28,92,455	11.74%
8	Chandrakanta Periwal						
	At the beginning of the year	01/04/18		6,93,340	11.84%		
		29/09/18	Transfer	12,36,833	5.02%	19,30,173	7.83%
	At the end of the year	31/03/19	Transfer	98,370	0.40%	20,28,543	8.23%
9	Madhulika Periwal						
	At the beginning of the year	01/04/18		3,66,540	6.26%		
		29/09/18	Transfer	10,08,800	4.09%	13,75,340	5.58%
		31/03/19	Transfer	13,75,340	5.58%	13,75,340	5.58%
10	Stuti Periwal						
	At the beginning of the year	01/04/18		-	0.00%		
		29/09/18	Transfer	7,40,767	3.01%	7,40,767	3.01%
	At the end of the year	31/03/19		7,40,767	3.01%	7,40,767	3.01%

SN	Particulars	Date	Reason	Shareholding at the beginning [01/04/18] /end of the year [31/03/19]		Cumulative Shareholding during the year [01/04/18 to 31/03/19]	
				No. of Shares	% of total shares	No. of Shares	% of total shares
11	Akshaye Periwal						
	At the beginning of the year	01/04/18		-	0.00%		
		29/09/18	Transfer	6,74,100	2.74%	6,74,100	2.74%
	At the end of the year	31/03/19		6,74,100	2.74%	6,74,100	2.74%
12	Gajanand Periwal						
	At the beginning of the year	01/04/18		39,750	0.68%		
	At the end of the year	31/03/19		39,750	0.16%	39,750	0.16%
13	Sheela Periwal						
	At the beginning of the year	01/04/18		2,73,250	4.66%		
		04/01/19	Transfer	(58,750)	0.24%	-	0.00%
	At the end of the year	31/03/19		2,14,500	0.86%	2,14,500	0.86%
14	Neelam Periwal						
	At the beginning of the year	01/04/18		1,83,670	3.18%		
		04/01/19	Transfer	(39,260)	0.16%	-	0.00%
	At the end of the year	31/03/19		1,46,750	0.60%	1,46,750	0.60%
15	Mayank Periwal						
	At the beginning of the year	01/04/18		16,000	0.27%		
	At the end of the year	31/03/19		16,000	0.06%	16,000	0.06%
16	Anant Periwal						
	At the beginning of the year	01/04/18		5,000	0.09%		
	At the end of the year	31/03/19		5,000	0.02%	5,000	0.02%
17	Malvika Periwal						
	At the beginning of the year	01/04/18		17,250	0.29%	-	0.00%
		29/09/18	Transfer	7,60,100	3.08%	7,77,350	3.15%
	At the end of the year	31/03/19		7,77,350	3.15%	7,77,350	3.15%
18	Snehlata Periwal						
	At the beginning of the year	01/04/18		96,000	1.46%		
	At the end of the year	31/03/19		96,000	0.39%	96,000	0.39%

(iv) Shareholding Pattern of top ten shareholders

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

(Equity Shares)

SN	Particulars	Date	Reason	Shareholding at the beginning [01/04/18] /end of the year [31/03/19]		Cumulative Shareholding during the year [01/04/18 to 31/03/19]	
				No. of Shares	% of total shares	No. of Shares	% of total shares
1	B Arun Kumar Capital & Credit Services Pvt Ltd						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	5,00,000	2.03%	5,00,000	2.03%
	At the end of the year	31/03/19		5,00,000	2.03%	5,00,000	2.03%
2	ICICI Bank Ltd						
	At the beginning of the year	01/04/18		2,07,260	3.54%	-	0.00%
	23/02/18 - Transfer	29/09/18	Transfer	(2,07,260)	3.54%	-	0.00%
	At the end of the year	31/03/19		-	0.00%	-	0.00%
3	Samra Importex Pvt Ltd						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	4,00,000	1.62%	4,00,000	1.62%
	At the end of the year	31/03/19		4,00,000	1.62%	4,00,000	1.62%
4	Nivedita Malvi						
	At the beginning of the year	01/04/18		10,000	0.17%	-	0.00%
	Changes during the year	30/06/18	Transfer	28,300	0.48%	38,300	0.65%
	At the end of the year	31/03/19		38,300	0.15%	38,300	0.15%
5	Mahendra Girdharilal						
	At the beginning of the year	01/04/18		3,06,000	5.23%	-	0.00%
	Changes during the year	31/12/18	Transfer	(15,225)	0.06%	2,90,775	1.18%
	At the end of the year	31/03/19		2,90,775	1.18%	2,90,775	1.18%

SN	Particulars	Date	Reason	Shareholding at the beginning [01/04/18] /end of the year [31/03/19]		Cumulative Shareholding during the year [01/04/18 to 31/03/19]	
				No. of Shares	% of total shares	No. of Shares	% of total shares
6	Kanoi Leasfin Limited						
	At the beginning of the year	01/04/18		15,000	0.26%	-	0.00%
	At the end of the year	31/03/19		15,000	0.06%	15,000	0.06%
7	Chirag Vinimay Private Limited						
	At the beginning of the year	01/04/18		4,00,000	6.83%	-	0.00%
	At the end of the year	31/03/19		4,00,000	6.83%	4,00,000	1.62%
8	Madhu Jayakumar						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	15,00,000	6.09%	15,00,000	6.09%
	At the end of the year	31/03/19		15,00,000	6.09%	15,00,000	6.09%
9	Amrex Marketing Pvt Ltd						
	At the beginning of the year	01/04/18		23,740	0.41%	-	0.00%
	At the end of the year	31/03/19		23,740	0.10%	23,740	0.10%
10	M N Saw Cum Veneer Mills Pvt Ltd						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	6,00,000	2.43%	6,00,000	2.43%
	At the end of the year	31/03/19		6,00,000	2.43%	6,00,000	2.43%
11	M Titanium Apartments Pvt Ltd						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	15,00,000	6.09%	15,00,000	6.09%
	At the end of the year	31/03/19		15,00,000	6.09%	15,00,000	6.09%

SN	Particulars	Date	Reason	Shareholding at the beginning [01/04/18] /end of the year [31/03/19]		Cumulative Shareholding during the year [01/04/18 to 31/03/19]	
				No. of Shares	% of total shares	No. of Shares	% of total shares
12	Harsha Raghavan						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	10,52,750	4.27%	10,52,750	4.27%
	At the end of the year	31/03/19		10,52,750	4.27%	10,52,750	4.27%
13	Raj Kumar Agarwal						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	5,00,000	2.03%	5,00,000	2.03%
	At the end of the year	31/03/19		5,00,000	2.03%	5,00,000	2.03%
14	Vikas Khemani						
	At the beginning of the year	01/04/18		-	0.00%	-	0.00%
	Changes during the year	29/09/18	Transfer	5,00,000	2.03%	5,00,000	2.03%
	At the end of the year	31/03/19		5,00,000	2.03%	5,00,000	2.03%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	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 Periwal						
	At the beginning of the year			3,36,275	5.74%		0.00%
	Changes during the year			-	0.00%	25,56,180	6.00%
	At the end of the year			28,92,455	11.74%	28,92,455	11.74%
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%
4	Malvika Periwal						
	At the beginning of the year			17,250	0.29%	17,250	0.07%
	Changes during the year			7,60,100	12.98%	-	0.00%
	At the end of the year			17,250	0.29%	7,77,350	3.15%

SN	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
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 Perwal						
	At the beginning of the year			2,50,925	4.29%	2,50,925	1.02%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,50,925	4.29%	2,50,925	1.02%
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%
8	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%
9	Laxmi Narain Baheti						
	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.

(Amt. ₹/ Lakhs)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year - NIL				
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
Change in Indebtedness during the financial year				
* Addition	5,03,656.00	-	-	5,03,656.00
* Reduction	(59,09,374.00)	-	-	(59,09,374.00)
Net Change	(54,05,718.00)	-	-	(54,05,718.00)
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Managers:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
	Name	PIYUSH PERIWAL		(₹/Lakhs)
	Designation	Managing Director		
1	Gross salary	-	-	18.00
	(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)	-	-	18.00
	Ceiling as per the Act	-	-	-

B. Remuneration to Executive Directors

SN.	Particulars of Remuneration	Name of Executive Director		Total Amount
	Name	VINOD KUMAR SHARMA		(₹/Lakhs)
	Designation	Independent, Executive Director		
1	Gross salary	-	-	3.00
	(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	-	-	-
3	Others, please specify	-	-	-
	Total (A)	-	-	3.00
	Ceiling as per the Act	-	-	-

C. Remuneration to other Directors - NONE

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	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
B. DIRECTORS					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	-	-	-	-
Punishment	NA	-	-	-	-
Compounding	NA	-	-	-	-

Annexure – 4

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 Vinod Kr Sharma: Nil Abhijit Sarkar: Nil Brij Gopal Jaju: Nil Pradeep Bharat Shethia: Nil Laxmi Narain Baheti: Nil</p> <p>Non-Executive Directors Vijay Kumar Periwal: Nil Malvika Periwal: Nil</p> <p>Executive Directors Piyush Periwal: 3:18 Vinod Kr Sharma: 1:1</p>
(ii) The percentage increase in remuneration of each Director, Company Secretary or Manager, if any, in the financial year	<p>Independent Directors Abhijit Sarkar: Nil Brij Gopal Jaju: Nil Pradeep Bharat Shethia: Nil Laxmi Narain Baheti: Nil</p> <p>Non-Executive Directors Vijay Kumar Periwal: Nil Malvika Periwal: Nil</p> <p>Executive Directors Piyush Periwal: Nil Vinod Kr Sharma: Nil</p>
(iii) Affirmation that the remuneration is as per Remuneration Policy of the Company	Remuneration paid during the year ended 31st March, 2019 is as per the Remuneration Policy of the Company
(iv) The key parameters for the variable components of remuneration	No variable components
(v) Explanation of the relationship between the average increase in remuneration and the Company's 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 median employee's remuneration and sales growth of the Company.

Annexure – 5

Conservation of energy

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 the Directors' Report.

- a) **Energy conservation measures taken:** Energy conservation, wherever possible, has already been implemented and, ceteris paribus, 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 with respect to Hosur Unit & Margherita Unit is enclosed.

Form - A

Disclosure of particulars with respect to conservation of energy

For Hosur Unit:

	Current Year	Previous Year
	2018-2019	2017-2018
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased (Units)	-	4,13,269.00
Total Amount (₹)	-	28,64,576.00
Rate/Unit	-	6.93
(b) Own Generation through Diesel Generator		
Units (Litres)	-	1,520.00
Units per litre of Diesel Oil	-	2.25
Total Units of Power	-	3,428.00
Total Amount (₹)	-	96,832.00
Cost per Unit	-	28.24
2. Furnace Oil	-	-
Quantity (k. Litre)	-	-
Total Amount (₹)	-	-
Average Rate Per Litre	-	-
Wood		
Quantity (M. Tons)	-	154.00
Total Amount (₹)	-	6,16,625.00
Average Rate Per Ton	-	4,000.00
B. Consumption Per Unit Of Production		
Decorative Laminated Sheets (No.) Total Production	-	1,60,926.00
Electricity (Unit/ Unit of Production)	-	2.57
Furnace Oil (Litre/ Unit of Production)	-	-
Wood (Kgs. / Unit of Production)	-	0.95

For Margherita Unit:

	Current Year	Previous Year
	2018-2019	2017-2018
A. Power and Fuel Consumption		
1. Electricity		
(a) Purchased (Units)	4,74,727.00	4,44,627.00
Total Amount (₹)	46,18,375.00	44,33,781.00
Rate/Unit	9.73	9.97
(b) Own Generation through Diesel Generator		
Units (Litres)	21,200.00	20,600.00
Units per litre of Diesel Oil	4.17	4.17
Total Units of Power	88,375.00	85,875.00
Total Amount (₹)	14,91,334.00	12,54,954.00
Cost per Unit	16.88	14.61
2. Furnace Oil	-	-
Quantity (k. Litre)	-	-
Total Amount (₹)	-	-
Average Rate Per Litre	-	-
Wood		
Quantity (M. Tons)	796.73	1,006.73
Total Amount (₹)	20,71,486.00	21,14,129.00
Average Rate Per Ton	2,600.00	2,100.00
B. Consumption Per Unit of Production		
Decorative Laminated Sheets (No.) Total Production	4,69,104.00	4,57,828.00
Electricity (Unit/ Unit of Production)	1.20	1.16
Furnace Oil (Litre/Unit of Production)	-	-
Wood (Kgs. / Unit of Production)	1.70	2.20

Report on Corporate Governance

1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages the 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 achieve the highest standards of Corporate Governance. Consistent with this, the Company presents a compliance report on Corporate Governance in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Board of Directors believes that Corporate Governance is the most powerful tool for achieving corporate excellence and the Company endeavours to adopt the best practices of Corporate Governance. The strong internal control system and procedures, risk assessment and mitigation procedures and the Code of Conduct set up for the Company's Directors, senior management and employees – all of these contribute to the achievement of good Corporate Governance practices in the Company.

2. Board of Directors

2.1 As on 31st March, 2019, the strength of the Company's Board was eight (8) members. The Board has a Chairman & Managing Director and seven members comprising one Woman Non-Executive Director, one Non-Executive Non-Independent Director, one Executive Independent Director and four Non-Executive Independent Directors. All Directors are professionals from diverse fields with valuable experience in management, legal, administration, finance and the creative sector. The Independent Directors do not have any material pecuniary relationship and have not entered into any transactions with the Company, its promoters or management – any of 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, 2019, and their attendance at the Board Meetings held during the year 1st April 2018 to 31st March, 2019 and 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 27th Sept 2018	No. of outside directorships*	No. of outside committee memberships**	No. of outside Committee Chairmanships***
1.	Piyush Periwal (Chairman & Managing Director)	Executive Director	6	6	Yes	1	2	1
2.	Vijay Kumar Periwal	Non-Executive Non-Independent	6	0	No	0	0	0
3.	Abhijit Sarkar	Non-Executive Independent	6	6	No	0	0	0
4.	Malvika Periwal	Woman Non-Executive	6	6	No	0	0	0
5.	Vinod Kumar Sharma	Executive Independent	6	0	Yes	0	0	0
6.	Pradeep Bharat Shethia	Non-Executive Independent	6	6	No	1	0	0
7.	Brij Gopal Jaju	Non-Executive Independent	6	6	No	0	0	0
8.	Laxmi Narain Baheti	Non-Executive Independent	6	6	No	0	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, 6 (six) Board Meetings were held, the dates of which were 30th May 2018, 27th July 2018, 13th August 2018, 14th September 2018, 12th November 2018 and 5th February 2019. The gap between two consecutive Board Meetings did not exceed one hundred and twenty (120) days.
- 2.3 As on 31st March, 2019, the Company was required to have an optimum combination of not less than one-third of the Board of Directors comprising Independent Directors. With four Independent Directors (of a total of 8), the Company has fully complied with this requirement during the financial year ended 31st March, 2019.
- 2.4 None of the Directors are related inter se as contemplated under Schedule V of the Listing Regulations except for Malvika Periwal, Woman Director, who is the daughter of Piyush Periwal, the Chairman and Managing Director, and Vijay Kumar Periwal, Non-Executive and Non-Independent Director, who is Piyush Periwal's cousin and a promoter of the Company.
- 2.5 The details of shares held by Non-Executive Directors as on 31st March, 2019 are as follows:

S. No	Name of Directors	No. of shares
1	Vijay Kumar Periwal	2,50,925
2	Malvika Periwal	7,77,350
3	Abhijit Sarkar	200
4	Brij Gopal Jaju	200
5	Pradeep Bharat Shethia	200
6	Laxmi Narain Baheti	200

2.6 Directors' induction and familiarization

The provision of an appropriate induction programme for new Directors as well as 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 them with a detailed understanding of specific projects, activities and processes of the Company. The management provides such information and training either at meetings of the Board of Directors or otherwise.

The induction process is designed to:

- Provide Directors with an industry overview, business model of the Company and a brief update on the Company, its subsidiaries and associates, its mission, vision and values and latest Annual Report
- Issue a detailed appointment letter incorporating their role, duties and responsibilities
- Provide a Code of Conduct for Directors and senior management
- Provide an overview of the roles, duties, responsibilities and liabilities of Independent Directors as per the Companies Act, 2013 (the Act), and Criteria for Independence applicable to the Independent Directors as per the Listing Regulations, 2015 and the Companies Act, 2013
- Provide an overview of the Directors' Responsibility Statement forming part of the Board's Report
- Provide the Board evaluation process and procedures
- Offer visits to NPIL's business locations and manufacturing units
- Offer technical sessions by external consultants/experts outlining the roles, duties and responsibilities of Independent Directors from the perspective of the Companies Act, 2013 and the Listing Regulations, 2015

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 Board meetings in order to help set the Company's strategy. The Directors are also apprised of the various regulations such as the Code of Conduct for Prevention of Insider Trading, 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 under the Investor Relations tab of www.nationalplywood.net

2.7 Code of Conduct

- a. 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 should not only encourage value creation but also provide systems for accountability and control.
- b. All Directors have as on 31st March, 2019 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 Ethics and Business Conduct for members of the Board of Directors and senior management 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. The declaration that 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 Ethics and Business Conduct for Directors and senior management with respect to the Financial year ended 31st March, 2019"

(Piyush Periwal)

Chairman & Managing Director

The same can be accessed under "Code of Conduct" in the Investor Relations tab of www.nationalplywood.net

3. Audit Committee

3.1 Composition of the Committee

The Audit Committee was constituted conforming to the requirements of Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. The Audit Committee comprises one Executive Director, Piyush Periwal, and two Non-Executive Independent Directors namely Abhijit Sarkar and Brij Gopal Jaju. Vinod Kumar Sharma has resigned from membership of the Committee in a meeting held on 30th May, 2018. The Committee is chaired by Abhijit Sarkar.

- 3.2 Shruiti Bothra, Company Secretary, is the Secretary of this Committee.
- 3.3 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 to provide accurate, timely and proper disclosure and ensure the integrity and quality of financial reporting. The Audit Committee reviews areas as specified under Part C of Schedule II of the Listing Regulations read with the provisions of Section 177 of the Companies Act, 2013.
- 3.4 Brief terms inter-alia include:
 - Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the

financial statement is correct, sufficient and credible

- Recommending the appointment, terms and conditions and remuneration of the auditors and approving the payment of any other services
- Reviewing the annual financial statement with senior management before submission to the Board for approval
- Reviewing and monitoring the auditors' independence and performance, and the effectiveness of audit process
- Scrutiny of inter-corporate loans and investments
- Reviewing the performance of Statutory Auditors and adequacy of internal control systems with senior management
- Discussing the nature and scope of audit with Statutory Auditors before the audit commences, as well as conducting a post-audit discussion to ascertain any areas of concern
- Reviewing the functioning of the Vigil Mechanism/Whistleblower Policy
- Examining reasons for substantial default in payment to depositors, shareholders and creditors, if any
- Carrying out any other functions as is mentioned in the terms of reference of the Audit Committee.

3.5 Audit Committee Meetings held during the year ended 31st March, 2019

During the year under review, four (4) Audit Committee meetings were held on the dates of 30th May 2018, 27th July 2018, 12th November 2018 and 5th February 2019.

3.6 Attendance at the Audit Committee Meetings

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

4. Nomination and Remuneration Committee

4.1 Composition of the Committee

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

4.2 Shruti Bothra, Company Secretary, is the Secretary of the Committee.

4.3 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.

4.4 Nomination & Remuneration Committee Meeting held during the year ended 31st March, 2019

During the year under review, one Nomination and Remuneration Committee Meeting was held on 27th July, 2018.

4.5 Attendance at the Nomination & Remuneration Committee Meeting

Name of Director	No. of Meetings attended
Brij Gopal Jaju	1
Abhijit Sarkar	1
Vinod Kumar Sharma	0

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

4.7 Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee has laid down the following criteria for the performance evaluation of the Independent Directors:

- Leadership & stewardship abilities
- Participation and constructive contribution at Board / Committee meetings
- Communication of expectations and concerns
- Contributing to clearly define corporate objectives & plans
- Identification, monitoring and mitigation of significant corporate risks
- Assessment of policies, structures and procedures

- Adherence to ethical standards and Code of Conduct of the Company

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

On the basis of the performance evaluation report, 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 2018 to 31st March, 2019 except for the sitting fee.
- 5.2 Overall remuneration & sitting fees, as 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 2018 to 31st March, 2019 are given below:

(in Lakhs)

Name and Designation	Salary/retainership fee (₹)	Other Benefits	Other long term benefits	Contribution to provident and other funds (₹)	Total (₹)
Piyush Periwal (Chairman and Managing Director)	17.784	-	-	0.216	18.00
Vinod Kumar Sharma (Executive Director)	3.00	-	-	-	3.00

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

5.4 The Non-Executive Directors were paid a sitting fee amount of ₹1500/- 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, namely Brij Gopal Jaju and Abhijit Sarkar, and one Executive Director, Piyush Perival. The Committee is chaired by Brij Gopal Jaju.

6.2 Shruti Bothra, Company Secretary, is the Secretary of the Committee.

6.3 Stakeholders Relationship & Share Transfer Committee Meeting held during the year ended 31st March, 2019

During the financial year ended 31st March, 2019, Stakeholders Relationship & Share Transfer Committee Meeting were held thirty (30) times i.e. 5th April 2018, 19th April 2018, 3rd May 2018, 17th May 2018, 24th May 2018, 31st May 2018, 7th June 2018, 21st June 2018, 5th July 2018, 9th August 2018, 6th September 2018, 11th October 2018, 25th October 2018, 1st November 2018, 8th November 2018, 22nd November 2018, 29th November 2018, 13th December 2018, 20th December 2018, 27th December 2018, 3rd January 2019, 10th January 2019, 17th January 2019, 14th February 2019, 21st February 2019, 28th February 2019, 7th March, 2019, 14th March, 2019, 29th March, 2019 and 30th March, 2019.

No. of shareholder complaints received by RTA/Company during the year: Nil

No. of complaints not solved to the satisfaction of the shareholder during the year: Nil

No. of complaints pending as on 31st March, 2019: Nil

6.4 Attendance at the Stakeholders Relationship & Share Transfer Committee Meetings

Name of Directors	No. of Meetings attended
Brij Gopal Jaju	30
Abhijit Sarkar	30
Piyush Perival	30

6.5 The Company attends to the shareholder grievances/correspondence expeditiously, with replies normally being sent within a period of 10 days of receipt, except in cases of disputes or legal impediments. The designated e-mail address of the compliance officer for grievance redressal or for registering complaints by investors is investors@nationalplywood.net.

7. Separate Independent Directors' meetings.

The Company's Independent Directors meet at least once every financial year without the presence of Executive Directors or senior management. 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 Directors 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 Perival, Chairman & Managing Director of the Company, as per Regulation 17(8) of the Listing Regulations for

the financial year ended 31st March, 2019 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 resolutions passed
2018	27th Sept 2018	11.30 A.M.	Makum Pathar, Margherita, Tinsukia, Assam	1
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

9.2 Postal ballot

During the financial year ended 31st March, 2019, 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.

Venue: Makum Pathar, Margherita – 786 187, Dist.: 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 at the meeting.
- Financial results of the Company are displayed under the Investor Relations tab of the website www.nationalplywood.net.
- Annual Reports: Annual Report containing, inter-alia, the 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 release & presentations for Institutional Investors.

10.2 Financial year:

For the year ending 31st March 2020, results will be announced on:

First Quarter: Within 45 days from the close of quarter ending June 2019.

Second Quarter: Within 45 days from the close of quarter ending September 2019.

Third Quarter: Within 45 days from the close of quarter ending December 2019.

Fourth Quarter & Audited Results: Within 60 days from the close of the financial year ending 31st March 2020.

10.3 Book Closure Date: 24th September 2019 to 30th September 2019

10.4 Listing on Stock Exchanges

Name of the stock exchange	Stock Code
Name of the stock exchange BSE Limited	516062
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	
Calcutta Stock Exchange Ltd	24067
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

10. General shareholder information

10.1 Annual General Meeting

Date: 30th September 2019

Time: 4:00 P.M

The Company confirms that it has paid annual listing fee to BSE Limited, Mumbai, for the year starting from 1st April 2018 to 31st March, 2019.

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 Share Transfer Agents is given below:

M/s. Maheshwari Datamatics Private Limited
23, R.N. Mukherjee Road, 5th Floor,
Kolkata- 700001.
Phone: (033) 2243-5809/5029
E-mail : 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 10 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 Secretarial Audit report is also placed before the Board from time to time.

10.7 Distribution of Shareholding as on 31st March, 2019

No. of Equity Shares Held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholders
Up to 500	4,732	89.27%	9,69,070	3.93%
501 to 1000	266	5.02%	2,30,588	0.94%
1001 to 2000	133	2.51%	2,10,962	0.86%
2001 to 3000	31	0.58%	78,021	0.32%
3001 to 4000	10	0.19%	35,650	0.14%
4001 to 5000	10	0.19%	48,100	0.20%
5001 to 10000	29	0.55%	2,25,791	0.92%
Above 10000	90	1.70%	2,28,44,668	92.70%
TOTAL	5,301	100.00%	2,46,42,750	100.00%

10.8 Dematerialization of shares and liquidity

95.55% of the equity shares have been dematerialized as on 31st March, 2019. The shares of the Company can be dematerialized by the shareholders either with National Securities Depository Limited (NSDL) or 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. In Hosur: Thally Road, Kalukondapally, Hosur – 645 114, Tamil Nadu
2. In Margherita: Makum Pathar, Margherita - 786 187, 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 was one instance of non-compliance due to late submission of the Statement on Investor Complaints in the quarter ending December 2019, for which a fine of ₹9,440/- was imposed by the Stock Exchange. Barring this, there have been no other instances of non-compliance nor have any penalties or strictures been imposed by 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 Vigil Mechanism/Whistle Blower Policy and the same can be viewed under Codes and Policies in the Investor Relations tab of the Company's website, www.nationalplywood.net
- 11.5 During the financial year ended 31st March, 2019, the Company has fully complied with the mandatory requirements as stipulated in the 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, 2019 the Company did not engage in commodity hedging activities.
- 11.8 There has been no instance of non-compliance of any requirement of the Corporate Governance report.

11.9 Adoption of non-mandatory requirements:

1. The Board

There is no Non-Executive Chairman of the Company

2. Audit Qualifications

During the year under review there was no audit qualification in the Auditors' Report on the Company's financial statements.

3. Separate posts of Chairman and Managing Director

The posts of the Chairman of the Company and Managing Director are held by same person.

- 11.10 The Company has fully complied with the applicable requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations.

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

The Company has formulated a "Code of Conduct to regulate, monitor and report trading by Insiders" in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, with a view to regulate trading in securities by the Directors and designated employees of the Company. Pursuant to the amendments in said regulations, effective from 1st April, 2019 and in light of its impact on the compliance and disclosures pertaining to prohibition of Insider Trading, this Code was amended by the Board

of Directors of the Company and renamed as the 'Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons'. The code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautions on the consequences of non-compliances.

The Company has also adopted a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. This Code lays down principles and practices to be followed by the Company with respect to adequate and timely disclosure of unpublished price sensitive information.

The same can be viewed under Codes and Policies in the Investor Relations tab of the Company's website, www.nationalplywood.net.

14. Disclosure of accounting treatment

The Company has adopted Indian Accounting Standards (Ind AS), with effect from 1 April 2017 and a transition date of 1 April 2016, pursuant to the notification issued by the 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, other relevant provisions of the Act, and other accounting principles generally accepted in India.

The financial statements for the year ended 31st March, 2019 are prepared under Ind AS.

For and on behalf of the Board

PIYUSH PERIWAL

Chairman & Managing Director

DIN: 00698796

Date : 30th May, 2019



Annexure – 6

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, 2019, and, to the best of our knowledge and belief, I state that:
 - (i) These statements do not contain any materially untrue statement, 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 acts, 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, 2019, 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 state that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting 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 along with 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, 2019
 - (ii) Significant changes, if any, in accounting policies made during the during the financial year ended 31st March, 2019, 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 with a significant role in the Company's internal control system over financial reporting

Place: Kolkata
Date : 30th May, 2019

Sd/-
P. PERIWAL
Chairman & Managing Director
DIN: 00698796

Annexure – 7

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, 2019, 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, to the best of our information and in accordance with 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 L.N. Malik & CO.
Chartered Accountants
(F.R. No.051992NE)

Place: Kolkata
Date: 30th May, 2019.

L.N. Malik
Partner
(Membership No. 010423)



Financial Section

Independent Auditor's Report

To the members of
National Plywood Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of National Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the

Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of uncertain tax positions</p> <p>The Company has material uncertain tax positions including matters under dispute which involve significant judgment to determine the possible outcome of these disputes.</p> <p>Refer Note 30 in the Notes of Accounts of the standalone financial statements.</p>	<p>Principal Audit Procedures</p> <p>Obtained details of completed tax assessments and demands for the year ended 31st March, 2019 from management. Additionally, we considered the effect of new information in respect of uncertain tax positions as at April 1, 2018 to evaluate whether any change was required to management's position on these uncertainties.</p>

Sr. No.	Key Audit Matter	Auditor's Response
2	<p data-bbox="184 185 373 209">Issue of Share Capital</p> <p data-bbox="184 217 529 288">During the year, the Company issued shares on preferential basis of ₹18,78,90,000</p> <p data-bbox="184 296 529 343">Refer Note 27 in the Notes of Accounts of the standalone financial statements.</p>	<p data-bbox="543 185 770 209">Principal Audit Procedures</p> <p data-bbox="543 217 954 288">We have involved our internal experts to review the Compliance of Section 42 of Companies Act 2013.</p>

Information other than the standalone financial statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditors' Report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain

professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial

statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors as on 31st March, 2019 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. **Refer Note 30.**
 - 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, required to be transferred, to the Investor Education and Protection Fund by the Company.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

For **L.N. MALIK & CO.**
Chartered Accountants
FRN: 015992N

L.N. MALIK
Partner
(Membership No.010423)

Place: New Delhi
Date: 30.05.2019

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of National Plywood Industries Limited of even date)

- i. In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.
- ii. (a) In our opinion and accordance to the information and explanations given to us, the Company is maintaining proper records of its inventories showing full particulars.
- (b) As informed to us, the inventory has been physically verified at the year end by the management and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its business.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not made any loans, investment, guarantee and security during the year which are covered under Section 185 & 186 of the Companies Act 2013, hence para 3 (iv) is not applicable.
- v. The Company has not accepted deposits from public during the year.
- vi. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities, except Provident Fund and Employees' State Insurance.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March, 2019 for a period of more than six months from the

date they became payable except, The earlier previous years dues related to TDS of ₹2,82,920, Sales Tax ₹18,80,122, Professional Tax ₹2,81,657, PF Payable ₹19,79,317 and CST ₹5,27,883/- having an arrear with appropriate authorities.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at 31st March, 2019 on account of dispute are given below:

Nature of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹)
The Income Tax Act, 1961	Income Tax	CIT(A)	A.Y. 2015-16	5,38,36,030/-
	Income Tax	High Court	A.Y. 1996-97	2,32,72,440/-

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowing to financial institutions, banks and the Government.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause 3 (ix) of the Order is not applicable to the Company.
- x. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. The Company is not a Nidhi Company and hence reporting under Clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with

the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

- xiv. During the year, the Company has made preferential allotment or private placement of shares and as per information explanation given to us, the Company has complied the requirements of Section 42 of Companies Act 2013 and the amount raised have been used for the purpose for which the funds was raised. Further the Company has not issued any fully or partly paid convertible debentures
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For L.N. MALIK & CO.
Chartered Accountants
FRN: 015992N

L.N. MALIK
Partner

Place: New Delhi
Date: 30.05.2019

(Membership No.010423)

Annexure “B” to the Independent Auditor's Report

(Referred to in Paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of National Plywood industries Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of NATIONAL PLYWOOD INDUSTRIES LIMITED (“the Company”) as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable

to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in

reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For L.N. MALIK & CO.
Chartered Accountants
FRN: 015992N

L.N. MALIK
Partner

Place: New Delhi
Date: 30.05.2019

(Membership No.010423)

Balance Sheet as on 31st March, 2019

(Amount in ₹)

Particulars	Notes	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Assets				
Non-Current Assets				
Property, Plant & Equipment	2	4,20,94,512	4,37,16,752	4,85,93,376
Capital WIP	2	10,00,000	-	-
Goodwill	2	6,74,10,000	6,74,10,000	6,74,10,000
Financial Assets				
Investment	3	1,00,000	1,00,000	1,05,000
Loans	4	1,49,68,148	1,48,89,529	1,49,54,575
Other Non Current Assets	5	2,79,43,095	1,65,05,825	1,66,25,196
		15,35,15,755	14,26,22,106	14,76,88,147
Current Assets				
Inventories	6	6,88,63,951	6,83,05,079	8,14,20,484
Financial Assets				
Trade Receivables	7	15,05,07,217	21,71,75,369	24,32,90,230
Other Financial Assets	8	99,50,796	1,37,88,663	93,18,454
Cash & Cash Equivalents	9	2,41,15,242	78,15,021	27,63,553
Current Tax Assets (Net) (Net of Provision for Income Tax)		-	-	-
Other Current Assets	10	1,19,41,062	57,62,099	29,71,246
		26,53,78,268	31,28,46,231	33,97,63,967
Total Assets		41,88,94,023	45,54,68,337	48,74,52,114
Equity and Liabilities				
Equity				
Equity Share Capital	11	24,64,27,500	5,85,37,500	5,85,37,500
Other Equity	12	(31,98,75,319)	(45,60,68,100)	(46,04,27,368)
		(7,34,47,819)	(39,75,30,600)	(40,18,89,868)
Non-Current Liabilities				
Financial Liabilities:				
Borrowings	13	10,77,42,180	9,67,95,566	12,62,45,618
Provisions	14	3,45,95,749	19,66,62,708	14,04,62,708
Deferred Tax liabilities		2,98,655	-	-
Other Non Current Liabilities		-	-	-
		14,26,36,584	29,24,58,274	26,67,08,326
Current Liabilities				
Financial Liabilities				
Trade payable	15	17,19,65,112	35,55,80,422	42,55,32,445
Borrowings	16	-	54,05,718	55,13,910
Other Financial Liabilities	17	48,23,785	59,41,084	51,00,157
Other Current Liabilities	18	17,09,97,207	19,36,13,440	18,64,87,144
Provisions				
Current Tax Liabilities	19	19,19,157	-	-
		34,97,05,261	56,05,40,664	62,26,33,656
Total Equity & Liabilities		41,88,94,023	45,54,68,337	48,74,52,114
Significant Accounting Policies and Additional Notes On Accounts	1			

The Notes referred to above form an integral part of the Balance Sheet in terms of our attached report of even date.

On behalf of the Board

FOR L.N. MALIK & CO.
FRN: 051992N
Chartered Accountants

Piyush Periwal
Chairman & Managing Director
DIN: 00698796

Shruti Bothra
Company Secretary

(L.N. MALIK)
Partner
Membership No. 010423

Abhijit Sarkar
Independent Director
DIN: 00972165

Alok Lakhotia
Chief Financial Officer

Place: New Delhi
Dated: 30.05.2019



Statement of Profit & Loss for the year ended 31st March, 2019

(Amount in ₹)

Particulars	Notes	For the year ended 31.03.2019	For the year ended 31.03.2018
I Income			
Income from operation	20	39,82,49,848	42,16,38,739
Other income	21	1,31,57,337	2,20,33,000
Total Income		41,14,07,185	44,36,71,739
II Expenses:			
Cost of materials consumed	22	3,57,36,697	9,67,00,845
Excise duty		-	46,79,828
Purchase of stock-in trade		27,51,58,447	24,10,55,973
Changes in inventory of finished goods, wip, stock in trade	23	17,19,876	58,74,593
Employees benefit expenses	24	1,70,65,250	3,17,25,572
Finance costs	25	19,85,037	25,75,804
Depreciation and amortisation expenses	2	32,96,251	57,14,229
Other expenses	26	6,70,07,100	5,09,85,627
Total Expenses		40,19,68,658	43,93,12,471
III Profit/(Loss) before exceptional items and tax (I - II)		94,38,527	43,59,268
IV Exceptional items			
(a) Provision for impairment on investments and cost associated with closure of operations of a subsidiary		-	-
(b) Provision for impairment of investment in a subsidiary		-	-
(c) Impairment of capitalised property, plant and other intangible assets		-	-
(d) Employee separation cost		-	-
(e) Others		-	-
Total Exceptional items		-	-
V Tax expenses/(credit) (net)			
(a) Current tax		19,43,091	-
(b) Deferred tax		2,98,655	-
Total Tax Expenses / (Credit)		22,41,746	-
VI Profit/(Loss) for the year (III - IV - V)		71,96,781	43,59,268
VII Other comprehensive income/(loss)			
A (i) Items that will not be reclassified to profit or loss			
(a) Remeasurement gains (and losses) on defined benefit obligations (net)		-	-
(b) Equity instruments fair value through other comprehensive income		-	-
(ii) Income tax (expenses)/credit relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss- gains (and losses) in cash flow hedges		-	-
(ii) Income tax (expenses)/credit relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss), net of taxes		-	-
VIII Total comprehensive income/(loss) for the year (VI-VII)		71,96,781	43,59,268
IX Earnings per equity share (EPS)	29		
Ordinary shares (face value of ₹10 each)			
(i) Basic		0.45	0.74
(ii) Diluted		0.36	0.74
Significant Accounting Policies and Additional Notes on Accounts	1		

The Notes referred to above form an integral part of the Balance Sheet in terms of our attached report of even date.

	On behalf of the Board	
FOR L.N. MALIK & CO.	Piyush Perwal	Shruti Bothra
FRN: 051992N	Chairman & Managing Director	Company Secretary
Chartered Accountants	DIN: 00698796	
(L.N. MALIK)	Abhijit Sarkar	Alok Lakhotia
Partner	Independent Director	Chief Financial Officer
Membership No. 010423	DIN: 00972165	
Place: New Delhi		
Dated: 30.05.2019		

Statement of Cash Flow for the year ended 31st March, 2019

(Amount in ₹)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	94,38,527	43,59,268
Add:		
Depreciation & amortization expense	32,96,251	57,14,229
Finance cost	19,85,037	25,75,804
Interest income	(3,18,917)	(82,632)
Profit on sale of land	(50,00,000)	-
Profit on sale of shares	-	(33,000)
Lease rent	(5,04,240)	(5,02,740)
Office maintenance charges	(2,16,000)	(2,25,000)
Operating Profit before Working Capital Changes	86,80,658	1,18,05,929
Adjustments for:		
Increase/(decrease) in trade payable	(18,36,15,310)	(6,99,52,023)
Increase/(decrease) in financial borrowings (current)	(54,05,718)	(1,08,192)
Increase/(decrease) in other financial liabilities	(11,17,299)	8,40,927
Increase/(decrease) in other current liabilities	(2,26,16,233)	71,26,296
Increase/(decrease) in current tax liabilities	19,19,157	-
Decrease/(increase) in trade receivables	6,66,68,152	2,61,14,861
Decrease/(increase) in inventories	(5,58,872)	1,31,15,405
Decrease/(increase) in other financial assets	38,37,867	(44,70,209)
Decrease/(increase) in other current assets	(61,78,963)	(27,90,853)
Cash Generated from Operations	(13,83,86,561)	(1,83,17,858)
Tax paid	22,41,746	-
Net Cash Flow from Operating Activities	(14,06,28,307)	(1,83,17,858)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(26,74,011)	(8,37,605)
Lease rent received	5,04,240	5,02,740
Office maintenance charges received	2,16,000	2,25,000
Interest received	3,18,917	82,632
Sale of land	50,00,000	-
Sale of shares	-	38,000
Net Cash used in Investing Activities	33,65,146	10,767



Statement of Cash Flow for the year ended 31st March, 2019

(Amount in ₹)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share warrants	1,74,25,000	-
Proceeds from issue of share capital	29,94,61,000	-
Interest paid to bank	(5,03,656)	(6,91,808)
Interest paid to others	(14,81,381)	(18,83,996)
Increase/(decrease) in financial borrowings (non-current)	1,09,46,614	(2,94,50,052)
Increase/(decrease) in provisions	(16,10,66,959)	5,52,00,000
Increase/(decrease) in deferred tax liabilities	2,98,655	-
Decrease/(increase) in other non-current assets	(1,14,37,270)	1,19,371
Decrease/(increase) in financial loan assets (non-current)	(78,619)	65,046
Net Cash used in Financing Activities	15,35,63,384	2,33,58,561
Net increase in cash & cash equivalents	1,63,00,221	50,51,468
Add: opening cash and cash equivalents	78,15,021	27,63,553
Closing Cash and Cash Equivalents	2,41,15,242	78,15,021
Statement of Cash and Cash Equivalent	31-Mar-19	31-Mar-18
Cash in hand	2,14,05,611	57,79,127
Balance at bank	27,09,631	20,35,894
	2,41,15,242	78,15,021

The Notes referred to above form an integral part of the Balance Sheet in terms of our attached report of even date.

FOR L.N. MALIK & CO.
FRN: 051992N
Chartered Accountants

(L.N. MALIK)
Partner
Membership No. 010423

Place: New Delhi
Dated: 30.05.2019

On behalf of the Board

Piyush Periwal
Chairman & Managing Director
DIN: 00698796

Abhijit Sarkar
Independent Director
DIN: 00972165

Shruti Bothra
Company Secretary

Alok Lakhotia
Chief Financial Officer

Statement of Changes in Equity for the year ended 31 st March, 2019

(A) EQUITY SHARE CAPITAL

Particulars	Number	Amount (₹)
Equity Shares of ₹10/- each issued, subscribed and fully paid up		
Balance as at 1st April, 2017	58,53,750	5,85,37,500
Add/(Less): Changes in equity share capital during the year	-	-
Balance as at 31st March, 2018	58,53,750	5,85,37,500
Add: Issue of equity shares during the year	1,87,89,000	18,79,90,000
Balance as at 31st March, 2019	2,46,42,750	24,64,27,500

(B) OTHER EQUITY

Particulars	Reserve & Surplus					Total			
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Investment Allowance Reserve		Capital Subsidy	Govt. Grant	Share Warrants
Balance as at 1st April, 2017	3,07,55,905	2,03,65,000	8,50,00,000	(60,09,16,103)	8,67,830	15,00,000	20,00,000	-	(46,04,27,368)
Profit for the year				43,59,268					43,59,268
Other comprehensive income (net of tax)									
Total comprehensive income for the year									
Transfer from retained earnings									
Depreciation adjustment									
Balance as at 31st March, 2018	3,07,55,905	2,03,65,000	8,50,00,000	(59,65,56,835)	8,67,830	15,00,000	20,00,000	-	(45,60,68,100)
Securities premium received on issue of equity shares and share warrants		11,87,46,000							11,87,46,000
Issue of share warrants								1,02,50,000	1,02,50,000
Profit for the year				71,96,781					71,96,781
Other comprehensive income (net of tax)									
Total comprehensive income for the year									
Transfer from retained earnings									
Balance as at 31st March, 2019	3,07,55,905	13,91,11,000	8,50,00,000	(58,93,60,054)	8,67,830	15,00,000	20,00,000	1,02,50,000	(31,98,75,319)

The Notes referred to above form an integral part of the Balance Sheet in terms of our attached report of even date.

FOR L.N. MALIK & CO.

On behalf of the Board

Piyush Perwal

Chairman & Managing Director

DIN: 00698796

Shruti Bothra

Company Secretary

Abhijit Sarkar

Independent Director

DIN: 00972165

Alok Lakhota

Chief Financial Officer

Chartered Accountants

(L.N. MALIK)

Partner (Mem.: 010423)

Place: New Delhi Dated: 30.05.2019



Notes forming part of Financial Statements for the year ended 31st March, 2019

1.1 Corporate Information

National Plywood Industries Ltd. (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956, having its Registered Office at Makum Pathar, Margherita - 786 187, District - Tinsukia, Assam. Its shares are listed on BSE Limited & CSE Limited. The Company is primarily engaged in manufacturing and sale of plywood, laminates & other allied products. The Company presently has manufacturing facilities near Margherita (Assam) & Hosur (Tamil Nadu).

1.2 Significant accounting policies

A Basis of accounting and preparation of financial statements

The financial statements for the year ended 31st March, 2019 have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements have been prepared on an accrual basis and under the historical cost convention except for certain financial assets measured at fair value.

B Use of estimates

The preparation of financial statements in conformity with Indian 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

On transition to Ind AS, the Company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment at fair value. Consequently the fair value has been assumed to be deemed cost of Property, Plant and Equipment on the date of transition. Subsequently Property, Plant and Equipment are carried at cost less accumulated depreciation and accumulated losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Property, Plant and Equipment acquired after the transition date are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Subsequent expenditures relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the

Notes forming part of Financial Statements for the year ended 31st March, 2019

costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the Statement of Profit and Loss.

D Depreciation

Depreciation on Buildings, Plant & Machinery and Other Assets is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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 an 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 costs and related production overheads up to the relevant stage of completion, Purchased finished goods are valued at cost of purchase.

H Revenue recognition

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

I Interest Income

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

J Foreign currency transactions

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

K Provident Fund

Contribution towards Provident Fund for certain employees is made to the regulatory authorities, Where the Company has no further obligation.



Notes forming part of Financial Statements for the year ended 31st March, 2019

L 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.

M 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 shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

N Taxation

Tax expenses comprise of current and deferred taxes.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

Notes forming part of Financial Statements for the year ended 31st March, 2019

O 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.

P 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.

Q Provisions

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on best estimates 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 Financial Statements for the year ended 31st March, 2019

2. Schedule of Fixed Assets as on 31st March 2019

Description of Assets	Grose Block				Accumulated Depreciation				Netblock		
	As at 01.04.2017	Additions	With-drawals and Adjust-ments	As at 31.03.2018	For the year	Up to 31.03.2018	On With-drawals and Adjust-ments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
2A. Property, Plant and Equipment											
Land	42,29,035	-	-	42,29,035	-	-	-	-	42,29,035	42,29,035	42,29,035
Buildings	1,14,45,096	-	-	1,14,45,096	13,96,812	13,96,812	-	26,00,290	88,44,806	1,00,48,284	1,14,45,096
Plant & machinery	3,12,15,884	7,01,363	-	3,19,17,247	39,33,440	39,33,440	18,13,408	57,46,848	2,74,70,393	2,79,69,807	3,12,15,884
Vehicles	26,652	-	-	26,652	10,033	10,033	-	10,033	16,619	16,619	26,652
Electric fittings	12,33,449	-	-	12,33,449	1,94,220	1,94,220	1,97,916	3,92,136	8,41,313	10,39,229	12,33,449
Furniture & fixtures	1,99,391	39,596	-	2,38,987	21,187	21,187	3,998	25,185	3,10,412	2,17,600	1,99,391
Office equipments	1,21,731	31,340	-	1,53,071	74,337	74,337	677	75,014	1,78,057	78,734	1,21,731
Computers	77,803	65,305	-	1,43,109	74,330	74,330	72,761	1,47,091	1,22,028	68,779	77,803
Air conditioners	44,335	-	-	44,335	9,870	9,870	4,013	13,883	81,849	34,465	44,335
Total	4,85,93,376	8,37,605	-	4,94,30,981	57,14,229	57,14,229	32,96,251	90,10,480	4,20,94,512	4,37,16,752	4,85,93,376
2B. Capital Work in Progress											
Total	-	-	-	10,00,000	-	-	-	-	10,00,000	-	-
2C. Intangible Assets											
Brand goodwill	6,74,10,000	-	-	6,74,10,000	-	-	-	-	6,74,10,000	6,74,10,000	6,74,10,000
Total	6,74,10,000	-	-	6,74,10,000	-	-	-	-	6,74,10,000	6,74,10,000	6,74,10,000
Grand Total	11,60,03,376	8,37,605	-	11,68,40,981	26,74,011	26,74,011	32,96,251	90,10,480	11,05,04,512	11,11,26,752	11,60,03,376

Notes forming part of Financial Statements for the year ended 31st March, 2019

3. Investments (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Investments (refer below)			
Investment in equity instruments	1,00,000	1,00,000	1,05,000
Total	1,00,000	1,00,000	1,05,000

Details of Investments (Amount in ₹)

Name of the Body	No. of Shares			Amount (₹)		
	2019	2018	2017	2019	2018	2017
Corporate						
Investment in Equity Instruments						
Unquoted, Fully Paid-Long Term Investments						
Periwal Plastics Pvt Ltd of ₹100 each	1,000	1,000	1,000	1,00,000	1,00,000	1,00,000
Assam Petro Chemicals Ltd of ₹10 each	-	-	500	-	-	5,000
Total	1,000	1,000	1,500	1,00,000	1,00,000	1,05,000

4. Loans (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Unsecured Considered Good			
Security deposits	1,49,68,148	1,48,89,529	1,49,54,575
Total	1,49,68,148	1,48,89,529	1,49,54,575

5. Other Non Current Assets (Amount in ₹)

Advances other than Capital Advances	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other advances	2,79,43,095	1,65,05,825	1,66,25,196
Total	2,79,43,095	1,65,05,825	1,66,25,196

6. Inventories (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Raw material	5,04,35,270	4,72,25,378	5,58,31,270
Finished goods	1,40,64,524	1,57,84,400	2,16,58,993
Finished goods-in-transit	-	6,45,798	-
Stores & spare parts	43,64,157	46,49,503	39,30,221
Total	6,88,63,951	6,83,05,079	8,14,20,484

Notes forming part of Financial Statements for the year ended 31st March, 2019

7. Trade Receivables

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Unsecured, considered good	15,05,07,217	21,71,75,369	24,32,90,230
Doubtful	-	-	-
Less: allowance for bad debts	-	-	-
Total	15,05,07,217	21,71,75,369	24,32,90,230

8. Other Financial Assets

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other financial assets	99,50,796	1,37,88,663	93,18,454
Total	99,50,796	1,37,88,663	93,18,454

9. Cash and Cash Equivalents

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash in hand	2,14,05,611	57,79,127	18,59,135
Balance with bank	27,09,631	20,35,894	9,04,418
Total	2,41,15,242	78,15,021	27,63,553

10. Other Current Assets

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advances other than Capital Advances			
Other advances	1,19,41,062	57,62,099	29,71,246
Total	1,19,41,062	57,62,099	29,71,246

Notes forming part of Financial Statements for the year ended 31st March, 2019

11. Share Capital

(Amount in ₹)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Number	Amount (₹)	Number	Amount (₹)	Number	Amount (₹)
Authorised						
30,000,000 (previous year 25,000,000)						
Equity shares of ₹10/- each.	3,00,00,000	30,00,00,000	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Total	3,00,00,000	30,00,00,000	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
Issued, Subscribed & Fully Paid up						
Equity shares of ₹10/- each.	2,46,42,750	24,64,27,500	58,53,750	5,85,37,500	58,53,750	5,85,37,500
Total	2,46,42,750	24,64,27,500	58,53,750	5,85,37,500	58,53,750	5,85,37,500

A) The Reconciliation of the Number of Shares Outstanding and the Amount of Share Capital:

(Amount in ₹)

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	Number	Amount (₹)	Number	Amount (₹)	Number	Amount (₹)
Shares outstanding at the beginning of the year	58,53,750	5,85,37,500	58,53,750	5,85,37,500	58,53,750	5,85,37,500
Shares Issued during the year	1,87,89,000	18,78,90,000	-	-	-	-
Shares outstanding at the end of the year	2,46,42,750	24,64,27,500	58,53,750	5,85,37,500	58,53,750	5,85,37,500

B) Rights, Preferences and Restrictions Attached to Shares

Equity Shares

The Company has one class of equity shares having a par value of ₹10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C) Details of Shares held by Shareholders holding more than 5% of the Aggregate Shares of the Company

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding	No. of Equity Shares held	% of Holding
Chandrakanta Periwal	20,28,543	8.23%	6,93,340	11.84%	5,64,650	9.65%
Madhulika Periwal	13,75,340	5.58%	3,66,540	6.26%	3,43,240	5.86%
Piyush Kumar Periwal	28,92,455	11.74%	3,22,575	5.51%	3,22,575	5.51%
Madhu Vadera Jayakumar	15,00,000	6.09%	-	-	-	-
Mtitanium Apartments Private Limited	15,00,000	6.09%	-	-	-	-
Amrex Marketing Pvt Ltd	-	-	-	-	5,98,740	10.23%
Chirag Vinimay Pvt. Ltd.	4,00,000	1.62%	4,00,000	6.83%	4,00,000	6.83%
Mahendra Giridharilal	2,90,775	1.18%	3,06,000	5.23%	3,06,000	5.23%
Total	99,87,113	40.53%	20,88,455	35.68%	25,35,205	43.31%

Notes forming part of Financial Statements for the year ended 31st March, 2019

12. Other Equity			(Amount in ₹)
Borrowings	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
General Reserve			
Opening balance	8,50,00,000	8,50,00,000	8,50,00,000
Add/(less): Changes during the year	-	-	-
Closing balance	8,50,00,000	8,50,00,000	8,50,00,000
Capital Reserve			
Opening balance	3,07,55,905	3,07,55,905	3,07,55,905
Add/(less): Changes during the year	-	-	-
Closing balance	3,07,55,905	3,07,55,905	3,07,55,905
Investment Allowance Reserve			
Opening balance	8,67,830	8,67,830	8,67,830
Add/(less): Changes during the year	-	-	-
Closing balance	8,67,830	8,67,830	8,67,830
Securities Premium			
Opening balance	2,03,65,000	2,03,65,000	2,03,65,000
Add: Securities premium received on issue of Equity Shares and Share warrants	11,87,46,000	-	-
Closing balance	13,91,11,000	2,03,65,000	2,03,65,000
Capital Subsidy			
Opening balance	15,00,000	15,00,000	15,00,000
Add/(less): Changes during the year	-	-	-
Closing balance	15,00,000	15,00,000	15,00,000
Government Grant			
Opening balance	20,00,000	20,00,000	20,00,000
Add/(less): Changes during the year	-	-	-
Closing balance	20,00,000	20,00,000	20,00,000
Share Warrants			
Opening balance	-	-	-
Add: Issue of Share Warrants during the year	1,02,50,000	-	-
Closing balance	1,02,50,000	-	-
Retained earnings			
Opening balance	(59,65,56,835)	(60,09,16,103)	(60,09,16,103)
Add: Profit for the year	71,96,781	43,59,268	-
Closing balance	(58,93,60,054)	(59,65,56,835)	(60,09,16,103)
Total	(31,98,75,319)	(45,60,68,100)	(46,04,27,368)

Notes forming part of Financial Statements for the year ended 31st March, 2019

13. Borrowings (non-current) (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Unsecured			
From sundry parties	10,77,42,180	9,67,95,566	12,62,45,618
Total	10,77,42,180	9,67,95,566	12,62,45,618

14. Provisions (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other Provisions			
Sales tax deferred scheme	3,45,95,749	3,45,95,749	3,45,95,749
Other provisions	-	16,10,66,959	10,58,66,959
Total	3,45,95,749	19,56,62,708	14,04,62,708

15. Trade Payables (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade Payables			
For goods	15,59,76,299	34,16,79,728	41,35,17,084
For expenses	1,59,88,813	1,39,00,694	1,20,15,361
Total	17,19,65,112	35,55,80,422	42,55,32,445

16. Borrowings (current) (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Secured Loans			
From banks	-	54,05,718	55,13,910
Total	-	54,05,718	55,13,910

17. Other Financial Liabilities (Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other Financial Liabilities			
Expenses payable	48,23,785	59,41,084	51,00,157
Total	48,23,785	59,41,084	51,00,157



Notes forming part of Financial Statements for the year ended 31st March, 2019

18. Other Current Liabilities

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other Current Liabilities			
Statutory dues payable	42,41,647	1,77,39,236	1,13,87,792
Advance from customers	16,67,55,560	17,58,74,204	17,50,99,352
Total	17,09,97,207	19,36,13,440	18,64,87,144

Statutory Dues Payable

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
CST payable	5,27,883	5,50,872	9,75,355
Entry tax	(2,657)	(2,657)	31,245
ESIC payable	4,15,106	7,11,136	3,16,751
Excise duty payable	-	16,32,006	23,11,185
GST receivable	(11,28,602)	79,34,491	-
KST payable	-	4,35,364	4,35,364
OST payable	5,093	5,093	5,092
PF payable	19,79,317	40,13,849	37,65,361
Professional tax payable	2,81,657	2,62,702	1,33,539
Sales tax	18,80,122	18,80,122	25,45,993
Service tax payable	-	-	2,89,095
TDS payable	2,82,920	3,15,450	2,12,479
VAT payable	808	808	3,66,333
Total	42,41,647	1,77,39,236	1,13,87,792

19. Current Tax Liabilities

(Amount in ₹)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Current Tax Liabilities			
Provision for Income Tax	19,43,091	-	-
Less: TDS A.Y. 2019-20	23,934	-	-
Total	19,19,157	-	-

20. Revenue From Operations

(Amount in ₹)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Sale of products (including excise duty)	39,82,49,848	42,16,38,739
Less: duties and taxes, freight recovered other than excise duty	-	-
Total	39,82,49,848	42,16,38,739

Notes forming part of Financial Statements for the year ended 31st March, 2019

21. Other Income		(Amount in ₹)	
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018	
Interest income	3,18,917	82,632	
Insurance claim	11,86,713	16,98,578	
Self credit	-	4,44,595	
Profit on sale of land	50,00,000	-	
Profit on sale of shares	-	33,000	
Liability write off	58,72,225	1,86,26,988	
Foreign exchange fluctuation	58,942	1,21,060	
Lease rent	5,04,240	5,02,740	
Input on stock adjustment	-	2,87,442	
Miscellaneous income	300	10,965	
Office maintenance charges	2,16,000	2,25,000	
Total	1,31,57,337	2,20,33,000	

22. Cost of Material Consumed		(Amount in ₹)	
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018	
Opening stock	4,71,63,878	5,56,31,270	
Add: Labour	10,27,345	2,32,44,037	
Add: Purchases	3,79,19,244	7,15,79,135	
Less: Sales	-	65,89,719	
Less: Closing stock	5,03,73,770	4,71,63,878	
Total	3,57,36,697	9,67,00,845	

23. Changes in Inventory of Finished Goods, WIP, Stock in Trade		(Amount in ₹)	
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018	
Opening Stock			
Finished goods	1,57,84,400	2,16,58,993	
Stock in process	-	-	
Less: Closing Stock			
Finished goods	1,40,64,524	1,57,84,400	
Stock in process	-	-	
Total	17,19,876	58,74,593	

Notes forming part of Financial Statements for the year ended 31st March, 2019

24. Employees Benefits Expenses

(Amount in ₹)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries & wages, bonus	1,36,45,051	2,86,33,459
Director's remuneration	21,00,000	18,87,000
Contribution to provident & other funds	6,75,864	9,74,323
Staff welfare	72,811	17,018
Gratuity	4,02,212	-
Earned leave	1,69,312	2,13,772
Total	1,70,65,250	3,17,25,572

25. Finance Costs

(Amount in ₹)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Bank	5,03,656	6,91,808
Other	14,81,381	18,83,996
Total	19,85,037	25,75,804

26. Other Expenses

(Amount in ₹)

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Advertisement, publicity and sales promotion	6,72,349	13,50,895
Advisory fees	1,00,00,000	-
Auditors remuneration	1,00,000	35,000
Charity and donation	25,480	18,500
Communication expenses	2,32,409	5,45,913
Filing, depository & voting charges	5,54,987	3,52,485
Import clearing charges	2,77,663	84,228
Insurance	3,50,455	3,62,646
Legal and professional fees	20,67,061	15,57,078
Misc expenses	19,00,846	51,52,909
Packing & forwarding expenses	2,96,754	8,31,081
Postage & telegram	3,21,119	2,92,167
Power & fuel	88,24,416	1,17,88,296
Printing & stationery	3,64,979	2,33,690
Processing charges	1,32,000	-
Rates & taxes	13,07,581	6,31,252
Rebate & discount	2,64,735	3,21,942
Rent	30,33,326	25,26,053
Repairs & maintenance - machinery	-	66,605

Notes forming part of Financial Statements for the year ended 31st March, 2019

26. Other Expenses (Contd.)		(Amount in ₹)	
Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018	
Repairs & maintenance - property	3,25,484	-	
Repairs & maintenance - others	5,66,835	5,85,556	
Revocation & listing fees	35,40,500	-	
Store and spare parts consumed	39,86,684	50,33,720	
Sundry balance w/o	2,921	17,446	
Transport & freight	2,54,07,057	1,43,37,535	
Travelling & conveyance	22,42,383	17,76,469	
Sampling expenses	2,09,076	30,62,901	
Service tax on freight	-	21,260	
Total	6,70,07,100	5,09,85,627	

27. Issue of Shares

In terms of "Listing approval" granted on 10th October, 2018, the Board of Directors of the Company at their meeting held on 14th September, 2018 has allotted 1,87,89,000 equity shares to promoters and/or other than promoters on preferential basis in accordance with provisions specified under Chapter VII of SEBI (ICDR) Regulations, 2009.

Authorised share capital of the Company has increased from ₹25 crores to ₹30 crores vide approval received from the shareholders by creation of 50.00 lakh equity shares of ₹10/- each in the EGM held on 23rd August, 2018.

The Company allotted equity shares and warrants in different categories as per approval received from the shareholders, BSE and other Statutory Authorities.

Particulars	No. of shares	Rate @ ₹ per Share	Value (₹)
Allotment of equity shares for conversion of loan	48,82,000	15	7,32,30,000
Allotment of equity shares for consideration other than cash	50,94,000	15	7,64,10,000
Allotment of shares for cash	88,13,000	17	14,98,21,000
Total	1,87,89,000		29,94,61,000

Notes forming part of Financial Statements for the year ended 31st March, 2019

Particulars	No. of Warrants	Rate @ ₹ per Warrant	Amount paid @ ₹4.25	Amount due (₹)
Warrants (convertible into equity shares on or before the expiry of 18 months from the date of allotment of the warrants)	41,00,000	17	1,74,25,000	5,22,75,000

28. Disclosures as per (Ind AS)- 24 - Related Party Disclosures

(a) Related Parties and their relationships

(i) Related Companies and Other Entities

M/s JSVM Plywood Industries Limited

M/s Platinum Plywood Private Limited

M/s Narottam Investments & Trading Company Limited

M/s National Boards Limited

M/s Hazarimal Laxminarayan

(ii) Key Managerial Personnel

Piyush Periwal (Chairman & Managing Director)

Vinod Kumar Sharma (Executive Director)

Malvika Periwal (Woman Director)

Stuti Periwal (Business Development Manager)

Shruti Bothra (Company Secretary)

Alok Lakhota (Chief Financial Officer)

(iii) Relatives of Key Managerial Personnel

Madhulika Periwal (Wife of Piyush Periwal)

Chandrakanta Periwal (Mother of Piyush Periwal)

Akshaye Periwal (Son of Piyush Periwal)

Kalpna Chandak (Sister of Piyush Periwal)

Divya Agarwal (Sister of Piyush Periwal)

Notes forming part of Financial Statements for the year ended 31st March, 2019

Sl.	Nature of Transactions	Type of Related Party	Amount (₹)
1	Purchase of Raw Materials & Finished Goods		
	M/s JSVM Plywood Industries Limited	Related Companies and Other Entities	25,12,04,295.00
2	Sale of Raw Materials & Finished Goods		
	M/s Platinum Plywood Private Limited	Related Companies and Other Entities	19,57,35,946.00
3	Lease Rent Income Receivable		
	M/s JSVM Plywood Industries Limited	Related Companies and Other Entities	3,67,032.00
	M/s Platinum Plywood Private Limited	Related Companies and Other Entities	1,80,120.00
	M/s National Boards Limited	Related Companies and Other Entities	40,776.00
4	Director Remuneration		
	Piyush Periwal (Chairman & Managing Director)	Key Managerial Personnel	18,00,000.00
	Vinod Kumar Sharma (Executive Director)	Key Managerial Personnel	3,00,000.00
5	Salary		
	Shruti Bothra (Company Secretary)	Key Managerial Personnel	1,34,538.00
	Stuti Periwal (Business Development Manager)	Key Managerial Personnel	5,50,000.00
6	Issue of Shares		
	M/s Hazarimal Laxminarayan	Related Companies and Other Entities	3,49,09,995.00
	M/s Narottam Investments & Trading Company Limited	Related Companies and Other Entities	18,90,000.00
	Piyush Periwal (Chairman & Managing Director)	Key Managerial Personnel	36,38,205.00
	Madhulika Periwal (Wife of Piyush Periwal)	Relatives of Key Managerial Personnel	1,51,32,000.00
	Malvika Periwal (Woman Director)	Key Managerial Personnel	1,14,01,500.00
	Stuti Periwal (Business Development Manager)	Key Managerial Personnel	10,00,005.00
	Chandrakanta Periwal (Mother of Piyush Periwal)	Relatives of Key Managerial Personnel	1,85,52,495.00
	Akshaye Periwal (Son of Piyush Periwal)	Relatives of Key Managerial Personnel	1,01,11,500.00

Notes forming part of Financial Statements for the year ended 31st March, 2019

Sl.	Nature of Transactions	Type of Related Party	Amount (₹)
	Kalpna Chandak (Sister of Piyush Periwal)	Relatives of Key Managerial Personnel	13,48,200.00
	Divya Agarwal (Sister of Piyush Periwal)	Relatives of Key Managerial Personnel	13,48,200.00
	M/s Hazarimal Laxminarayan	Related Companies and Other Entities	3,49,09,995.00
7	Issue of Warrants		
	Madhulika Periwal (Wife of Piyush Periwal)	Relatives of Key Managerial Personnel	4,25,000.00
	Malvika Periwal (Woman Director)	Key Managerial Personnel	4,25,000.00
	Stuti Periwal (Business Development Manager)	Key Managerial Personnel	4,25,000.00
8	Advance Given		
	M/s Narottam Investments & Trading Company Limited	Related Companies and Other Entities	2,74,590.00
9	Advance Taken		
	M/s National Boards Limited	Related Companies and Other Entities	2,63,646.00
10	Loan taken		
	M/s Hazarimal Laxminarayan	Related Companies and Other Entities	1,38,36,250.00

29. Earning per Share (EPS)

In terms of Ind AS- 33 on "Earning Per Share" the calculation of EPS is given below: (Amount in ₹)

Particulars	2018-19	2017-18
Profit available for equity shareholders (₹)	71,96,781	43,59,268
Weighted average number of equity shares outstanding during the year	1,60,97,616	58,53,750
Nominal value of equity shares (₹)	10	10
Basic earnings per share (EPS) (₹)	0.45	0.74
Diluted earnings per share (EPS) (₹)	0.36	0.74

30. Disclosures as per (Ind AS)-37- Provisions, Contingent Liabilities and Contingent Assets

a) 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 appeal before 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 Appeal before Tribunal, Kolkata.

Notes forming part of Financial Statements for the year ended 31st March, 2019

b) 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 ₹182.68 lakhs (approx.) against notice dated 11/12/1985 was confirmed by the Commissioner C.Ex. on 10/10/2001. The Tribunal, Kolkata in their order dated 18th July, 2018 set aside the order passed by the Commissioner and remanded the matter for a fresh adjudication pursuant to which the liability, if any, will be determined.

c) Provident Fund

- i) Provident Fund Liabilities is being paid as per agreed stipulated terms. Necessary applications were filed with concerned authorities to waive penal interest(s), penalties, damages & other charges on the liability of the Company as on 31.03.2019. A proposal has been submitted to the P.F. authorities in Salem for an instalment of the outstanding dues and a formal confirmation is awaited. Meanwhile monthly instalments are being paid.

d) Sales Tax-Hosur, Tamil Nadu:

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

e) Enforcement Department (E.D.)

- i) The Appellate Tribunal after considering our arguments and after verifying relevant documents was pleased to waive the penalty imposed by adjudicating authority vide order dated 30th October, 2018.

f) Income Tax

- i) Disputed income of ₹2,32,72,440 for assessment year 1996-97 for which the appeal is pending at Kolkata High Court.
- ii) Disputed income of ₹5,38,36,030 for assessment year 2015-16 for which the appeal is pending at CIT(A), Kolkata

31. 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 independent 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 valuation as per the requirements of Accounting.

32. There are Micro, Small & Medium Enterprises, to whom the Company owes dues, which are outstanding as at 31st March 2019. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent that such parties have been identified on the basis of information available with the Company.

33. 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 Financial Statements for the year ended 31st March, 2019

34. Balances of some of the Trade payables 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.
35. 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.
36. The financial statements for the year ended 31st March, 2018 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, 2019 have been prepared in accordance with Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standard) Rules, 2015 and other relevant provisions of the Act. Accordingly, the previous year's figures have also been reclassified to conform to this year's notifications.
37. Figures have not been rounded off to the nearest hundreds, thousands, lakhs or millions.
38. The financial statements are approved by the Audit Committee at its meeting held on 30th May, 2019 and by the Board of Directors on the same date.
39. Balance in parties a/c whatever in Debit or in Credit are subject to confirmation.

40. First Time Adoption of Ind AS

These financial statements, for the year ended 31st March, 2019, have been prepared in accordance with Ind AS, for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with 1st April, 2017 as the transition date and IGAAP as the previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March, 2019, together with the comparative period data as at and for the year ended 31st March, 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April, 2017, the date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April, 2017 and the financial statements as at and for the year ended 31st March, 2018.

Notes forming part of Financial Statements for the year ended 31 st March, 2019

A. Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS

Particulars	Notes	As at 31.03.2018		As at 01.04.2017			
		IGAAP Amount (₹)	Adjustment Amount (₹)	IndAS Amount (₹)	IGAAP Amount (₹)	Adjustment Amount (₹)	IndAS Amount (₹)
Assets							
Non-Current Assets							
Property, Plant & Equipment	2	4,37,16,752	-	4,37,16,752	4,85,93,376	-	4,85,93,376
Capital WIP	2	-	-	-	-	-	-
Goodwill	2	6,74,10,000	-	6,74,10,000	6,74,10,000	-	6,74,10,000
Financial assets							
Investment	3	1,00,000	-	1,00,000	1,05,000	-	1,05,000
Loans	4	-	(1,48,89,529)	1,48,89,529	-	(1,49,54,575)	1,49,54,575
Other non current assets	5	4,18,60,839	2,53,55,014	1,65,05,825	4,57,54,792	2,91,29,596	1,66,25,196
Current Assets		15,30,87,591	1,04,65,485	14,26,22,106	16,18,63,168	1,41,75,021	14,76,88,147
Inventories	6	6,83,05,079	-	6,83,05,079	8,14,20,484	-	8,14,20,484
Financial assets							
Trade receivables	7	31,78,97,574	10,07,22,205	21,71,75,369	25,32,90,230	1,00,00,000	24,32,90,230
Other financial assets	8	-	(1,37,88,663)	1,37,88,663	-	(93,18,454)	93,18,454
Cash & cash equivalents	9	78,15,021	-	78,15,021	27,63,553	-	27,63,553
Current tax assets (net)		-	-	-	-	-	-
(Net of provision for Income Tax)							
Other current assets	10	21,80,599	(35,81,500)	57,62,099	32,91,081	3,19,835	29,71,246
Total Assets		39,61,98,273	8,33,52,042	31,28,46,231	34,07,65,348	10,01,381	33,97,63,967
		54,92,85,864	9,38,17,527	45,54,68,337	50,26,28,515	1,51,76,401	48,74,52,114

Notes forming part of Financial Statements for the year ended 31 st March, 2019

A. Reconciliation of Balance Sheet as previously reported under IGAAP to Ind AS (Contd.)

Particulars	Notes	As at 31.03.2018			As at 01.04.2017		
		IGAAP Amount (₹)	Adjustment Amount (₹)	IndAS Amount (₹)	IGAAP Amount (₹)	Adjustment Amount (₹)	IndAS Amount (₹)
Equity and Liabilities							
Equity							
Equity share capital	11	5,85,37,500	-	5,85,37,500	5,85,37,500	-	5,85,37,500
Other equity	12	(45,60,68,100)	-	(45,60,68,100)	(46,04,27,368)	-	(46,04,27,368)
		(39,75,30,600)	-	(39,75,30,600)	(40,18,89,868)	-	(40,18,89,868)
Non-Current Liabilities							
Financial liabilities:							
Borrowings	13	22,36,41,315	12,68,45,749	9,67,95,566	20,45,91,367	7,83,45,749	12,62,45,618
Provisions	14	16,10,66,959	(3,45,95,749)	19,56,62,708	14,48,66,959	44,04,251	14,04,62,708
Deferred tax liabilities		-	-	-	-	-	-
Other non current liabilities		-	-	-	-	-	-
		38,47,08,274	9,22,50,000	29,24,58,274	34,94,58,326	8,27,50,000	26,67,08,326
Current Liabilities							
Financial liabilities							
Trade payable	15	32,32,94,242	(3,22,86,180)	35,55,80,422	37,06,26,930	(5,49,05,515)	42,55,32,445
Borrowings	16	54,05,718	-	54,05,718	55,13,910	-	55,13,910
Other Financial liabilities	17	-	(59,41,084)	59,41,084	-	(51,00,157)	51,00,157
Other current liabilities	18	23,34,08,230	3,97,94,790	19,36,13,440	17,89,19,217	(75,67,927)	18,64,87,144
Provisions		-	-	-	-	-	-
Current tax liabilities	19	-	-	-	-	-	-
		56,21,08,190	15,67,526	56,05,40,664	55,50,60,057	(6,75,73,599)	62,26,33,656
Total Equity & Liabilities		54,92,85,864	9,38,17,527	45,54,68,337	50,26,28,515	1,51,76,401	48,74,52,114

Notes forming part of Financial Statements for the year ended 31st March, 2019

B. Reconciliation of Statement of Profit & Loss as previously reported under IGAAP to Ind AS for the year ended 31st Marc, 2018

Particulars		Notes	For the year ended 31- March-2018		
			IGAAP	Adjustment	IndAS
			Amount (₹)	Amount (₹)	Amount (₹)
I	Income				
	Income from operation	20	41,69,58,911	(46,79,828)	42,16,38,739
	Other income	21	2,20,33,000	-	2,20,33,000
	Total Income		43,89,91,911	(46,79,828)	44,36,71,739
II	Expenses:				
	Cost of materials consumed	22	9,67,00,845	-	9,67,00,845
	Excise duty		-	(46,79,828)	46,79,828
	Purchase of stock-in-trade		24,10,55,973	-	24,10,55,973
	Changes in inventory of finished goods, WIP, stock in Trade	23	58,74,593	-	58,74,593
	Employee benefits expenses	24	3,17,25,572	-	3,17,25,572
	Finance costs	25	25,75,804	-	25,75,804
	Depreciation and amortisation expenses	2	57,14,229	-	57,14,229
	Other expenses	26	5,09,85,627	-	5,09,85,627
	Total Expenses		43,46,32,643	(46,79,828)	43,93,12,471
III	Profit/(Loss) before exceptional items and tax (I - II)		43,59,268	-	43,59,268
IV	Exceptional items				
	(a) Provision for impairment on investments and cost associated with closure of operations of a subsidiary		-	-	-
	(b) Provision for impairment of investment in a subsidiary		-	-	-
	(c) Impairment of capitalised property, plant and other intangible assets		-	-	-
	(d) Employee separation cost		-	-	-
	(e) Others		-	-	-
	Total Exceptional items		-	-	-
V	Tax expenses/(credit) (Net)				
	(a) Current tax		-	-	-
	(b) Deferred tax		-	-	-
	Total Tax Expenses / (Credit)		-	-	-
VI	Profit/(Loss) for the year (III - IV - V)		43,59,268	-	43,59,268
VII	Other comprehensive income / (loss)				
	A (i) Items that will not be reclassified to profit or loss				
	(a) Remeasurement gains and (losses) on defined benefit obligations (net)		-	-	-
	(b) Equity instruments fair value through other comprehensive income		-	-	-
	(ii) Income tax (expenses)/credit relating to items that will not be reclassified to profit or loss				
	B (i) Items that will not be reclassified to profit or loss- gains and (losses) in cash flow hedges				
	(ii) Income tax (expenses)/credit relating to items that will be reclassified to profit or loss				
	Total other comprehensive income/(loss), net of taxes		-	-	-
VIII	Total comprehensive income/(loss) for the year (VI - VII)		43,59,268	-	43,59,268

