

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	✓
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



Annual Report 1996-97



ANNUAL
REPORT &
ACCOUNTS
1996-97

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NATIONAL
PLYWOOD
INDUSTRIES
LIMITED

NATIONAL PLYWOOD INDUSTRIES LIMITED

Board of Directors

M.L. Periwal
*Chairman &
Managing Director*

P. Periwal
Vice Chairman

S.L. Dhanuka

N.M. Bhandari

V.K. Periwal

A.K. Periwal

U.C. Pugalia

Company Secretary

D.C. Chakravorty

Auditors

Jhunjhunwala & Co.
Calcutta

Bankers

State Bank of India
State Bank of Mysore
United Bank of India

Registered Office

Makum Road
Tinsukia 786 125
Assam

Head Office

5, Fancy Lane
Calcutta 700 001

Share Department

5, Fancy Lane
1st Floor
Calcutta 700 001

Works

Plywood Division

Makum Road
Tinsukia 786 125
Assam

Makum Pather
Margherita 786 181
Assam

D.H. Road
Banganagar
West Bengal

Laminates Division

Thally Road, Kalukondapalli
District : Dharmapuri
Hosur, Tamil Nadu

Gayeshpur Kulia Road
Kalyani, District : Nadia
West Bengal



NOTICE

NOTICE is hereby given that the Twenty-Third Annual General Meeting of the Members of National Plywood Industries Limited will be held at the Registered Office of the Company at Makum Road, Tinsukia 786 125, Assam, on Tuesday, the 30th September, 1997 at 4.00 p.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri N.M. Bhandari, who retires by rotation but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S.L. Dhanuka, who retires by rotation but being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

6. To appoint Shri U.C. Pugalia, an Additional Director of the Company, who vacates office at this Annual General Meeting, and, if thought fit, to pass with/without modification (s) the following Resolution as an Ordinary Resolution of which prescribed Notice under Section 257 of the Companies Act, 1956 has been received by the Company, Shri U.C. Pugalia having filed with the Company his consent to act as Director, if appointed, under Section 264 (1) of the Companies Act, 1956.

"RESOLVED THAT Shri U.C. Pugalia be and he is hereby appointed as a Director of the Company for a period of 3 (three) years w.e.f. 1st October, 1997 whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolutions as Ordinary

Resolutions :

"RESOLVED THAT pursuant to Section 269 and other applicable provisions, if any, of the Companies Act, 1956, Shri U.C. Pugalia be and he is hereby appointed as a Wholetime Director of the Company for a period of 3 (three) years w.e.f. 1st October, 1997."

"RESOLVED FURTHER THAT subject to the limits laid down in Sections 198 & 309 and any other applicable provision(s) of the Companies Act, 1956 and Schedule XIII or any other relevant Schedule(s) of the said Act and/or any amendment(s) and modification(s) that may be made by the Central Government or any other Authority(ies) in that behalf, from time to time, consent be and is hereby accorded to the payment of undernoted remuneration to Shri U.C. Pugalia, Wholetime Director of the Company for a period of 3(three) years w.e.f. 1st October, 1997 :

Remuneration

a) Salary Rs 10,000 per month in the scale of Rs 10,000 – 2,500 — 15,000.

b) Perquisites

- i) In addition to the salary as aforesaid, Shri U.C. Pugalia, Wholetime Director shall be entitled to perquisites like furnished accomodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance etc., in accordance with the Rules of the Company, such perquisites being restricted to Rs 4.5 lac per annum.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

NATIONAL PLYWOOD INDUSTRIES LIMITED

- ii) Provision for use of Company car for official purpose and telephone at residence (including payments for local and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.
- iii) Company's contribution to Provident Fund and Superannuation Fund not exceeding 25% of the salary shall not be included in the computation of limits for remuneration or perquisites aforesaid.
- iv) The total remuneration including perquisites payable to the Managing/Wholetime

Director shall not exceed 5% where there is only one Managing/Wholetime Director and 10% where there are more than one Managing/Wholetime Directors of the net profits calculated in accordance with Sections 198 and 309 of the Companies Act, 1956.

- v) In case of loss or inadequacy of profits in any of the Financial years during the currency of the Wholetime Director's tenure of 3 years w.e.f. 1st October, 1997, the above remuneration including perquisites will be deemed to be the minimum remuneration of the Wholetime Director."

By Order of the Board

National Plywood Industries Limited

D.C. Chakravorty
Company Secretary

Head Office :
5, Fancy Lane
Calcutta 700 001
18th August, 1997



NOTES

1. A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and Proxy need not be a Member. The Proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 1997 to 30th September, 1997, both days inclusive.
3. Members are requested to notify any change in their address immediately to the Company's Share Department at the Head Office, 5, Fancy Lane (1st Floor), Calcutta 700 001.
4. If the Dividend on Shares as recommended by the Directors is passed, payment of such Dividend will be made within the statutory period to those Members whose names appear in the Company's Register of Members as on 30th September, 1997.
5. In view of the amended provisions of Section 194 of the Income Tax Act, 1961, Dividend, if declared at the Annual General Meeting, will be paid without deduction of tax at source, by "Account Payee" cheques to those members who are eligible to receive Dividend.
6. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed Dividends upto the financial year ended 31st March, 1993, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, North Eastern Region, Shillong.
7. Members who have not encashed their Dividend Warrants for the years 31st March, 1995 and 1996 may approach the Company's Share Department at 5, Fancy Lane (1st Floor), Calcutta 700 001 for revalidation.
8. Members who have multiple Accounts in identical names or Joint Accounts in the same order are requested to send their Share Certificates to the Company's Share Department at the Head Office, 5, Fancy Lane (1st Floor), Calcutta 700 001 for consolidation of such Shareholdings into one account to facilitate better service.
9. Members are requested to bring their copies of the Reports and Accounts to the Meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 6 Shri U. C. Pugalia who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. from 1st January, 1997 vacates office at the forthcoming Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956. Notice U/S 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose Shri U.C. Pugalia as a

candidate for the Office of Director. Shri U. C. Pugalia has filed his consent with the Company pursuant to Section 264 (1) of the Companies Act, 1956 to act as a Director, if appointed. Shri U. C. Pugalia may be deemed to be concerned or interested in this item of business as it relates to his appointment.

Item No. 7 The approval of the Members is being sought to the appointment of Shri U. C. Pugalia as a Wholetime Director of the Company and also payment of remuneration to him as such Wholetime Director. Shri U. C. Pugalia had earlier

NATIONAL PLYWOOD INDUSTRIES LIMITED

being serving as General Manager – Works at Tinsukia Factory. Shri U. C. Pugalia is concerned or interested in the Resolutions relating to his appointment as Wholetime Director and also to the extent of the remuneration payable to him as such Wholetime Director of the Company.

The Board recommend passing of the Resolutions by the Members as being in the interest of the Company.

None of the Directors other than Shri U. C. Pugalia may be deemed to be concerned or interested in these Resolutions.

This may also be treated as an abstract of the terms of appointment of Shri U. C. Pugalia as a Wholetime Director of the Company and the remuneration payable to him as such Wholetime Director pursuant to Section 302 of the Companies Act, 1956.

Head Office :
5, Fancy Lane
Calcutta 700 001

18th August, 1997

By Order of the Board
National Plywood Industries Limited

D.C. Chakravorty
Company Secretary



Directors' Report

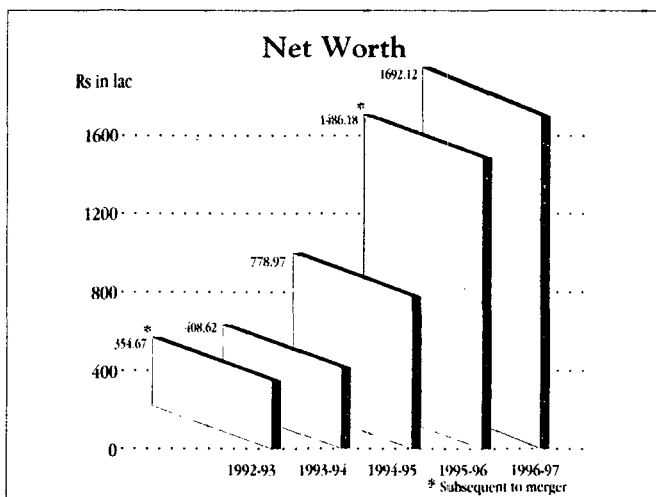
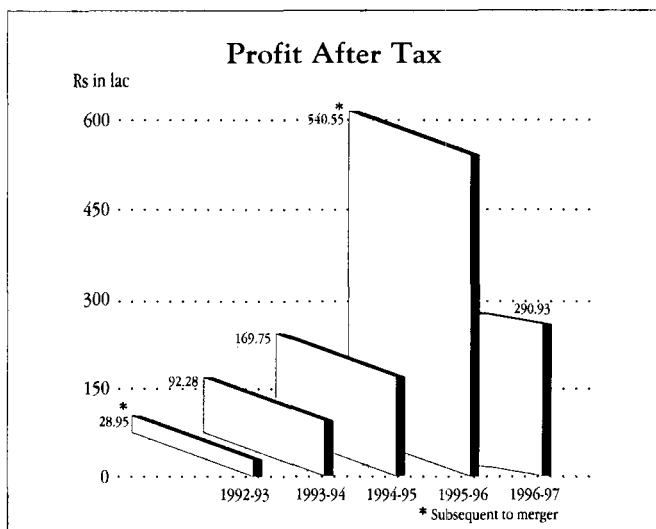
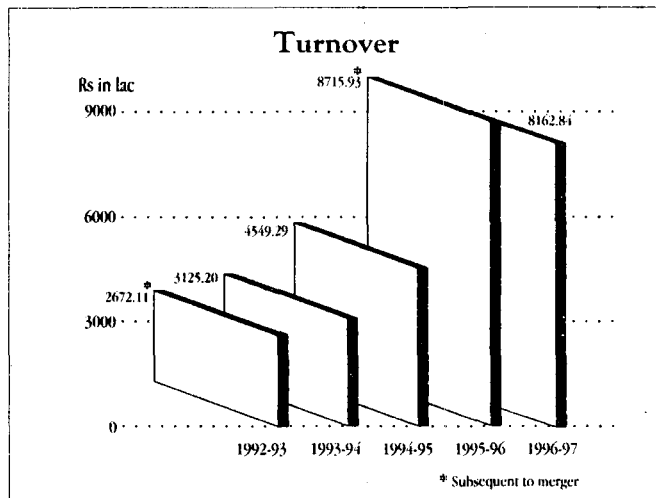
Directors have pleasure in presenting the Twenty Third Annual Report along with the Audited Accounts of the Company for the year ended 31st March, 1997.

FINANCIAL RESULTS

	Year ended 31.03.97 (Rs)	Year ended 31.03.96 (Rs)
Gross Profit	5,53,44,075	7,40,75,027
Depreciation	2,22,50,095	1,70,20,326
	3,30,93,980	5,70,54,701
Add: Transfer from Debenture Redemption Reserve	13,50,000	—
Add: Profit brought forward	48,83,620	65,01,402
Profit available for appropriation	3,93,27,600	6,35,56,103
Less: Provision for Income Tax	40,00,000	30,00,000
General Reserve	2,00,00,000	4,49,13,791
Wealth Tax	9,688	5,328
Short/Excess Provision for Income Tax	29,44,066	8,913
Proposed Dividend	58,53,750	1,08,93,801
Tax on Dividend	5,85,375	—
Balance carried forward	59,34,721	47,34,270

OPERATING RESULTS

Members are aware that your Company's Units located in Assam had to suspend operations in compliance with the Hon'ble Supreme Court's Order dated 12.12.96. The Hon'ble Supreme Court on 08.05.97 modified the previous order permitting the industry to utilize their legitimate stocks of raw materials for conversion into finished products. The High Power Committee has examined the inventory and has given permission to consume the stocks of raw materials pending further decision. The final hearing has been fixed for 16.09.97. Both these units have since resumed production. As a consequence of the aforesaid position the working of your Company has been severely affected in the second half of the year under review and also in the first half of the current financial year.



NATIONAL PLYWOOD INDUSTRIES LIMITED

DIVIDEND

However, taking into consideration the Golden Jubilee of our Independence, your Directors recommend for your consideration and approval payment of Dividend though at lower rate of 10% on 58,53,750 Equity Shares of the Company.

MODERNISATION AND DIVERSIFICATION

Your Company's plan for modernisation and diversification of various plants have suffered setback due to reasons explained above. The Company's Laminate Plant at Hosur has been producing targetted production and your Industrial Laminates Plant at Kalyani is getting stabilized both in quality and quantity.

In the Hosur unit, the Company has developed Anti-static Laminates for clean room application in collaboration with a Malaysian Company. Anti-static Laminates too are being exported. Fire Retardant Laminates have been developed and are currently being tested at the CBRI, Roorkee. Once the tests are successful the Company will go in for a national launch. These speciality products will mean value addition to the Company.

EXPORTS

Export drive continues and both Decorative and Industrial Laminates continue to be exported to UAE, Saudi Arabia, Bahrain, Hong Kong and Singapore.

Industrial Laminates from the Kalyani Unit have been very well accepted in UK/Ireland by the Electronic Industry. Industrial Laminates have also made moderate inroads into the sophisticated Singapore market. Efforts are being made to tap markets like Malaysia, Taiwan, Indonesia, Thailand, South Africa and USA.

PARTICLE BOARD PROJECT

Industrial Credit & Investment Corporation of India Limited (ICICI) suggested reduction in the capital cost and the area in which it could be affected by deleting replacement boiler to M/s Chengalrayan Cooperative Sugar Mills. It is heartening to note that Industries Secretary, TIDCO and Commissioner of the Tamil Nadu Sugar Co-operative (TNSCO) cooperated in achieving the objective. Your Company has been assured that it will have the first right to take surplus bagasse from M/s Chengalrayan Cooperative Sugar Mills. Project Cost has come down from Rs 140 crore to Rs 115 crore.

The Project is now awaiting final clearance from the financial institutions.

PROJECTION vs PERFORMANCE (In Terms of Clause 43 of Listing Agreement with Stock Exchanges)

Your Company had given profitability projections in its Prospectus for the Public Issue dated 7th March, 1994 and the comparative information for the year 1996-97 vis-a-vis Projection and Actual are given below:

<u>Particulars</u>	<u>1996-97</u>	
	<u>Projection</u>	<u>Actual</u>
	(Rs in lac)	
Sales including other Income	4763.00	8162.89
Profit before Depreciation, Interest and Tax	684.00	1347.08
Interest	303.35	793.64
Depreciation	106.00	222.50
Profit before Tax	274.65	330.94
Tax	100.80	40.00
Profit after Tax	173.85	290.94
Cash Profit	279.85	513.44
Share Capital	349.60	585.37
Reserves	530.27	1136.68
EPS	4.97	4.97
Dividend(%)	20.00	10.00
Book Value per Share (Rs)	25.16	28.91



CASH FLOW STATEMENT

Cash Flow Statement signed on behalf of the Board of Directors and certified by the Auditors forming part of the Balance Sheet and Profit & Loss Account is also annexed as required under the Listing Agreement.

DIRECTORS

Shri S.L. Dhanuka and Shri N.M. Bhandari, Directors retire by rotation but being eligible, offer themselves for re-appointment.

Shri U.C. Pugalia was appointed an Additional Director and vacates office at this Annual General Meeting. A notice has been received by the Company from a Member under Section 257 of the Companies Act, 1956, signifying his intention to propose the appointment of Shri U.C. Pugalia as a Director.

AUDITORS

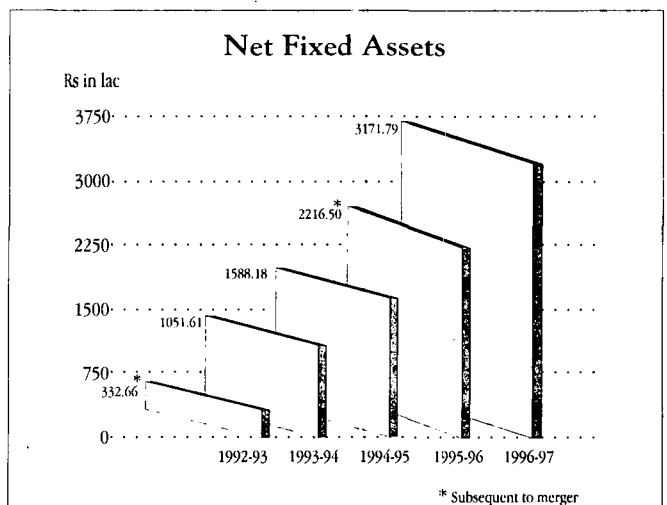
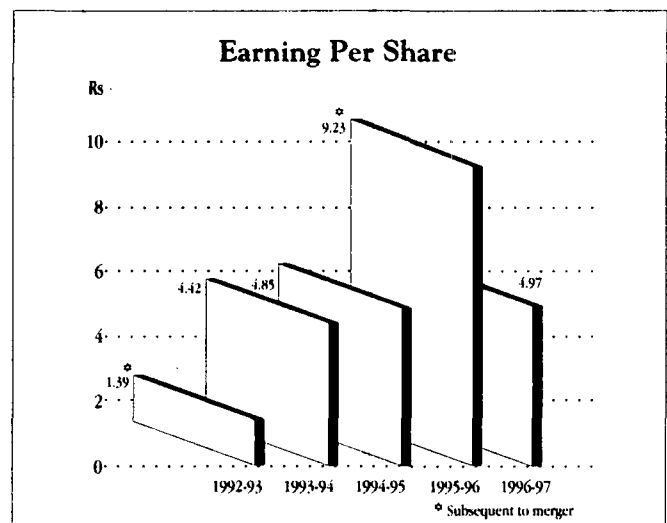
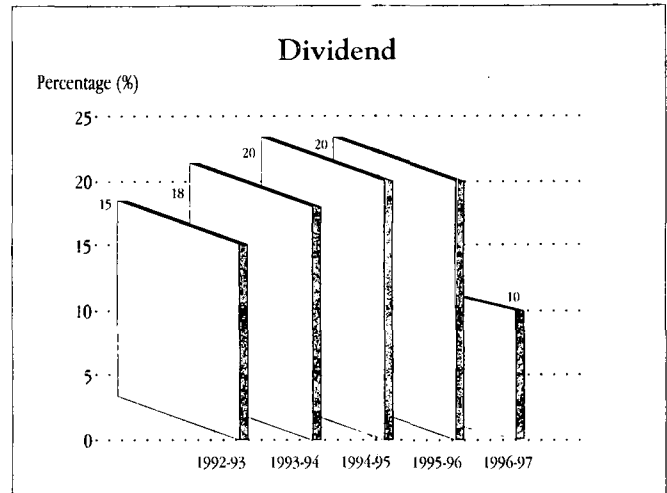
The Company's Auditors, M/s Jhunjhunwala & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

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

A) CONSERVATION OF ENERGY

Subsequent to the installation of second Press Line at Hosur plant, it is proposed to install a Steam Accumulator which will in turn improve boiler efficiency and save energy. Efforts are also being made to recover heat out of treater exhaust gases.

At the Kalyani unit, boiler efficiency has been improved by modernising instrumentation. Plant electrical power factor has been improved by installation of capacitor bank.



NATIONAL PLYWOOD INDUSTRIES LIMITED

B) TECHNOLOGY ABSORPTION

PLYWOOD

Production of plywood using veneers from soft timbers is being accelerated. This plywood is being developed for structural and chequered grades.

LAMINATES

Environment friendly FR-2 Copper Clad Laminates have been developed at Kalyani unit. Through in-house Research & Development efforts at Kalyani unit, import substitution of some of the raw materials has been achieved. Our Hosur unit has been able to develop Anti-static, Fire Proof as also Flooring Grade Laminates.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	Year ended 31.03.97	Year ended 31.03.96
	Rs	Rs
Foreign Exchange Earnings (Export) F.O.B.	6,66,44,571	4,12,51,225
Import of Raw Materials (CIF)	13,12,48,033	5,26,40,969
Import of Capital Goods (CIF)	2,60,38,830	—

Particulars of Employees : (As required under Section 217 (2A) of the Companies Act, 1956).

Name	Age	Designation	Gross Remuneration Rs
Shri M.L.		Chairman &	
Periwal	62	Managing Director	6,70,000
Shri A.K.			
Periwal	42	Whole Time Director	2,05,260
Qualification	Experience	Date of commencement	Last employment/ Position held
B. Com	42 years	11.12.1973	None
B. Com	20 years	11.05.1996	Director Delta Panel Products Pvt. Limited (Since amalgamated)

PERSONNEL

The Board wish to place on record its appreciation to the employees of the Company for their sustained efforts and co-operation throughout the year.

ACKNOWLEDGMENTS

Your Directors record their appreciation of the co-operation and support received throughout the year from Bankers, Financial Institutions and Central and State Governments.

Head Office :
5, Fancy Lane
Calcutta 700 001

18th August, 1997

For and on behalf of the Board,

M.L. Periwal
Chairman



Auditors' Report to the Members

We have audited the Balance Sheet of Messrs NATIONAL PLYWOOD INDUSTRIES LIMITED as at 31st March, 1997 and the Profit and Loss Account of the said Company for the year ended on that date, both annexed hereto. Our report on the matters specified in paragraphs 4 and 5 of the Manufacturing and Other Companies (Auditors' Report) Order, 1988 is given separately in the Schedule annexed hereto. Subject to our comments in the said separate report, we report that :

1. In our opinion and to the best of our information and according to the explanations given to us, the annexed Accounts read with the notes thereon, give the information required by the Companies Act, 1956 (as amended) in the manner so required and give a true and fair view :
 - a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1997.
 - b) In case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.
2. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
3. In our opinion, proper Books of Account as required by the Companies Act, 1956 have been kept by the Company so far as appears from examination of those books, and
4. The Balance Sheet and Profit and Loss Account are in agreement with the Books of Account.

6, Commercial Building
23, Netaji Subhas Road
Calcutta 700 001

18th August, 1997

For JHUNJHUNWALA & COMPANY
Chartered Accountants

R K Jhunjhunwala
Partner

Annexure to the Auditors' Report

Schedule referred to in Paragraph 1 of our Report of even date.

1. (a) The Company has maintained proper records to show full particulars, including quantitative details and location of its fixed assets.
 - (b) All fixed assets have been physically verified by the management according to the regular programme of periodical verification in a phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. The discrepancies noticed on such physical verification were not material.
 - (c) The fixed assets have not been revalued during the year.
2. The management has conducted physical verification at adequate intervals in respect of stocks of finished goods, semi-finished goods, stores, spare parts and raw materials at all its locations except stock of timber lying in the ponds. The stock of timber lying in the ponds is included in the inventory on the basis of the pond register maintained.
3. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
4. The discrepancies noticed on verification between the physical stocks and book records were not material.

NATIONAL PLYWOOD INDUSTRIES LIMITED

5. In our opinion and on the basis of our examination of the stock records, the valuation of stock of finished goods, semi-finished goods, stores, spare parts and raw materials are fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding period.
6. The Company has not taken any loans from companies, firms or other parties listed in the Register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956.
7. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the Register maintained under Section 301 and 370 (1-B) of the Companies Act, 1956.
8. The principal amounts and interest wherever applicable thereon in respect of loans and/or advances of the nature of loans given by the Company to Bodies Corporate, Employees and others have been recovered regularly as stipulated.
9. In our opinion and according to the information and explanation given to us, internal control procedures for the purchase of stores, raw materials including components, plant and machinery, equipment and other assets, and for the sale of goods are commensurate with the size of the Company and nature of its business.
10. In our opinion, the transactions of purchase of goods and materials and sale of goods and materials made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs 50,000 or more in respect of each party were made at prices which were reasonable having regard to the prevalent market prices for such goods or materials or the prices at which transaction for similar goods or materials were made with other parties.
11. The Company has a regular procedure for determination of unserviceable or damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on items so determined.
12. The Company has not accepted any deposits within the purview of Section 58A of the Companies Act, 1956.
13. The scrap generated during the year is not significant and the Company has no by-products.
14. The Company has an adequate internal audit system commensurate with the size and nature of its business.
15. The Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company.
16. According to the records of the Company, Provident Fund and Employees State Insurance dues have generally been regularly deposited during the period with the appropriate authorities.
17. There are no undisputed amounts of Income-tax, custom duty and excise duty outstanding as on 31st March, 1997 for a period of more than six months from the date they became payable.
18. During the course of our examination of books of accounts carried out in accordance with generally accepted auditing practices, we have not come across any personal expenses which have been charged to Revenue Account.
19. The Company is not a sick industrial Company within the meaning of Section 3(1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of the Company's trading activities, we are informed that there are no damaged stocks.

6, Commercial Building
23, Netaji Subhas Road
Calcutta 700 001

18th August, 1997

For JHUNJHUNWALA & COMPANY
Chartered Accountants

R K Jhunjunwala
Partner



Balance Sheet as at 31st March, 1997

	<u>Schedule</u>	<u>1996-97</u>		<u>1995-96</u>	
		Rs	Rs	Rs	Rs
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	A	5,85,37,500		5,85,37,500	
Reserves & Surplus	B	<u>11,36,67,551</u>	17,22,05,051	<u>9,36,58,450</u>	15,21,95,950
Loan Funds					
Secured Loans	C	34,56,41,469		25,65,06,347	
Unsecured Loans	D	<u>10,64,45,769</u>	45,20,87,238	<u>8,05,75,553</u>	3,370,81,900
	Total		<u>62,42,92,289</u>		<u>48,92,77,850</u>
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	37,99,98,603		26,49,98,116	
Less : Depreciation		<u>6,81,11,442</u>		<u>4,58,61,347</u>	
Net Block		31,18,87,161		21,91,36,769	
Add : Capital Work-in-Progress		<u>52,91,748</u>	31,71,78,909	<u>25,13,410</u>	22,16,50,179
Investments	F		5,68,000		2,30,000
Current Assets, Loans, Advances & Deposits					
Inventories	G	27,81,13,330		18,07,35,165	
Sundry Debtors	H	11,52,46,378		16,34,62,282	
Cash & Bank Balances	I	2,75,57,034		2,76,06,880	
Loans, Advances & Deposits	J	<u>4,18,76,262</u>		<u>3,33,87,749</u>	
		<u>46,27,93,004</u>		<u>40,51,92,076</u>	
Less : Current Liabilities & Provisions	K	<u>15,92,40,464</u>		<u>14,13,72,638</u>	
		<u>15,92,40,464</u>		<u>14,13,72,638</u>	
Net Current Assets			30,35,52,540		26,38,19,438
Miscellaneous Expenditure (To the extent not written off or adjusted)			<u>29,92,840</u>		<u>35,78,233</u>
	Total		<u>62,42,92,289</u>		<u>48,92,77,850</u>
Accounting Policies and Notes on Accounts					
	P				

The Schedules referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R.K. Jhunjhunwala
Partner
Calcutta, 18th August, 1997

M.L. Periwal
Chairman & Managing Director
D.C. Chakravorty
Company Secretary

P. Periwal
A.K. Periwal
Directors

NATIONAL PLYWOOD INDUSTRIES LIMITED

Profit and Loss Account for the year ended 31st March, 1997

	<u>Schedule</u>	<u>1996-97</u>		<u>1995-96</u>	
		Rs	Rs	Rs	Rs
INCOME					
Sales		81,62,83,705		87,15,93,325	
Other Income	O	4,988		—	
Accretion/Decretion in stocks		<u>1,61,51,664</u>	83,24,40,357	<u>1,79,97,035</u>	88,95,90,360
EXPENDITURE					
Purchase of Finished Goods		1,95,78,661		4,01,46,095	
Raw Materials Consumed	L	37,20,13,472		42,14,84,213	
Salaries, Wages & Other					
Employees Benefits	M	4,18,11,175		3,54,19,842	
Manufacturing, Administrative &					
Selling Expenses	N	15,97,83,269		15,74,74,147	
Central Excise Duty		10,43,32,700		10,70,44,118	
Interest (Net):					
To Financial Institutions		1,90,87,344		1,41,24,347	
To Bank		3,31,01,622		2,32,80,201	
To Others		2,71,75,438		1,61,72,580	
Charity & Donation		2,12,601		3,69,790	
Depreciation		<u>2,22,50,095</u>	<u>79,93,46,377</u>	<u>1,70,20,326</u>	<u>83,25,35,659</u>
Profit before Taxation			3,30,93,980		5,70,54,701
Less : Provision for Taxation			40,00,000		30,00,000
Profit after Taxation			29,093,980		5,40,54,701
Transfer from Debenture Redemption Reserve			13,50,000		—
Balance of Profit from Last Year			48,83,620		65,01,402
Amount Available for Appropriation			<u>3,53,27,600</u>		<u>6,05,56,103</u>
APPROPRIATIONS					
Wealth Tax			9,688		5,328
Proposed Dividend			58,53,750		1,08,93,801
Income Tax on Proposed Dividend			5,85,375		—
Short/Excess Provision of Income Tax			29,44,066		8,913
General Reserve			2,00,00,000		4,49,13,791
Balance carried to Balance Sheet			59,34,721		47,34,270
			<u>3,53,27,600</u>		<u>6,05,56,103</u>
Accounting Policies and					
Notes on Accounts	P				

The Schedules referred to above form an integral part of the Accounts.
This is the Profit & Loss Account referred to in our report of even date.

For JHUNJHUNWALA & COMPANY
Chartered Accountants
R.K. Jhunjhunwala
Partner
Calcutta, 18th August, 1997

M.L. Periwal
Chairman & Managing Director
D.C. Chakravorty
Company Secretary

P. Periwal
A.K. Periwal
Directors



**Schedules annexed to and forming
part of the Balance Sheet as at 31st March, 1997**

	As at 31.03.97 Rs	As at 31.03.96 Rs
A. SHARE CAPITAL		
Authorised		
2,50,00,000 (Previous Year 2,50,00,000) Equity Shares of Rs 10.00 each	<u>25,00,00,000</u>	<u>25,00,00,000</u>
Issued, Subscribed & Paid up		
58,53,750 (Previous Year 58,53,750) Fully paid up Equity Shares of Rs 10.00 each.	5,85,37,500	5,85,37,500
Of the above		
a) 1,00,000 Shares are allotted as fully paid up pursuant to a contract without payment being received in cash.		
b) 2,50,000 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the shareholders of Pioneer Wood Products Ltd.		
c) 6,25,000 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the shareholders of Delta Panel Products Pvt. Ltd.		
d) 12,31,250 Equity Shares were allotted as fully paid up pursuant to the scheme of amalgamation to the shareholders of Pankaj Plywood Industries Pvt. Ltd.		
	<u>5,85,37,500</u>	<u>5,85,37,500</u>
B. RESERVES & SURPLUS		
General Reserve		
As per last Account	6,50,00,000	2,06,00,000
Transferred from Delta Panel Products Pvt. Ltd. consequent to amalgamation.	—	46,28,213
Transferred from Pankaj Plywood Industries Pvt. Ltd. consequent to amalgamation.	—	34,95,496
Transferred from Profit & Loss Account.	2,00,00,000	4,49,13,791
	<u>8,50,00,000</u>	
Less : Adjustment due to amalgamation	—	(86,37,500)
Debtore Redemption Reserve		
As per last Account	13,50,000	13,50,000
Less : Transfer to Profit & Loss A/c	13,50,000	—
Share Premium Account		
As per last Account	2,03,65,000	1,41,15,000
Add : During the year	—	62,50,000

NATIONAL PLYWOOD INDUSTRIES LIMITED

	As at 31.03.97 <u>Rs</u>	As at 31.03.96 <u>Rs</u>
B. RESERVES & SURPLUS (contd)		
Capital Subsidy Account		
As per last Account	11,92,000	11,92,000
Add : During the year	<u>3,08,000</u>	
Investment Allowance Reserve	8,67,830	8,67,830
Profit & Loss Account		
Transferred from Delta Panel Products Pvt. Ltd. consequent to amalgamation	—	55,074
Transferred from Pankaj Plywood Industries Pvt. Ltd. consequent to amalgamation	—	94,276
Balance as per Annexed Account	<u>59,34,721</u>	<u>47,34,270</u>
	<u>11,36,67,551</u>	<u>9,36,58,450</u>
C. SECURED LOANS		
a) 54,000 – 15% Non-Convertible Redeemable Debentures of Rs. 100 each (Redeemed at a premium of 5% on 10th April, 1996)	—	10,80,000
b) Term Loans		
From Financial Institutions	17,32,50,212	7,77,27,249
From Scheduled Banks	4,03,56,768	4,00,21,245
From others	88,84,165	1,06,06,169
c) Working Capital Loans		
From Scheduled Banks	12,31,50,324	12,70,71,684
	<u>34,56,41,469</u>	<u>25,65,06,347</u>

NOTES :

Nature of Security

- i) Term Loans of Rs 8,70,90,000 are secured by *pari-pasu* first charge on the fixed assets of the Company & personal guarantees of some of the Directors of the Company.
- ii) Term Loan of Rs 13,54,01,145 are secured by the exclusive charge on the specific assets & personal guarantees of some of the Directors of the Company.
- iii) Working Capital is secured by hypothecation of present and future stocks of raw materials, stock-in-process, finished goods, stores & spares, book debts and other moveable assets and personal guarantees of some of the Directors of the Company.



D. UNSECURED LOANS

Sales Tax Deferment
From Sundry Parties
Security Deposits

	As at 31.03.97 Rs	As at 31.03.96 Rs
	73,51,827	31,19,934
	9,86,98,942	7,70,35,619
	3,95,000	4,20,000
	<u>10,64,45,769</u>	<u>8,05,75,553</u>

E. FIXED ASSETS

Description of Assets	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Cost as at 01.04.96 Rs	Acquired net cost on amalga- tion as on 01.04.95 Rs	Additions during the Year Rs	Sales/ Transfer Rs	Total Cost as at 31.03.97 Rs	Up to 31.03.96 Rs	Adjustments during the Year Rs	For the year Rs	Total Rs	As at 31.03.97 Rs	As at 31.03.96 Rs
Land & Buildings	7,19,63,364	—	3,70,72,909	—	10,90,36,273	53,93,984	—	23,15,944	77,09,928	10,13,26,345	6,65,69,380
Plant & Machinery	16,60,95,892	—	7,27,88,499	—	23,88,84,391	3,64,62,769	—	1,76,75,814	5,41,38,583	18,47,45,808	12,96,33,123
Lorries & Cranes	18,98,611	—	—	—	18,98,611	7,93,833	—	2,14,733	10,08,566	8,90,045	11,04,778
Vehicles	60,74,760	—	26,12,532	—	86,87,292	10,56,482	—	6,73,174	17,29,656	69,57,636	50,18,278
Electric Fittings	30,84,472	—	9,22,361	—	40,06,833	4,68,704	—	3,50,444	8,19,148	31,87,685	26,15,768
Furniture & Fixture	95,31,504	—	3,34,514	—	98,66,018	9,44,307	—	6,13,900	15,58,207	83,07,811	85,87,197
Office Equipments	57,48,395	—	12,38,082	—	69,86,477	6,49,389	—	3,75,921	10,25,310	59,61,167	50,99,006
Air -conditioners	5,88,620	—	30,225	—	6,18,845	85,540	—	29,239	1,14,779	5,04,066	5,03,080
Cycles	12,498	—	1,365	—	13,863	6,339	—	926	7,265	6,598	6,159
	<u>26,49,98,116</u>	<u>—</u>	<u>11,50,00,487</u>	<u>—</u>	<u>37,99,98,603</u>	<u>4,58,61,347</u>	<u>—</u>	<u>2,22,50,095</u>	<u>6,81,11,442</u>	<u>31,18,87,161</u>	<u>21,91,36,769</u>
Work-in-Progress	25,13,410	—	5,541,850	27,63,512	52,91,748	—	—	—	—	52,91,748	25,13,410
Total	<u>26,75,11,526</u>	<u>—</u>	<u>12,05,42,337</u>	<u>27,63,512</u>	<u>38,52,90,351</u>	<u>4,58,61,347</u>	<u>—</u>	<u>2,22,50,095</u>	<u>6,81,11,442</u>	<u>31,71,78,909</u>	<u>22,16,50,179</u>
Previous Year	18,78,73,158	2,34,66,829	9,73,05,510	4,11,33,971	26,75,11,526	2,90,55,116	2,14,095	1,70,20,326	4,58,61,347	22,16,50,179	—

NATIONAL PLYWOOD INDUSTRIES LIMITED

	As at 31.03.97 <u>Rs</u>	As at 31.03.96 <u>Rs</u>
F. INVESTMENTS		
Quoted		
3600 Fully Paid-up Equity Shares of Industrial Development Bank of India of Rs. 10 each (Market Value Rs 3,09,600)	4,68,000	1,30,000
Unquoted		
1000 Fully Paid-up Equity Shares of Perival Plastics Pvt. Ltd. of Rs 100 each	1,00,000	1,00,000
	<u>5,68,000</u>	<u>2,30,000</u>
G. INVENTORIES		
(As per Verification & Valuation duly certified by the Management)		
Raw Materials	13,60,34,894	5,44,44,141
Stores, Spare parts & Fuel	1,32,20,399	1,35,84,651
Finished & Semi-finished goods (including in-transit)	12,88,58,037	11,27,06,373
	<u>27,81,13,330</u>	<u>18,07,35,165</u>
H. SUNDRY DEBTORS (Unsecured)		
Over six months – Considered good	24,79,584	30,40,568
– Considered doubtful	11,78,881	–
Other Debts (Considered good)	11,15,87,913	16,04,21,714
	<u>11,52,46,378</u>	<u>16,34,62,282</u>
I. CASH & BANK BALANCES		
Cash in hand	28,05,093	30,72,173
Remittances in transit	21,75,010	16,92,856
Balance with Scheduled/Nationalised Bank		
on Current Accounts	65,69,053	1,46,42,913
on Unclaimed Dividend Account	5,48,669	2,38,420
Share Application Money	76,685	76,685
Margin Money Account	1,53,82,524	78,83,833
	<u>2,75,57,034</u>	<u>2,76,06,880</u>



	As at 31.03.97 <u>Rs</u>	As at 31.03.96 <u>Rs</u>
J. LOANS, ADVANCES & DEPOSITS		
Loans (Unsecured, Considered good)	60,64,799	54,77,212
Advances (Recoverable in cash or in kind or for value to be received)	1,69,42,016	89,09,710
Prepaid Expenses	31,53,734	24,04,056
Balance with Excise Department	86,61,729	74,43,334
Advance Payment of Income Tax (Net)	16,38,225	31,66,371
Sundry Deposits	48,80,055	50,26,163
Sales Tax Refundable	5,35,704	9,60,903
	<u>4,18,76,262</u>	<u>3,33,87,749</u>
K. CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	13,66,59,400	12,17,25,539
Credit Balances of Customers	94,78,085	70,79,792
Cheques over issued	60,38,500	13,58,401
Proposed Dividend	58,53,750	1,08,93,801
Income Tax on Dividend	5,85,375	-
Unclaimed Dividend	5,48,669	2,38,420
Share Application Money	76,685	76,685
	<u>15,92,40,464</u>	<u>14,13,72,638</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

Schedules annexed to and forming
part of the Profit & Loss Account for the year ended 31st March, 1997

	Year Ended 31.03.97 <u>Rs</u>	Year Ended 31.03.96 <u>Rs</u>
L. RAW MATERIALS CONSUMED		
Opening Stock	5,44,44,141	6,26,67,153
Add : Purchases	45,36,04,225	41,32,61,201
	<u>50,80,48,366</u>	<u>47,59,28,354</u>
Less : Closing Stock	13,60,34,894	5,44,44,141
	<u>37,20,13,472</u>	<u>42,14,84,213</u>
M. SALARIES, WAGES & OTHER EMPLOYEES' BENEFITS		
Salary, Wages, Bonus & Gratuity	3,76,42,439	3,19,19,673
Contribution to Provident Fund	21,77,082	22,52,267
Contribution to Link Insurance	82,119	77,253
Contribution to Employees' State Insurance	13,24,846	7,45,150
Workmen & Staff Welfare	5,84,689	4,25,499
	<u>4,18,11,175</u>	<u>3,54,19,842</u>
N. MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Drying Charges	17,37,968	17,04,679
Veneering Charges	47,104	37,86,522
Seasoning Charges	9,05,756	-
Stores & Spare Parts consumed	94,97,080	63,05,389
Power & Fuel	3,57,40,770	2,47,79,787
Rates & Taxes	1,80,258	5,22,106
Repairs & Maintenance		
Building	5,01,837	9,16,520
Machinery	23,82,027	41,32,086
Others	<u>4,54,130</u>	3,75,856
Rent	9,84,600	3,54,728
Insurance	70,49,647	57,79,589
Vehicle Maintenance & Running Expenses	22,10,618	17,98,409
Miscellaneous Expenses	4,26,35,731	3,87,76,605
Sales Tax	52,30,501	75,71,767
Packing, Forwarding and Delivery Charges	4,71,19,886	5,78,60,946



	Year Ended 31.03.97 Rs	Year Ended 31.03.96 Rs
N. MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES (contd)		
Auditors' Remuneration :		
Audit Fee	21,000	21,000
Internal Audit	10,000	10,000
Taxation Matters	4,000	4,000
Company Matters	2,000	2,000
Tax Audit Fees	8,000	8,000
Other Capacity	1,701	1,000
Travelling Expenses	<u>7,620</u>	<u>4,130</u>
Commission	26,29,087	22,27,429
Sundry balances written off	51,295	4,899
Preliminary Expenses written off	3,70,653	3,70,653
Loss on Sale of Fixed Assets (Net)	—	<u>1,56,047</u>
	<u>15,97,83,269</u>	<u>15,74,74,147</u>
O. OTHER INCOME		
Dividend Received	<u>4,988</u>	<u>—</u>
	<u>4,988</u>	<u>—</u>

P. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Recognition of Income & Expenditure :

- i) Revenue/Income and Cost/Expenditure are generally accounted, on accrual, as they are earned or incurred.
- ii) Liabilities on account of custom duty on imported materials in transit or in bonded warehouse is accounted only in the year in which the goods are cleared from the customs. Liabilities on account of excise duty in respect of goods manufactured is accounted only at the time of transfer of the goods from the place of manufacture to the bonded area within the factory premises.

2. Sales :

- i) Sale is inclusive of excise duty and freight.
- ii) Sales and Purchase includes inter-branch/unit transfer/sales of trading products.

3. Retirement Benefits :

- i) The Company makes regular monthly contribution to Provident Fund and Pension Funds.
- ii) Provision for gratuity liability is made on the basis of actuarial valuation. The Company has taken policy under Employees Group Gratuity Scheme from LIC. The gratuity liability as at 31st March, 1997 has been estimated at Rs 13.64 lac which will be paid in two equal instalments and the amount paid to LIC is debited to Profit and Loss Account on cash basis.

4. Revenue Recognition :

- i) Advance payment of Income Tax is shown after deducting provision for taxation.
- ii) Interest on Income Tax refund/paid is accounted for on cash basis.

5. Transport Subsidy :

Transport subsidy receivable by the Company is dependent on sanction letters issued by State Level Committee and Directorate of Industries, Assam and the Company accounts for such subsidy only when it becomes entitled to the same on receipt of sanction letters as stated above.

6. Fixed Assets and Depreciation :

- a) Depreciation is provided on Straight Line Method applying the rates specified in Schedule XIV to the Companies Act, 1956.
- b) All fixed assets are stated at cost less depreciation, which includes taxes, duties and other identifiable direct expenses.
- c) On assets acquired or disposed off during the year, depreciation is charged on pro-rata basis with reference to the date of acquisition or disposal.

7. Expenditure during construction period and on new Project :

The Company has incurred expenditure on its new project viz. Particle Board. This amount has been carried over to the subsequent years under the head "Work in Progress".

8. Valuation of Inventories :

Inventories are valued as follows :

Raw materials, stores & spares – At cost.

Work-in-Progress – At ex-factory selling prices, less estimated cost of further processing.

Finished goods – At ex-factory price – if lying at factory. At ex-factory price plus freight and octroi etc., if lying at Branches or with Consignment Agents.

Finished goods in transit – At selling price net on selling expenses and freight.

9. Excise :

Claim amount of Rs 185 lac is due to the Company as a result of the disputes regarding classification of aqueous solution allowed by Collector (Appellate) on the basis of decision passed by Judicial & Quasi Judicial authorities in favour of manufacturers which is pending before the concerned authorities and Guwahati High Court.

10. Lease rent of land at Kalyani Unit is debited to Profit & Loss Account and leasehold land is not depreciated.

NATIONAL PLYWOOD INDUSTRIES LIMITED

ADDITIONAL INFORMATION UNDER PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956

a) Quantitative Details :

	Plywood Quantity (sq. Mt. on 4 MM Basis)	Decorative Laminates Quantity (Nos)	Industrial Laminates Quantity (MT)	Value Rs
Installed Capacity	1,13,50,000 (1,13,50,000)	10,00,000 (10,00,000)	1,200 (1,200)	
Production	63,04,475 (83,06,746)	7,96,250 (5,12,858)	298.260 (195.274)	
Purchase	3,65,327 (6,15,581)	— (—)	— (—)	1,89,55,440 (3,81,32,306)
Sales	68,19,764 (93,74,051)	7,75,270 (5,11,255)	238.499 (152.288)	81,55,76,680 (86,87,83,096)
Opening Stock	6,93,974 (11,45,698)	65,589 (63,986)	59.705 (16.719)	11,27,06,373 (9,47,09,337)
Closing Stock	5,44,012 (6,93,974)	86,569 (65,589)	116.138 (59.705)	12,88,58,037 (11,27,06,373)

i) Plywood includes Block Boards & Flush Doors.

ii) Opening & Closing Stock includes goods in transit & semi-finished goods.

iii) Sales includes shortage & damage in transit & goods transferred to other heads.

b) Traded Items :
(Teachest Shooks)

	Unit	Quantity	Value
Opening Stock	Set	— (—)	— (—)
Purchase	Set	18,650 (72,950)	6,23,221 (20,13,789)
Sales	Set	18,650 (72,950)	7,07,025 (28,10,229)
Closing Stock	Set	— (—)	— (—)

c) Raw Materials Consumed :

i) Plywood and Blockboard

	Unit	Quantity	Value
Timber	Cu. Mtr.	20,048 (28,854)	11,33,06,285 (12,64,08,996)
Veneer	Sq. Mtr.	58,68,722 (70,75,601)	8,05,97,161 (10,12,15,610)
Chemical	MT	2,475 (3,220)	3,64,89,381 (5,27,45,938)



ADDITIONAL INFORMATION UNDER PART II
OF SCHEDULE VI OF THE COMPANIES ACT, 1956 (contd)

c) Raw Material consumed :	Unit	Quantity	Value
ii) Laminate			
Paper	MT	1,961 (1,884)	6,86,35,609 (6,97,18,671)
Chemical	MT	3,011 (1,914)	7,29,85,036 (4,13,94,998)
d) Consumption of Raw Materials, Store & Spare and Components :			
		<u>Value (Rs)</u>	<u>Percentage of total consumption</u>
i) Imported			
Raw Materials		11,17,78,619 (4,51,30,947)	30.05 (10.71)
Stores & Spares		5,38,362 (2,206)	5.67 (0.03)
ii) Indigenous			
Raw Materials		26,02,34,853 (37,63,53,266)	69.95 (89.29)
Stores & Spares		89,58,718 (63,03,183)	94.33 (99.97)
e) Value of Imports on CIF Basis :			
Raw Materials		13,12,48,083 (5,26,40,969)	
Stores & Spares		6,50,278 (-)	
Capital Goods		2,60,38,830 (-)	
f) Expenditure in Foreign Currency :			
Travelling Expenses		16,31,349 (6,04,794)	
g) Earnings in Foreign Exchange :			
Export of goods calculated on FOB basis		6,66,44,571 (4,12,51,225)	

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULES ANNEXED TO THE ACCOUNTS (contd)

SCHEDULE P (contd)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

1 8 5 6

State Code [0 2] (Refer Code List)

Balance Sheet Date

3 1 0 3 1 9 9 7

Date Month Year

II. Capital Raised During the year (Amount in Rs Thousand)

Public Issue

N I L

Right Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs Thousand)

Total Liabilities

6 2 4 2 9 2

Total Assets

6 2 4 2 9 2

Sources of Funds

Paid-up Capital

5 8 5 3 8

Reserves & Surplus

1 1 3 6 6 7

Secured Loans

3 4 5 6 4 1

Unsecured Loans

1 0 6 4 4 6

Application of Funds

Net Fixed Assets

3 1 7 1 7 9

Investments

5 6 8

Net Current Assets

3 0 3 5 5 2

Miscellaneous Expenditure

2 9 9 3

Accumulated Losses

-

IV. Performance of Company (Amount in Rs Thousand)

Turnover (Gross Revenue)

8 3 2 4 4 0

Total Expenditure

7 9 9 3 4 6

Profit/Loss Before Tax

+ - 3 3 0 9 4

Profit/Loss After Tax

+ - 2 9 0 9 4

Earning per Share in Rs

4 9 7

Dividend Rate %

1 0

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)

4 4 1 2 1 1 0 9

Product Description :

P L Y W O O D

Item Code No.

4 8 2 3 9 0 0 0

Product Description :

L A M I N A T E

Signatories to Schedule 'A' to 'P'

For JHUNJHUNWALA & COMPANY
Chartered Accountants

R.K. Jhunjhunwala
Partner
Calcutta, 18th August, 1997

M.L. Periwal
Chairman & Managing Director

D.C. Chakravorty
Company Secretary

P. Periwal
A.K. Periwal
Directors



Cash Flow Statement for the year ended 31st March, 1997

	1996-97 Rs	1995-96 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	3,30,93,980	5,70,54,701
Adjustments for :		
Depreciation	2,22,50,095	1,70,20,326
Loss on sale of Fixed Assets	-	1,56,047
Interest (Net)	7,93,64,404	5,35,77,128
Preliminary/Other Deferred Revenue Expenses written off	5,85,393	3,70,653
Transport subsidy	-	(3,08,80,872)
Dividend Received	(4,988)	-
Operating Profit before Working Capital changes	13,52,88,884	9,72,97,983
Adjustments for :		
Trade and Other Receivables	3,80,65,101	(6,71,99,100)
Inventories	(9,73,78,165)	(1,23,21,071)
Trade payables	1,89,06,969	(1,38,312)
Working Capital Loan from bank	(39,21,360)	2,31,13,180
Cash generated from operations	9,09,61,429	4,07,52,680
Interest paid	(7,82,62,222)	(5,22,89,335)
Income Tax refund	12,32,795	5,07,788
Income Tax paid	(65,14,571)	(24,00,000)
Wealth Tax paid	(9,688)	(5,328)
Cash Flow	74,07,743	(1,34,34,195)
Extraordinary items	-	(6,13,013)
Net Cash from Operating Activities	74,07,743	(1,40,47,208)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	4,988	-
Purchase of Fixed Assets	(11,77,78,825)	(5,68,79,845)
Sale of Fixed Assets	-	3,30,500
Interest received	25,83,351	13,72,546
Purchase of Investments	(3,38,000)	(2,30,000)
Net Cash used in Investing Activities	(11,55,28,486)	(5,54,06,799)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Equity Share Capital (5,00,000 Equity Shares of Rs 10.00 each at a premium of Rs 12.50 per Equity Share issued to ICICI in conversion of loan of Rs 1,12,50,000)	-	1,12,50,000
Capital Subsidy Received	3,08,000	-
Proceeds from Long-Term Borrowings	12,17,28,702	2,07,45,726
Transport Subsidy received	-	3,08,80,872
Increase/Decrease in Financial Lease Liability	(17,22,004)	92,47,084
Dividend paid	(1,08,93,801)	(64,14,932)
Redemption of Debentures	(13,50,000)	(10,80,000)
Net Cash used in Financing Activities	10,80,70,897	6,46,28,750
Net Increase in Cash & Cash equivalents	(49,846)	(48,25,257)
Cash and Cash equivalents as on 01.04.96 (opening balance)	2,76,06,880	3,24,32,137
Cash and Cash equivalents as on 31.03.97 (closing balance)	2,75,57,034	2,76,06,880

M.L. Periwal
Chairman & Managing Director

D.C. Chakravorty
Company Secretary

P. Periwal
A.K. Periwal
Directors

Calcutta, 18th August, 1997

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of NATIONAL PLYWOOD INDUSTRIES LIMITED for the year ended 31 March, 1997. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with the books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For JHUNJHUNWALA & COMPANY
Chartered Accountants

R.K. Jhunjunwala
Partner

Calcutta, 18th August, 1997

National Addresses

Head Office

5, Fancy Lane, **Calcutta** 700 001, Phones : 248 01 16/7, Fax : 248 12 46

Registered Office

Makum Road, **Tinsukia** 786 125, Phones : TSK 20 185, 21 382

Branches & Offices

2, Vijay Plaza, Opp. Abad Dairy, Kankaria Road, **Ahmedabad** 380 022
Phone : 532 68 01, 535 90 13, Fax : 535 90 13

2674, Timber Market, **Ambala** Cantt.

Ihata Sitaram Peshawaria, Queens Road, **Amritsar**

Industry House, 45, Race Course Road, **Bangalore** 560 001
Phones : 226 09 31, 225 95 27, Fax : 225 15 20

Plot No. 6, Station Square, Unit - III, Behind Hotel Swosti
Bhubaneswar 751 001, Phone : 40 72 17

XL-11/1566 E.R.G. Road, Ernakulam, **Cochin** 682 014
Phone : 37 09 40

18, Commerce House, 2nd Floor, Margao, **Goa** 403 601
Phones : 73 64 21 - 23, Fax : 73 64 23

G.S. Road, **Guwahati** 781 005
Phone : 56 25 57, Fax : 56 18 74

MAHATI 3-6-27/6, 1st Floor, Near Skyline Theatre, Basheerbagh
Hyderabad 500 029, Phones : 322 09 98, 322 69 83
Fax : 322 86 72

Khajanchi Ki Nasiyan, Jalupura, Sansar Chandra Road
Jaipur 302 001, Phone : 36 64 01

110/60, R.K. Nagar, 80, Feet Road, **Kanpur** 208 012
Phones : pp 554 14 39, 554 18 91

181/2, Sydenhans Road, Apparao Garden, 1st Floor, **Madras** 600 112
Phones : 642 66 08, 642 65 04

39, Abdul Rehman Street, Pydhonie, **Mumbai** 400 003
Phones : 343 20 58, 344 38 91

208, Sumer Kendra (2nd Floor), Sadhna Textiles Mill Compound
Pandurang Budhkar Marg, Worli, **Mumbai** 400 018
Phones : 496 06 38, 496 24 87, Fax : 496 24 87

69, Deshbandhu Gupta Road, Paharganj, **New Delhi** 110 055
Phones : 73 00 59, 751 71 05, Fax : 751 71 00

7, Navin Bazar, Phool Chowk, **Raipur** 492 001, Phone : 28 457
Fax : 53 43 14



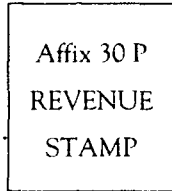
NATIONAL PLYWOOD INDUSTRIES LIMITED

Registered Office
Makum Road, Tinsukia 786 125, Assam

FORM OF PROXY

I/We.....
of.....
being a member/members of the above named Company, hereby appoint
Shri.....
of.....
or failing him Shri.....
of.....
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the
Company to be held on Tuesday, 30th day of September, 1997 or at any adjournment thereof.

Signature



Signed this day of1997





