

NATIONAL PLYWOOD INDUSTRIES LIMITED

**ANNUAL
REPORT
AND
ACCOUNTS
1997-98**

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**NATIONAL
PLYWOOD
INDUSTRIES
LIMITED**

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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, 8TH 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

NATIONAL PLYWOOD INDUSTRIES LIMITED

Registered Office : Makum Road, Tinsukia 786 125, Assam

NOTICE

Notice is hereby given that the Twenty-fourth Annual General Meeting of National Plywood Industries Limited will be held at the Registered Office of the Company at Makum Road, Tinsukia - 786 125, Assam on Thursday, the 31st December, 1998, at 4.00 P.M to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 30th September, 1998 and Profit & Loss Account for the period of 18 months ended on that date (pursuant to the permission granted by the Registrar of Companies, North Eastern Region, Shillong) and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri M.L. Periwal, who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Shri V.K. Periwal, who retires by rotation and, being eligible, offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

- 5) To appoint Shri Abhyuday Periwal as a Director of the Company and, if thought fit, to pass the following Resolution as an Ordinary Resolution of which prescribed Notice has been received by the Company from a Member pursuant to Section 257 of the Companies Act, 1956. Pursuant to Section 264 (1) of the Companies Act, 1956 Shri Abhyuday Periwal has filed with the Company his consent to Act as a Director, if appointed.

"Resolved that Shri Abhyuday Periwal be and he is hereby appointed as a Director of the Company whose period of Office will be liable to retirement by rotation of Directors."

Head Office :
5, Fancy Lane
Calcutta - 700 001
December 05, 1998

By Order of the Board
NATIONAL PLYWOOD INDUSTRIES LIMITED
D. C. CHAKRAVORTY
Company Secretary

NOTES :

- 1) A Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a 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 the Share Transfer Books of the Company will remain closed from Tuesday, the 29th December, 1998 to Thursday, the 31st December, 1998 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, (8th Floor) Calcutta- 700 001
- 4) 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 at 5, Fancy Lane (8th Floor), Calcutta- 700 001 for consolidation of such Share holdings into one account to facilitate better service.
- 5) 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 (8th Floor) Calcutta - 700 001 for revalidation.

NATIONAL PLYWOOD INDUSTRIES LIMITED

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

Item No. 5.

A Notice has been received from a Member of the Company pursuant to Section 257 of the Companies Act, 1956 signifying his intention to propose Shri Abhyuday Periwal as a candidate for the Office of Director whose period of Office will be liable to retirement by rotation of Directors.

Pursuant to Section 264 (1) of the Companies Act, 1956, Shri Abhyuday Periwal has filed his consent to act as a Director, if appointed and the Board recommends his appointment as being in the interest of the Company. Save and except Shri V. K. Periwal, who is a relative of Shri Abhyuday Periwal, no other Director may be deemed to be concerned or interested in the Resolution.

Head Office :
5, Fancy Lane
Calcutta - 700 001
December 05, 1998

By Order of the Board
NATIONAL PLYWOOD INDUSTRIES LIMITED
D. C. CHAKRAVORTY
Company Secretary

NATIONAL PLYWOOD INDUSTRIES LIMITED

DIRECTORS' REPORT

Directors present their Twenty Fourth Annual Report along with the Audited Accounts of the Company for the 18 months' ended 30th September, 1998.

FINANCIAL RESULTS

The Company has extended the accounting year from 12 months to 18th months and necessary approval has been obtained from Registrar of Companies, Shillong under the Companies Act, 1956. The Company has suffered a loss of Rs. 12,57,80,774 during the period under review after providing for depreciation Rs. 4,36,40,120 which has been appropriated as under :

Loss	Rs.	12,57,80,744
Add : Wealth Tax	Rs.	20,078
Add : Short Provision for Income Tax	Rs.	1,67,417
Less : Profit & Loss A/c. balance as per last A/c.	Rs.	1,23,73,846
Loss carried to Balance Sheet	Rs.	11,35,94,393

Plywood Division

The working of Plywood Division at Tinsukia and Margherita remains suspended in view of Order dt. 12.12.96 passed by the Hon'ble Supreme Court. However, the Units after verification by HPC were allowed to operate for a limited period to consume the existing stock of raw-material. The working at Banganagar Unit was satisfactory. In fact, the production and sales at this Unit was increased to meet the demand of the Company's products.

Laminate Division

The working of the Company's Laminate Division at Hosur and Kalyani was satisfactory. The production and sales at both the Units has improved in comparison to last year.

However, inspite of satisfactory working in its three Units as above, the loss during the period under review was because the Company had to pay salaries, wages and other fixed expenses in the Units at Tinsukia and Margherita, without any productive activity.

The Company was also in arrears towards payment of Term Loan Instalments and Interest.

The Hon'ble Supreme Court, vide its Order dt. 15.01.98 had permitted the cleared Units to restart under certain regulations. As a result, our Units at Tinsukia and Margherita will resume operation after obtaining fresh licences from the State Govt. and Ministry of Environment and Forests of the Central Govt.

MODERNISATION AND DIVERSIFICATION

Plywood Division

The Directors are hopeful that the State Govt. and Central Govt. will take necessary initiative so that Units may resume operation at the earliest. In the meantime, in order to meet the demand, the Company proposes to start a Plywood and Block Board Unit at Villupuram in Tamil Nadu on part of the land procured for Particle Board Unit. This Unit will meet the demand of Southern India which is also located near Chennai/Mangalore Ports. The timber for this Unit may be imported at these Ports and the Company will have substantial saving in the transport cost of the imported timber and finished goods.

Laminate Division

The expansion undertaken in the previous years have been completed. The export & local markets have also improved in the past few months for our products. Encouraged by the demand it has been decided to expand certain manufacturing areas like impregnation which will also optimise the utilisation of auxiliaries like thermal energy and improve productivity. Distribution arrangements in Kerala, Tamilnadu, Karnataka, Andhra Pradesh and Delhi/Haryana been changed and it is expected that sales in these areas would improve substantially. 0.8mm thick laminates under the 'Uninational' brand name has been introduced and the response is very encouraging. Additional impregnating capacity at Kalyani is also being considered and a third press is being planned at Hosur to meet the additional demand for High Pressure Decorative Laminates.

NATIONAL PLYWOOD INDUSTRIES LIMITED

EXPORTS

Plywood Division

As the basic raw material is scarce in the country, exports are not competitive.

Laminate Division

Both the units, at Hosur and Kalyani have performed well in exports. The deliveries are on time and it is expected that there will be a further improvement in exports with the completion of the installation of balancing equipment.

PARTICLE BOARD PROJECT

Consequent to the Supreme Court order and non-operations of the two units of the company, your Directors with the advice of the Financial institutions decided to keep the Particle Board Project in abeyance till the North East Units could restart. M/S TIDCO, M/s Siempelkamp and all other connected agencies were kept duly informed of these developments. Meanwhile, as a result of the vacuum caused in the market due to non-availability of Plywood from North East, the Particle Board and MDF markets in the country have emerged stronger with a wider range of applications and opportunities. It is assessed that this would be an advantage to the proposed project of your Company in terms of marketing.

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 and Loss Account is also annexed as required under the Listing Agreement.

DIRECTORS

Shri M. L. Periwal and Shri V.K.Periwal, Directors retire by rotation but being eligible, offer themselves for re-appointment.

The Company has received a notice from a member under section 257 of the Companies Act, 1956 signifying his intention to propose Shri Abhyuday Periwal as a candidate for the office of director whose period of office will be liable to retirement by rotation of directors.

Pursuant to section 264(1) of the Companies Act, 1956 Shri Abhyuday Periwal has filed with the company his consent to act as a director, if appointed. Item no. 5 in the Notice of the ensuing Annual General Meeting relates to the appointment of Shri Abhyuday Periwal as a director of the Company and the Board recommends passing of the said resolution by the members.

AUDITORS

The Company's Auditors M/s Jhunjhunwala & Company, 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

Plywood Division

The Plywood Unit proposed at Villupuram, will have equipment to utilise the full waste generated in the process. Process waste utilisation is given high priority which will practically do away with primary demand on Fossil fuels coal/oil. the boiler (thermal oil heaters) furnace will be designed suitably for the purpose. Optimisation in fuel demand is being engineered to achieve high efficiency of the system by instrumenting certain key areas of boiler operation. In the Banganagar unit, conventional heat exchangers have been replaced with energy saving heat exchangers in the dryers which save power upto 20%.

Laminate Division

The boiler load factor will be made steady by providing steam storage vessels. This will result in constant load on boiler and will improve efficiency. Presently the boiler has fluctuating loads and cannot work on one to one tapping with the press to which it is connected. This causes steep variations in pressure delivered to the press. Alternative fuels are being considered for Kalyani for better economy steam generation.

NATIONAL PLYWOOD INDUSTRIES LIMITED

B) TECHNOLOGY ABSORPTION

Plywood Division

Improvements in the life cycle of plywood is a continuous process. The work done by institutions like IPIRTI and in some cases results from our sponsored projects with the Institute have resulted better output. Technology for better Plywood is locally developed in house and with recognised R & D Institutions. Borer Safe Phenolic Plywood is being manufactured from November 98 and strong steps are being taken to counter the menace of duplicacy of the Company's products.

Laminate Division

The basic high pressure Laminate manufacturing process has not changed much. Steps are being taken to get the recognition from the Bureau of Indian Standardisation (BIS). Machine performance have been studied with the assistance from leading isititutes. Further work on this project is continuing to predict the performance of the product during the process.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

	18 months ended 30.09.98 Rs.	Year ended 31.03.97 Rs
Foreign Exchange Earnings		
(Export) F.O.B	12,93,86,630	6,66,44,571
Export of Machinery	43,12,957	—
Import of Raw Materials & Trading goods	20,71,88,990	13,12,48,083
Import of Capital Goods (CIF)	62,13,351	2,60,38,830
Import of stores & spares (CIF)	—	6,50,278

PARTICULARS OF EMPLOYEES : (AS REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.)

Employed throughout the year and in receipt of remuneraiton not less than Rs.3,00,000/-

Name	Age	Designation	Gross Remuneration Rs.	Qualification	Experience	Date of Commencement	Last employment/ position held
M. L. Periwal	63	Chairman & Managing Director	11,01,910	B.Com	43	11.12.73	None
A. K. Periwal	43	Whole Time Director	5,01,150	B.Com	21	11.05.96	Director Delta Panel Products Pvt. Ltd. (Since amalgamated)

Personnel

The Board wish to place on record its appreciation to the employees of the company for their sustained efforts and cooperation throughout the period.

Acknowledgements

Your Directors record their appreciation of the cooperation and support received throughout the period from Bankers, Financial Institutions and the Central and State Governments.

Head Office :
5, Fancy Lane
Calcutta 700 001
5th December, 1998.

For and on behalf of the Board
M. L. PERIwal
Chairman

NATIONAL PLYWOOD INDUSTRIES LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the Balance Sheet of Messrs. NATIONAL PLYWOOD INDUSTRIES LIMITED as at 30th September 1998 and the Profit & Loss Account of the said Company for the period of eighteen months 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 30th September, 1998 and
 - b) In case of the Profit & Loss Account, of the loss of the Company for the period 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 & Loss Account are in agreement with the Books of Account.

6, Commercial Building
23, Netaji Subhas Road
Calcutta 700 001
Dated : 5th December, 1998

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
R. K. JHUNJHUNWALA
Partner

NATIONAL PLYWOOD INDUSTRIES LIMITED

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 phase manner which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets.

(c) The fixed assets have not been revalued during the period.
2. The management has conducted physical verification at adequate intervals in respect of stocks of the 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 procedure 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.
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 is 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 explanations 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 period 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.

NATIONAL PLYWOOD INDUSTRIES LIMITED

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 from the public as stipulated under the provisions of Section 58A of the Companies Act, 1956 and rules framed thereunder.
13. The scrap generated during the period is not significant and the Company has no by-products.
14. The Company has an adequate internal audit system commensurate with the size and the 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 deposited during the period with the appropriate authorities.
17. There are no undisputed amounts of income tax, custom duty and excise duty outstanding on 30th September 1998 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 has been charged to the Profit & Loss Account.
19. The Company is not a sick industrial company within the meaning of Clause 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
Dated : 5th December, 1998

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
R. K. JHUNJHUNWALA
Partner

NATIONAL PLYWOOD INDUSTRIES LIMITED

BALANCE SHEET AS AT 30TH SEPTEMBER, 1998

	Schedule	AS AT 30.09.98		AS AT 31.03.97	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
Shareholder's Funds					
Share Capital	A	5,85,37,500		5,85,37,500	
Reserves & Surplus	B	10,77,32,830	16,62,70,330	12,01,06,676	17,86,44,176
Loan Funds					
Secured Loans	C	38,71,20,632		34,56,41,469	
Unsecured Loans	D	12,31,13,209	51,02,33,841	10,64,45,769	45,20,87,238
	Total		67,65,04,171		63,07,31,414
APPLICATION OF FUNDS					
Fixed Assets					
Gross Block	E	40,43,16,944		37,99,98,603	
Less : Depreciation		10,99,42,304		6,81,11,442	
Net Block		29,43,74,640		31,18,87,161	
Add : Capital work in progress		57,59,606	30,01,34,246	52,91,748	31,71,78,909
Investments					
	F		5,68,000		5,68,000
Current Assets, Loans & Advances					
Inventories	G	21,11,53,620		27,81,13,330	
Sundry Debtors	H	12,24,19,084		11,52,46,378	
Cash & Bank Balances	I	3,25,70,184		2,75,57,034	
Loans, Advances & Deposits	J	4,34,22,832		4,18,76,262	
		40,95,65,720		46,27,93,004	
Less : Current Liabilities & Provisions	K	14,93,96,777		15,28,01,339	
		14,93,96,777		15,28,01,339	
Net Current Assets			26,01,68,943		30,99,91,665
Miscellaneous Expenditure (To the extent not written off or adjusted)					
Preliminary Expenses			20,38,589		29,92,840
Profit & Loss Account			11,35,94,393		—
	Total		67,65,04,171		63,07,31,414
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

M. L. PERIWAL
Chairman & Managing Director
D. C. CHAKRAVORTY
Company Secretary

P. PERIWAL
V. K. PERIWAL
Directors

Calcutta, 5th December, 1998

NATIONAL PLYWOOD INDUSTRIES LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30TH SEPTEMBER, 1998

	Schedule	18 Months ended 30.09.98		12 Months ended 31.03.97	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales		99,14,11,876		81,62,83,705	
Other Income	O	1,78,05,059		4,988	
Accretion/(Decretion) in stocks		<u>(2,82,46,452)</u>	98,09,70,483	<u>1,61,51,664</u>	83,24,40,357
EXPENDITURE					
Purchase of Finished Goods		4,45,55,762		1,95,78,661	
Raw Materials Consumed	L	55,52,30,992		37,20,13,472	
Salaries, Wages & Other Employee's Benefits	M	6,19,70,371		4,18,11,175	
Manufacturing, Administrative & Selling Expenses	N	14,80,33,561		15,97,83,269	
Central Excise Duty		12,42,71,933		10,43,32,700	
Interest (Net) :					
To Financial Institutions		5,44,74,817		1,90,87,344	
To Bank		3,70,90,081		3,31,01,622	
To Others		3,73,64,089		2,71,75,438	
Charity & Donation		1,19,501		2,12,601	
Depreciation		<u>4,36,40,120</u>	<u>1,10,67,51,227</u>	<u>2,22,50,095</u>	<u>79,93,46,377</u>
Profit / (Loss) before taxation			<u>(12,57,80,744)</u>		<u>3,30,93,980</u>
Less : Provision For Taxation			—		<u>40,00,000</u>
Profit / (Loss) after Taxation			<u>(12,57,80,744)</u>		<u>2,90,93,980</u>
Transfer from Debenture Redemption Reserve			—		<u>13,50,000</u>
Balance of Profit / (Loss) from Last year			<u>1,23,73,846</u>		<u>48,83,620</u>
Amount available for Appropriation			<u>(11,34,06,898)</u>		<u>3,53,27,600</u>
APPROPRIATION					
Wealth Tax			20,078		9,688
Short / (Excess) Provision of Income Tax			1,67,417		29,44,066
General Reserve			—		2,00,00,000
Balance carried to Balance Sheet			<u>(11,35,94,393)</u>		<u>1,23,73,846</u>
			<u>(11,34,06,898)</u>		<u>3,53,27,600</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 referred to in our report of even date.

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
R. K. JHUNJHUNWALA
Partner

M. L. PERIWAL
Chairman & Managing Director

D. C. CHAKRAVORTY
Company Secretary

P. PERIWAL
V. K. PERIWAL
Directors

Calcutta, 5th December, 1998

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 30TH SEPTEMBER, 1998

	As at 30.09.98 Rs.	As at 31.03.97 Rs.
A. SHARE CAPITAL		
Authorised—		
2,50,00,000 (Previous year 2,50,00,000) Equity shares of Rs. 10/- each	25,00,00,000	25,00,00,000
Issued, Subscribed & Paid up –		
58,53,750 (Previous year 58,53,750) Fully paid up Equity Shares of Rs. 10/- 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	8,50,00,000	6,50,00,000
Transferred from Profit & Loss Account	—	2,00,00,000
Share Premium Account –		
As per last Account	2,03,65,000	2,03,65,000
Capital Subsidy Account –		
As per last Account	15,00,000	11,92,000
Add : During the year	—	3,08,000
Investment Allowance Reserve –	8,67,830	8,67,830
Profit & Loss Account –		
Balance as per Annexed Account	—	1,23,73,846
	<u>10,77,32,830</u>	<u>12,01,06,676</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

	As at 30.09.98 Rs.	As at 31.03.97 Rs.
C. SECURED LOANS		
a) Term Loan –		
From Financial Institutions	18,25,13,335	17,32,50,212
From Scheduled Banks	2,49,43,669	4,03,56,768
From Others	46,70,724	88,84,165
Interest accrued thereon	3,33,22,595	—
b) Working Capital Loans –		
From Scheduled Banks	14,16,70,309	12,31,50,324
	38,71,20,632	34,56,41,469

NOTES :

Nature of Security :-

- i) Term Loans of Rs. 8,40,00,000/- (last year Rs. 8,70,90,000/-) are secured by pari-passu first charge on the fixed assets of the Company & personal guarantees of some of the Directors of the Company.
- ii) Term Loan of Rs. 12,81,27,728/- (last year 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 Deferrment Loan	1,41,87,922	73,51,827
From Sundry Parties	10,08,23,852	9,86,98,942
Security Deposits	81,01,435	3,95,000
	12,31,13,209	10,64,45,769

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULE - E

FIXED ASSETS AS ON 30TH SEPTEMBER, 1998

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 01.04.97	Additions during the period	Sales/ Transfer	Total Cost as at 30.09.98	Up to 31.03.97	Adjust- ments during the period	For the period	Total	As at 30.09.98	As at 31.03.97
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land & Buildings	10,90,36,273	13,88,465	—	11,04,24,738	77,09,928	—	39,87,547	1,16,97,475	9,87,27,263	10,13,26,345
Plant & Machinery	23,88,84,391	3,02,19,678	90,74,539	26,00,29,530	5,41,38,583	15,26,559	3,56,92,165	8,83,04,189	17,17,25,341	18,47,45,808
Lorries & Cranes	18,98,611	—	—	18,98,611	10,08,566	—	3,04,684	13,13,250	5,85,361	8,90,045
Vehicles	86,87,292	14,93,776	5,48,555	96,32,513	17,29,656	2,73,832	12,78,051	27,33,875	68,98,638	69,57,636
Electric Fittings	40,06,833	3,86,227	—	43,93,060	8,19,148	—	6,05,234	14,24,382	29,68,678	31,87,685
Furniture & Fixtures	98,66,018	1,21,751	—	99,87,769	15,58,207	—	9,42,620	25,00,827	74,86,942	83,07,811
Office Equipments	69,86,477	3,99,899	69,880	73,16,496	10,25,310	8,867	7,84,064	18,00,507	55,15,989	59,61,167
Air Conditioners	6,18,845	—	—	6,18,845	1,14,779	—	44,133	1,58,912	4,59,933	5,04,066
Cycles	13,863	1,519	—	15,382	7,265	—	1,622	8,887	6,495	6,598
	37,99,98,603	3,40,11,315	96,92,974	40,43,16,944	6,81,11,442	18,09,258	4,36,40,120	10,99,42,304	29,43,74,640	31,18,87,161
Work-in-Progress	52,91,748	4,99,458	31,600	57,59,606	—	—	—	—	57,59,606	52,91,748
Total	38,52,90,351	3,45,10,773	97,24,574	41,00,76,550	6,81,11,442	18,09,258	4,36,40,120	10,99,42,304	30,01,34,246	31,71,78,909
Previous Year	26,75,11,526	12,05,42,337	27,63,512	38,52,90,351	4,58,61,347	—	2,22,50,095	6,81,11,442	31,71,78,909	—

NATIONAL PLYWOOD INDUSTRIES LIMITED

	As at 30.09.98 Rs.	As at 31.03.97 Rs.
F. INVESTMENTS		
Quoted –		
3600 Fully Paid-up Equity Shares of Industrial Development Bank of India of Rs. 10/- each	4,68,000	4,68,000
Unquoted –		
1000 Fully Paid-up Equity Shares of Periwai Plastics Pvt. Ltd. of Rs. 100/- each	1,00,000	1,00,000
	5,68,000	5,68,000
G. INVENTORIES		
(As per verification & valuation duly certified by the Management)		
Raw Materials	9,72,30,117	13,60,34,894
Stores, Spare Parts	1,33,11,919	1,32,20,399
Finished & Semi-finished goods (including in-transit)	10,06,11,584	12,88,58,037
	21,11,53,620	27,81,13,330
H. SUNDRY DEBTORS (Unsecured)		
Over six months – Considered Good	2,89,83,790	24,79,584
– Considered Doubtful	7,51,197	11,78,881
Other Debts (Considered Good)	9,26,84,097	11,15,87,913
	12,24,19,084	11,52,46,378
I. CASH & BANK BALANCES		
Cash in Hand	1,05,07,383	28,05,093
Remittance in transit	21,31,688	21,75,010
Balance with Scheduled Banks –		
On Current Account	59,73,081	65,69,053
On Unclaimed Dividend Account	1,26,853	5,48,669
Share Application Money	50,215	76,685
Margin Money Account	1,37,80,964	1,53,82,524
	3,25,70,184	2,75,57,034

NATIONAL PLYWOOD INDUSTRIES LIMITED

	As at 30.09.98 Rs.	As at 31.03.97 Rs.
J. LOANS, ADVANCES & DEPOSITS		
Loans (Unsecured, Considered good)	—	60,64,799
Advances (Recoverable in cash or in kind or for value to be received)	2,72,92,999	1,69,42,016
Prepaid Expenses	7,86,680	31,53,734
Balance with Excise Department	53,73,878	86,61,729
Advance payment of Income Tax (Net)	17,50,000	16,38,225
Sundry Deposits	80,40,224	48,80,055
Sales Tax Refundable	1,79,051	5,35,704
	<u>4,34,22,832</u>	<u>4,18,76,262</u>
K. CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors	11,36,97,660	13,66,59,400
Credit Balance of Customers	3,52,36,349	94,78,085
Cheques over issued	2,85,700	60,38,500
Unclaimed Dividend	1,26,853	5,48,669
Share Application Money	50,215	76,685
	<u>14,93,96,777</u>	<u>15,28,01,339</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30TH SEPTEMBER, 1998

	18 months ended 30.09.98 <u>Rs.</u>	12 months ended 31.03.97 <u>Rs.</u>
L. RAW MATERIALS CONSUMED		
Opening Stock	13,22,21,890	5,44,44,141
Add : Purchases	<u>52,02,39,219</u>	<u>44,97,91,221</u>
	65,24,61,109	50,42,35,362
Less : Closing Stock	<u>9,72,30,117</u>	<u>13,22,21,890</u>
	<u>55,52,30,992</u>	<u>37,20,13,472</u>
M. SALARIES, WAGES & OTHER EMPLOYEES' BENEFITS		
Salary, Wages, Bonus & Gratuity	5,56,07,664	3,76,42,439
Contribution to Provident Fund	41,13,945	21,77,082
Contribution to Link Insurance	66,130	82,119
Contribution to E.S.I.	15,51,624	13,24,846
Workmen & Staff Welfare	<u>6,31,008</u>	<u>5,84,689</u>
	<u>6,19,70,371</u>	<u>4,18,11,175</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

	18 months ended 30.09.98 Rs.	12 months ended 31.03.97 Rs.
N. MANUFACTURING, ADMINISTRATIVE & SELLING EXPENSES		
Drying Charges	1,13,402	17,37,968
Veneering Charges	—	47,104
Seasoning Charges	—	9,05,756
Stores & Spares Parts consumed	59,53,870	94,97,080
Power & Fuel	5,26,61,759	3,57,40,770
Rates & Taxes	2,46,725	1,80,258
Repairs & Maintenance :		
Building	3,31,796	5,01,837
Machinery	47,47,807	23,82,027
Others	13,36,824	4,54,130
Rent (Net)	21,86,343	9,84,600
Insurance	78,31,187	70,49,647
Vehicle Maintenance & Running Expenses	35,05,241	22,10,618
Miscellaneous Expenses	4,30,84,330	4,26,35,731
Sales Tax	21,52,904	52,30,501
Packing & Forwarding Charges	2,30,60,775	4,71,19,886
Auditors' Remuneration :		
Audit Fee	31,500	21,000
Internal Audit	—	10,000
Taxation Matters	6,000	4,000
Company Matters	3,000	2,000
Tax Audit Fees	8,000	8,000
Other Capacity	1,701	1,701
Travelling Expenses	—	7,620
Commission (Net)	—	26,29,087
Sundry Balance Written off	28,738	51,295
Preliminary Expenses Written off	5,55,979	3,70,653
Loss On Sale of Fixed Assets (Net)	1,85,680	—
	<u>14,80,33,561</u>	<u>15,97,83,269</u>
O. OTHER INCOME		
Foreign currency exchange difference	3,63,796	—
Other Income	2,10,695	—
Job Work	59,89,817	—
Commission (net)	1,12,11,576	—
Dividend Received	29,175	4,988
	<u>1,78,05,059</u>	<u>4,988</u>

NATIONAL PLYWOOD INDUSTRIES LIMITED

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 in 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 monthly contribution to Provident Fund and Pension Funds in due course.
- 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.

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 an Directorate of Industries, Assam and the Company accounts for such subsidy only when it becomes entitled to 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 included 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. 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.

8. Excise :

Claim amount of Rs. 185 lacs 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 concern authorities of Guwahati High Court, CEGAT, Calcutta has allowed the refund of Rs. 66.29 lacs and credited to P & L A/c.. Thus claim of Rs. 119 lacs is pending before appropriate Excise authorities & Guwahati High Court.

NATIONAL PLYWOOD INDUSTRIES LIMITED

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

10. Contingent Liability not provided for in respect of :

I) Guarantees furnished by Company's Bankers on behalf of the Company in respect of :

West Bengal State Electricity Board Rs. 13.89 lacs a/c. Kalyani Unit and Rs. 10.77 lacs A/c. Bangnagar unit.

Commissioner of Central Excise :

Tinsukia Unit — Rs. 37.03 lacs

Margherita Unit — Rs. 45.26 lacs

II) Due to disputes in classification and / or valuation of certain items of finished goods under the Central, Excise and Salt Act, 1944, a demand for Rs. 565.92 lacs (approx.) for the period 01.03.86 to 17.03.93 had been raised by the Central Excise Department after the Supreme Court judgement dated 20.03.95 on classification of Block Boards. On 29.6.98 CEGAT has allowed the appeal and dismissed one demand of Rs. 94.80 lacs. At present appeal against demand of Rs. 471.12 lacs (approx.) is pending before CEGAT, Calcutta.

11. Directors' Remuneration :

I) Managing Director's Remuneration

Salary Rs. 10,40,000

Perquisites Rs. 61,910

II) Director's Remuneration

Salary Rs. 6,10,282

Company's contribution to Provident Fund Rs. 67,695

12. Figures of the current period are for eighteen months while previous year figures are for twelve months and hence they are not comparable.

13. Previous year's figures are regrouped and rearranged wherever necessary.

14. Figures have been rounded off to the nearest rupee.

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)	Prelam Hard- Board (Nos)	Value (Rs.)
Installed Capacity	11,350,000 (11,350,000)	1,000,000 (1,000,000)	1,200 (1,200)	— (—)	—
Production	5,159,230 (6,304,475)	1,241,194 (796,250)	1,327.792 (298.260)	928 (—)	
Purchase	347,005 (365,327)	— (—)	— (—)	— (—)	44,555,762 (18,955,440)
Sales	5,671,430 (6,819,764)	1,229,822 (775,270)	1,369.413 (238.499)	890 (—)	991,411,876 (815,576,680)
Opening Stock	544,012 (693,974)	86,569 (65,589)	116.138 (59.705)	— (—)	128,858,037 (112,706,373)
Closing Stock	378,817 (544,012)	97,941 (86,569)	74.517 (116.138)	38 (—)	100,611,584 (128,858,037)

* Figures for current year are taken on annual basis.

- i) Plywood includes Block Boards & Flush Doors.
- ii) Opening & Closing Stock includes goods in transit & semi-finished goods.
- iii) Purchases, Sales & Closing Stock includes plywood purchased for resale & reprocessing and value of traded items given below.

b) Traded items :

	Wood Veneer strips No.	Deoiled cake (M. Ton)	O. S. Board (Sq. Mtr.)	Value Rs.
Opening Stock	— (—)	— (—)	— (—)	— (—)
Purchase	3040 (—)	2009.175 (—)	9,031.60 (—)	9,495,605 (—)
Sales	360 (—)	2009.175 (—)	4,893.89 (—)	10,911,853 (—)
Closing Stock	2680 (—)	— (—)	4137.71 (—)	953,132 (—)

c) Raw Material Consumed

i) Plywood and Blackboard

	Unit	Quantity	Value
Timber	Cu. Mtr.	15,728 (20,048)	152,570,172 (113,306,285)
Veneer	Sq. Mtr.	3,609,494 (5,868,722)	44,939,960 (80,597,161)
Chemical	MT	2,011 (2,475)	28,203,766 (36,489.381)

NATIONAL PLYWOOD INDUSTRIES LIMITED

	Unit	Quantity	Value	
ii) Laminate				
Paper	MT	4,835 (2,961)	204,434,000 (68,635,609)	
Chemical	MT	5,134 (3,011)	125,083,094 (72,985,036)	
d) Consumption of Raw Materials, Store & Spare and Components :				
			Value (Rs.)	
			Percentage of total consumption	
i) Imported Raw Materials			212,983,884 (111,778,619)	38.36 (30.05)
Stores & Spares			— (538,362)	— (5.67)
ii) Indigeneous Raw Materials			342,247,108 (260,234,853)	61.64 (69.95)
Stores & Spares			5,953,870 (8,958,718)	100 (94.33)
e) Value of Imports on CIF Basis :				
Raw Materials & Trading Goods			207,188,990 (131,248,083)	
Stores & Spares			— (650,278)	
Capital Goods			6,213,351 (26,038,830)	
f) Expenditure in Foreign Currency :				
Travelling Expenses			707,191 (1,631,349)	
g) Earnings in Foreign Exchange :				
Export of goods calculated on FOB basis			129,386,630 (66,644,571)	
Export of Machinery			4,312,957 (—)	

Signatories to Schedule 'A' to 'P'

For **JHUNJHUNWALA & COMPANY**
Chartered Accountants
R. K. JHUNJHUNWALA
Partner

Calcutta, 5th December, 1998

M. L. PERIWAL
Chairman & Managing Director

D. C. CHAKRAVORTY
Company Secretary

P. PERIWAL
V. K. PERIWAL
Directors

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
--	--	--	--	--	--	--	--	---	---

Balance Sheet Date

		3	0			0	9			9	8
--	--	---	---	--	--	---	---	--	--	---	---

 (Refer Code List 1)

II. Capital Raised during the year (Amount in Rs. thousands) :

Public Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

 Right Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

 Private Placement

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

III. Position of Mobilisation & Deployment of funds (Amount in Rs thousand.) :

Total Liabilities

					6	7	6	5	0	4
--	--	--	--	--	---	---	---	---	---	---

 Total Assets

					6	7	6	5	0	4
--	--	--	--	--	---	---	---	---	---	---

Sources of Funds

- Paid-up Capital

					5	8	5	3	8
--	--	--	--	--	---	---	---	---	---

 Reserves & Surplus

					1	0	7	7	3	2
--	--	--	--	--	---	---	---	---	---	---

Secured Loans

					3	8	7	1	2	1
--	--	--	--	--	---	---	---	---	---	---

 Unsecured Loans

					1	2	3	1	1	3
--	--	--	--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

					3	0	0	1	3	4
--	--	--	--	--	---	---	---	---	---	---

 Investments

									5	6	8
--	--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

					2	6	0	1	6	9
--	--	--	--	--	---	---	---	---	---	---

 Misc. Expenditure

									2	0	3	9
--	--	--	--	--	--	--	--	--	---	---	---	---

Balance in Profit & Loss A/c.

					1	1	3	5	9	4
--	--	--	--	--	---	---	---	---	---	---

IV. Performance of Company (Amount in Rs. thousands) :

Gross Revenue

					9	8	0	9	7	0
--	--	--	--	--	---	---	---	---	---	---

 Total Expenditure

					1	1	0	6	7	5	1
--	--	--	--	--	---	---	---	---	---	---	---

(+)Profit/(-)Loss Before Tax

			(-)		1	2	5	7	8	1
--	--	--	-----	--	---	---	---	---	---	---

 (+)Profit/(-)Loss after Tax

			(-)		1	2	5	7	8	1
--	--	--	-----	--	---	---	---	---	---	---

Earning per share

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

 Dividend Rate %

										N	I	L
--	--	--	--	--	--	--	--	--	--	---	---	---

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. (ITC Code)

		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, 5th December, 1998

M. L. PERIWAL
 Chairman & Managing Director

D. C. CHAKRAVORTY
 Company Secretary

P. PERIWAL
V. K. PERIWAL
 Directors

NATIONAL PLYWOOD INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE EIGHTEEN MONTHS ENDED 30TH SEPTEMBER, 1998

	18months ended 30.09.98 Rs.	12 months ended 31.03.97 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(loss) before Tax	(12,57,80,744)	3,30,93,980
Adjustment for :		
Depreciation	4,36,40,120	2,22,50,095
Loss on Sale of Fixed Assets	1,85,680	—
Interest (Net)	12,89,28,987	7,93,64,404
Preliminary/Other Deferred Revenue Expenses written off	9,54,251	5,85,393
Transport Subsidy	(1,54,57,299)	—
Dividend Received	(29,175)	(4,988)
Operating Profit before Working Capital changes	3,24,41,820	13,52,88,884
Adjustments for :		
Trade and Other Receivables	(87,19,276)	3,80,65,101
Inventories	6,69,59,710	(9,73,78,165)
Trade payables	93,63,858	1,89,06,969
Working Capital Loan from Bank	1,85,19,985	(39,21,360)
Cash generated from operations	11,85,66,097	9,09,61,429
Interest Paid	(9,04,12,397)	(7,82,62,222)
Income Tax Refund	26,88,879	12,32,795
Income Tax Paid	(1,67,417)	(65,14,571)
Wealth Tax Paid	(20,078)	(9,688)
Cash Flow	3,06,55,084	74,07,743
Extraordinary Items	—	—
Net Cash from Operating Activities	3,06,55,084	74,07,743
B. CASH FLOW FROM INVESTING ACTIVITIES		
Dividend Received	29,175	4,988
Purchase of Fixed Assets	(3,44,79,173)	(11,77,78,825)
Sale of Fixed Assets	76,98,036	—
Interest Received	—	25,83,351
Purchase of Investments	—	(3,38,000)
Net Cash Used in Investing Activities	(2,67,51,962)	(11,55,28,486)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Capital Subsidy Received	—	3,08,000
Proceeds from Long-Term Borrowings	53,23,469	12,17,28,702
Increase/Decrease in Financial Lease Liability	(42,13,441)	(17,22,004)
Dividend paid	—	(1,08,93,801)
Redemption of Debentures	—	(13,50,000)
Net Cash used in Financing Activities	11,10,028	10,80,70,897
Net Increase in Cash & Cash Equivalents	50,13,150	(49,846)
Cash and Cash Equivalents as on 01.04.97 (Opening balance)	2,75,57,034	2,76,06,880
Cash and Cash Equivalents as on 30.09.98 (Closing balance)	3,25,70,184	2,75,57,034

M. L. PERIWAL
Chairman & Managing Director

D. C. CHAKRAVORTY
Company Secretary

P. PERIWAL
V. K. PERIWAL
Directors

Calcutta, 5th December, 1998

AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of NATIONAL PLYWOOD INDUSTRIES LIMITED for the 18 months ended 30th September, 1998. 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 & 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. JHUNJHUNWALA
Partner

Calcutta 5th December, 1998

NATIONAL PLYWOOD INDUSTRIES LIMITED

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 : 450 72 17

XL-11/1566 E.R.G. Road, Ernakulam, **Cochin** 682 601

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, Sydenhams Road, Apparao Garden, 1st Floor, **Chennai** 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 Mills Compound

Pandurang Budhkar Marg, **Worii, 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 : 28457

Fax : 53 43 14

