

59th ANNUAL REPORT 2015 - 16



Sarda Plywood Industries Ltd.

THERE ARE MANY WAYS
TO SAVE A FOREST. WE USED A CHAIR.



At Sarda, we believe that forests and plywood can co-exist. Our plywood makes products using only half the volume of sawn timber. We are also FSC certified using timber sourced from only sustainable managed forests.

So the next time you sit on a chair made of our plywood, you will feel more comfortable knowing you have made a small contribution towards saving a forest.

OUR BRANDS

DURO
TITANIUM
LASTS FOREVER

DURO
NATURE SIGNATURE
PREMIUM VENEERS & PLYWOODS

Duroboard
INDIA'S NO.1 BLOCK BOARD

DURO
TECHPLY
PLYWOOD • BLOCKBOARD
ENGINEERED TO PERFECTION

DURO
Plymaply
ALL WEATHER PROOF PLYWOOD

SARDA
DUROTEAK
TEAK DECORATIVE PLYWOOD

DUROFLEX
PREMIUM FLEXIBLE PLYWOOD

DURO
TUFFWOOD
LVL FRAMES

DURODOOR
ELEGANCE
HIF MOULDED DOOR



Sarda Plywood Industries Ltd.

Toll Free No. 1800-345-3876 (Duro) 10am - 6pm Monday-Friday, www.sardaplywood.in



Sarda Plywood Industries Limited

Board of Directors

Shri Sujit Chakravorti
Dr. Kali Kumar Chaudhuri
Smt. Sheela Chitlangia
Shri Ratan Lal Gaggar
Shri Probir Roy

Shri Sohan Lal Yadav
Whole-time Director

Shri Sudeep Chitlangia
Managing Director

**Chief Financial Officer
& Company Secretary**
Shri Ravi Kumar Murarka

Bankers
United Bank of India
State Bank of India

Auditors
G. P. Agrawal & Co.
Chartered Accountants

Registered Office
9, Parsee Church Street
Kolkata – 700 001
CIN : L20211WB1957PLC023493

Corporate Office
North Block, 4th Floor
113 Park Street
Kolkata – 700 016



Sarda Plywood Industries Limited

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Directors' Report to the Members

Your Directors present their 59th Annual Report together with the Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As on 31.03.2016	As on 31.03.2015	As on 31.03.2016	As on 31.03.2015
Turnover	18,238.13	20,352.01	18,238.13	—
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	3.62	672.78	3.62	—
Less: Finance Charges	675.19	667.89	675.19	—
Profit before Depreciation/ Amortization (PBTDA)	(671.57)	4.89	(671.57)	—
Less: Depreciation	174.34	170.47	174.34	—
Net Profit before Taxation (PBT)	(845.91)	(165.60)	(845.91)	—
Provision for taxation	(272.30)	(116.26)	(272.30)	—
Share of profit of Associate	—	—	4.95	—
Profit/ (Loss) after Taxation (PAT)	(573.61)	(49.34)	(568.65)	—
Provision for proposed dividend	—	—	—	—
Dividend tax	—	—	—	—
Transfer to General Reserve	—	—	—	—

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved a net turnover of ₹ 182.38 Crores as against ₹ 203.52 Crores in the preceding financial year, a decrease of 10.38%. The company has incurred a net loss of ₹ 5.73 Crores as against a net loss of ₹ 0.49 Crores in the preceding year which is mainly attributed to depressed market conditions for its products. Slowdown, particularly in the Housing and Infrastructure sector directly affected the demand for plywood and allied products. Higher inputs cost and lower sales realisation gravely affected the profitability of Plywood as well as Tea Division of the Company. Uncertainty in weather condition has caused fall in production of quality tea leaves.

CHANGES IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of the business of the Company during the year.

DIVIDEND

In absence of profit, the Directors regret their inability to recommend any dividend for the year ended 31st March, 2016.

RESERVES

Due to inadequacy of profit, no general reserve is created for the year ended 31st March, 2016.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2016 was ₹ 4.52 Crores. During the year under review, the Company has neither issued any shares or any convertible instruments, nor has bought back any of its securities.

BORROWINGS:

The total borrowings stood at ₹ 5302.43 Lakhs as at 31st March 2016 as against ₹ 4602.69 Lakhs as on 31st March 2015, i.e. increase of ₹ 677.74 Lakhs.

DEPOSITS

The Company has not accepted any deposits from public during the year and as such, there is no outstanding deposit in terms of Companies (Acceptance of Deposits) Rules, 2014.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the Company. However, the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily like providing scholarship to poor brilliant students, sponsoring sports program etc.



Directors' Report (Contd.)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI Regulations"), the Management Discussion and Analysis Report is attached herewith as "Annexure-1".

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 Smt. Sheela Chitlangia (DIN No: 00174354) retires by rotation and being eligible offers herself for re-appointment.

During the year there was no change in the Key Managerial Personnel of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given the declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Regulations.

BOARD MEETINGS

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

ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and the SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance, its committees and individual directors on the basis of agreed norms of evaluation.

The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

MANAGERIAL REMUNERATION

The informations required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the company are attached herewith as "Annexure-2".

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming a part of this Report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

The Company is having one associate Company namely; M/s P. S. Plywood Products Private Limited as on 31st March, 2016. M/s. Pro-Sports Management Limited ceases to be an associate company with effect from 16th December, 2015. A Statement containing salient features of the financial statements of the Company's associate is furnished in Form AOC-1 and enclosed herewith as "Annexure-3".

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company and its associate company, as a part of the Annual Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly there are no transaction to be reported in Form AOC-2. Therefore a nil report is attached herewith as "Annexure-4".

All related party transactions are placed before the Audit Committee and also the Board for approval. The detail of the policy on Related Party Transactions as approved by the Board of Directors and Audit Committee is available on the Company's website www.sardaplywood.in.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior, the company has adopted vigil mechanism policy. The detail of the policy is available on the Company's website www.sardaplywood.in.

Directors' Report (Contd.)

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any guarantees or given new loans or made any new investments during the year under review. Details of the existing loans and investments made by the Company are given in the notes to the financial statements.

NOMINATION & REMUNERATION COMMITTEE

The composition and terms of reference of the Nomination and Remuneration Committee have been furnished in the Corporate Governance Report forming a part of this Report.

REMUNERATION POLICY

The Company has formulated a policy on director's selection and appointment, payment of remuneration, directors qualifications, positive attributes, independence of directors, selection and appraisal of performance of Key Managerial Personnel and Senior Management and their remuneration and other related matters as applicable under Section 178(3) of the Companies Act, 2013. The Company's Criteria for payment of remuneration to the Non Executive directors and Familiarization Programme undertaken for Independent Directors are available on the Company's website www.sardaplywood.in and the Remuneration Policy is separately attached herewith as "Annexure-5".

STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition and terms of reference of the Stakeholders Relationship Committee have been furnished in the Corporate Governance Report forming a part of this Report.

RISK MANAGEMENT POLICY

Risk is inherent in all business activities. Every employee of the Company in one way or the other, and in varying degrees manages risk. It is well accepted that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance outputs and fix accountability.

The Company has formulated a policy on risk management which aims not to eliminate risk, rather to manage the risks involved in most business activities, to maximize opportunities and to minimize adversity. Effective risk management requires:

- A strategic focus and clear planning,
- Forward thinking and active approaches to management,
- Balance between the cost of managing risk and the anticipated benefits, and
- Contingency planning in the event of critical threats and realize Company's mission.

The detail of the policy as approved by the Board of Directors is available on the Company's website www.sardaplywood.in.

INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls commensurate with the nature of its business and the size and complexity of its operations. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the year ended 31st March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit/loss of the Company for the year on that date;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the year ended 31st March, 2016 on a 'going concern' basis.
- (v) That the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (vi) That the Directors incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.



Directors' Report (Contd.)

CORPORATE GOVERNANCE

The Company has in place the SEBI guidelines pertaining to Corporate Governance.

The Corporate Governance Report giving the details as required under SEBI Regulations is given separately as "Annexure-6".

The Corporate Governance Certificate for the year ended on 31st March, 2016 issued by Mr. Ajay Agrawal of Messers G. P. Agrawal & Co., Chartered Accountants, Statutory Auditor of the Company, is also attached herewith as "Annexure-7".

Shri Sudeep Chitlangia, the Managing Director has given his certificate under SEBI Regulations regarding compliance with the Code of Conduct of the Company for the year ended 31st March, 2016, which is attached herewith as "Annexure-8". Certificate pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached herewith as "Annexure-9".

AUDITORS

STATUTORY AUDITORS

Messrs G. P. Agrawal & Co. (Firm Registration No.302082E), Chartered Accountants have been appointed as Statutory Auditors of the Company at the Annual General Meeting held on 25th September, 2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing Annual General Meeting. There are no qualifications or observations or remarks made by the Auditors in their Report.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messers A. K. Labh & Co, Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Auditor's Report is attached herewith as "Annexure-10". There are no qualifications or observations or remarks made by the Auditors in their Report.

INVESTOR EDUCATION & PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable for the Company as there was no dividend declared and paid in the last financial year.

STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company has paid the listing fee to the Bombay Stock Exchange Limited for the year 2016-2017.

BUSINESS RESPONSIBILITY REPORTING

The provisions of SEBI regulations with respect to Business Responsibility Reporting are not applicable to the Company and therefore the company has not undertaken business Responsibility Reporting.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure-11" attached herewith.

EXTRACT OF ANNUAL RETURN

The details as required under Section 92(3) of the Companies Act 2013, read with Rule - 12 of the companies (Management and Administration) Rules, 2014 is furnished in Form No. MGT-9 and enclosed herewith as "Annexure-12".

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

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

Directors' Report (Contd.)

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

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

The Company has in place a policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder. During the year under review, the Company had not received any complaint.

ISO CERTIFICATION

The Company's factory at Rajkot, Gujarat have been certified ISO 14001:2004 for Environmental Management Systems Standards.

ACKNOWLEDGEMENT

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

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

Registered Office
9, Parsee Church Street
Kolkata – 700001

Dated 25th May, 2016

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)



Management Discussion and Analysis Report

OVERVIEW

Sarda Plywood Industries Limited is a pioneer in the Indian Plywood Industry and one of the first few manufacturers to venture into producing a wide range of plywood products. Its plywood products are sold under DURO range of brands across the nation and have a strong predominance in the market because of best quality and constant up gradation through research and development. The Company also owns a bought leaf tea processing factory in Assam.

SEGMENTWISE PERFORMANCE

Plywood

During the year 2015-16, segment revenue decreased from ₹ 178.05 Crores to ₹ 158.37 Crores i.e. a decline of 11.05%. The Company has earned segment profit before tax and interest of ₹ 0.47 Crores as against ₹ 5.53 Crores in the preceding financial year.

Plywood demand scenario has continued to remain sluggish during the financial year 2015-16, due to slowdown in real estate and housing and infrastructure sector. Availability of raw materials has affected the sales during the year. However Company believes plywood demand is set to witness a jump owing to a rise in real estate demand and the Centre's plan to establish smart cities and other urban infrastructure projects. Also, with increasing labour cost in China, producers there are losing out to competition from India and other neighboring countries. This is helping Indian manufacturers to plan capacity additions and step out aggressively to source raw material.

Consequently, a sign of growth and development is expected with a stable Government at Centre and its emphasis on infrastructure development. Falling inflation and interest rates and GST implementation will be a game changing reform for Indian economy by developing a common Indian market and reducing the cascading effect of tax on the cost of goods and services.

The Management does not foresee any significant threat to the industry and/or Company from any product and/or sector.

Tea

Segment revenue during the year was ₹ 23.98 Crores as against ₹ 24.81 Crores in the preceding financial year representing a decline of 3.34%. Segment loss before tax and interest is ₹ 1.02 Crores as against ₹ 0.78 Crores profit in the preceding financial year.

The financial performance of the company with respect to operational parameters has declined during the year due to increasing overhead cost and lower sales realization. Uncertainty in weather condition has caused fall in production of quality tea leaves.

Since the Company's tea operations are in the bought leaf segment, availability of green leaf and its prices will remain a matter of concern. The sectoral outlook is not very bullish for the coming months and remains neutral. The Management does not foresee any significant threat to the industry and/or to the Company.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The Audit Committee of the Company also periodically reviews internal controls and takes remedial measures whenever necessary.

OPPORTUNITIES & THREATS

Opportunities:

Some of the key opportunities based on the recent scenario of the economy are as follows:

- Government initiatives towards building Smart cities across India
- Government initiative for reviving the infrastructure & Housing Industry by way of increasing the government funding in infrastructure products.
- Increase in demand for premium housing and commercial space
- Increasing urbanization
- Tax benefits on housing loans

Your company is well positioned to take advantage of the opportunities in the market in the upcoming years.

Management Discussion and Analysis Report (Contd.)

Threats

- Increase in cost of Timber and related items globally
- Low operational efficiency in Indian plywood industry leads to low profitability
- Increase in labour costs
- Stringent regulatory norms on protection of environment
- Forex Risk

BUSINESS RISK MANAGEMENT

The company is exposed to competition from unorganized sectors, fluctuating interest rates, unpredictable economy, volatile business environment, credit risk, labour factors are the various identifiable risks along with uncontrollable external factors. The Company manages these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has decreased from ₹ 222.58 Crores to ₹ 197.92 Crores registering a decline of 11.08 %. The Company has incurred a net loss of ₹ 5.73 Crores as against a net loss of ₹ 0.49 Crores in the preceding financial year. In view of loss incurred by the Company, the Board of Directors did not recommend any dividend.

HUMAN RESOURCES MANAGEMENT

The Company recognizes human resource as a keydriver of its competitiveness and continues to focus on employee development by imparting various trainings from time to time, based on individual needs to ensure long term growth and success. Performance-linked incentives are offered to identify and encourage standout performers. Industrial Relations at all the levels remained cordial throughout the year.

All the possible measures are being taken in terms of safe working practices and the reporting performance by implementation of standards for vehicles and machine safety, ergonomics initiatives, wearing protective equipments, regular safety audits, proper disposal of wastes etc.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis, describing the Company's objectives, outlook and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and such other factors over which the Company does not have any direct control.



Particulars of Remuneration

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

Requirement of Rule 5(1)	Details
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year.	<p>Independent Directors</p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p>Non Executive Director</p> <p>Smt. Sheela Chitlangia : Nil</p> <p>Executive Directors</p> <p>Shri Sudeep Chitlangia : 14.97 Shri Sohan Lal Yadav : 12.06</p>
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<p>Independent Directors</p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p>Non Executive Director</p> <p>Smt. Sheela Chitlangia : Nil</p> <p>Executive Directors</p> <p>Shri Sudeep Chitlangia : Nil Managing Director Shri Sohan Lal Yadav : Nil Wholetime Director</p> <p>CFO & Company Secretary</p> <p>Shri Ravi Kumar Murarka : 5.82%</p>
(iii) The percentage increase in the median remuneration of employees in the financial year	: 6.98%
(iv) The number of permanent employees on the rolls of the Company	: 780 permanent employees as on 31 st March, 2016
(v) The explanation on the relationship between average increase in remuneration and company performance	: Average increase in remuneration of the employees was 10.71% which is based partly on the results of the Company for the year ended 31 st March, 2016 and partly on the individual employee's performance.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	: The increase in the remuneration of Company Secretary is below the increase in median employee's remuneration and sales growth of the Company.

Particulars of Remuneration (Contd.)

		As on 31.03.2016 (₹ in Lakhs)	As on 31.03.2015 (₹ in Lakhs)
(vii) Variation in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.	:	Market Capitalisation: ₹ 2250 Price Earning (PE) Ratio: (3.92)	₹ 1886 (38.30)
		The Company has not made any Public Issue or right Issue or securities in last many years, so the comparison has not been made of current share price with last public offer price.	
(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	:	Average salary increase of non-managerial employees: 10.77% Average salary increase of managerial employees: 1.77% There are no exceptional circumstances in increase in managerial remuneration.	
(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	:	Same as above (vi)	
(x) The key parameters for any variable component of remuneration available by the directors	:	No variable component of remuneration paid to the Directors. For Independent Directors, Sitting Fee is paid on the basis of the number of Board and Committees meetings attended by them.	
(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	:	The Managing Director is the highest paid director. No employee received remuneration higher than the Managing Director.	
(xii) Affirmation that the remuneration is as per the remuneration policy of the Company	:	Remuneration paid during the year ended 31 st March, 2016 is as per the Remuneration Policy of the Company.	

Note: 1) Sitting Fees paid to the independent directors is not considered as remuneration paid to the independent directors.
 2) No employee is in receipt of remuneration in excess of ₹ 5 Lakh per month and ₹ 60 Lakhs per annum.



Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries : Nil

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associate		P. S. Plywood Products Private Limited
	Relationship	Associate
1	Latest audited Balance Sheet date	31 st March, 2016
2	Share of Associate held by the company on the year end	
	No.	5,950,000
	Amount of Investment in Associate	80,508,750
	Extent of Holding %	46.67%
3	Description of how there is significant influence	Control of 46.67% of Total Share Capital
4	Reason why the associate is not consolidated	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	64,521,730
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	495,563
	ii. Not Considered in Consolidation	566,281

- 1 Names of associates or joint ventures which are yet to commence operations: None
- 2 Names of associates or joint ventures which have been liquidated or sold during the year: None

For **G.P. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board
SUJIT CHAKRAVORTI
Director
(DIN : 00066344)

CA RAKESH KUMAR SINGH
(Membership No.066421)
Partner

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
(DIN : 00093908)

Place of Signature: Kolkata
Date : 25th May, 2016

Form No. AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sl. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship	NIL
2.	Nature of contracts/arrangements/transactions	
3.	Duration of the contracts/arrangements/transactions	
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	
5.	Justification for entering into such contracts or arrangements or transactions	
6.	Date(s) of approval by the Board	
7.	Amount paid as advances, if any	
8.	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis :

Sl. No.	Particulars	Details
1.	Name(s) of the related party and nature of relationship	NIL
2.	Nature of contracts/arrangements/transactions	
3.	Duration of the contracts/arrangements/transactions	
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	
5.	Date(s) of approval by the Board, if any	
6.	Amount paid as advances, if any	

Registered Office:
9, Parsee Church Street,
Kolkata – 700001

Date: 25th May, 2016

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)



Remuneration Policy

a) Remuneration Policy for Non Executive Directors/ Independent Directors

Levels of remuneration to directors are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully. With changes in the corporate governance norms, the role of the Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time.

Under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “SEBI Regulations”), every company to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company’s website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and the SEBI Regulations require the prior approval of the shareholders of a Company for making payment to its NEDs.

Further, in order to be consistent with globally accepted governance practices, the company has ushered in flexibility in respect of payment of remuneration to NEDs. It has linked the remuneration paid to NEDs to their attendance at the meetings of the Board or Committees thereof, their contributions at the meetings or otherwise, and on their position in various Committees of the Board, whether as the Chairman or Member.

All board level compensation (including to the NEDs) is approved by the shareholders and disclosed separately in the financial statements. Appropriate disclosures are also made in the Annual Report of the Company. The board approves the commission paid to the directors.

In addition, the company also pays a sitting fee on a per meeting basis to the NEDs for attending the meetings of the board and other committees.

b) Remuneration Policy for Executive Directors

The remuneration policy for the Executive Directors has been formulated, considering the following key principles including but not limited to the basic principle to have long term relationship with the Company:

Key Principles:

- Linked to strategy: A substantial portion of the Executive Director’s remuneration is linked to success in developing and implementing the Company’s strategy.
- Performance related: A part of the total remuneration varies with performance, aligning with the shareholder’s interest.
- Long term: The structure of remuneration is designed to reflect the long term nature of the Company and significance of the protection of interest of the shareholders.
- Fair treatment: Total overall remuneration takes account of both the external market and Company’s condition to achieve a balanced “fair outcome”.

Elements of the Remuneration structure of Executive Directors:

The remuneration to key managerial personnel shall include:

- Fixed Salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice and industry analysis.

Annual remuneration reviews shall be based on individual performance, Company performance, market environment and future plans.

The remuneration to any one Managing Director or Whole Time Director or Manager shall not exceed five percent of the net profits of the Company and if there is more than one such director total remuneration shall not exceed ten percent of the net profits of the Company to all such directors and Manager together. The total remuneration to its directors, including Managing Director and Whole-time Director, and its Manager in respect of any financial year shall not exceed eleven percent of the net profits of that financial year.

Remuneration Policy (Contd.)

In case of no profits, or inadequate profits, the Company shall pay remuneration to its Managing or Whole-time Director or Manager in accordance with the provisions of Schedule V of the Companies Act 2013.

c) Remuneration Policy for Key Managerial Personnel (KMP)

The remuneration to Key Managerial Personnel's of the Company i.e. Managing Director/Chief Executive Officer/ Whole Time Director, Company Secretary and Chief Financial Officer as defined under Companies Act, 2013 read with related rules issued thereon, will be fixed after taking into account educational and professional qualification, experience & expertise of the personnel and the competitive market practices.

Key Principles:

- Remuneration should be sufficient to attract, retain and motivate best non-executive talent suits to the requirement of the Company.
- Remuneration practice should be consistent with the recognized best standard practices for Key Managerial Personnel's.

Elements of the Remuneration structure of KMP's:

The remuneration to key managerial personnel shall include:

- Fixed salary
- Perquisites and Allowances
- Other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company performance, market environment and future plans.

d) Remuneration Policy for Senior Management Personnel and other Executives:

The remuneration to Senior Management personnel shall be fixed considering internal, external and individual equity; and also procedural equity.

- Remuneration to Senior Management Personnel shall include –
- Fixed Salary
- Perquisites and Allowances
- And other benefits in accordance with the market practice

Annual remuneration reviews shall be based on individual performance, Company performance, market environment and future plans.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Company’s philosophy on corporate governance is based on trusteeship, transparency, accountability and ethical corporate citizenship. As a responsible corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders.

2. BOARD OF DIRECTORS

a) Composition of the Board

The Board consists of seven Directors comprising:

- One Managing Director-Promoter
- One Whole time Director
- Four Non-Executive Independent Directors
- One Non-Executive Woman Director

Shri Sudeep Chitlangia and Smt. Sheela Chitlangia are related inter-se.

b) The composition and category of Board of Directors and other details are as follows:

Name of Directors	DIN No.	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM on 29.09.2015	No. of Directorship(s) in other Public Limited Companies	No. of membership(s) in other Board Committees #	No. of Chairmanship(s) in other Board Committees #
Shri Sudeep Chitlangia	00093908	Managing Director-Promoter	4	Yes	None	None	None
Shri Sohan Lal Yadav	00207333	Whole-time Director	1	No	None	None	None
Dr.Kali Kumar Chaudhuri	00206157	Non-Executive & Independent Director	3	Yes	5	8	3
Shri Probir Roy	00033045	Non-Executive & Independent Director	4	Yes	4	None	None
Shri Ratan Lal Gaggar	00322904	Non-Executive & Independent Director	4	Yes	9	5	None
Shri Sujit Chakravorti	00066344	Non-Executive & Independent Director	4	Yes	4	4	2
Smt. Sheela Chitlangia	00174354	Non-Executive Director	4	Yes	None	None	None

Only Audit Committee and Stakeholders Relationship Committee have been considered.

c) Board Meetings held during the year ended 31st March, 2016

During the year four Board Meetings were held on 27th May, 2015, 13th August, 2015, 9th November, 2015 and 10th February 2016.

d) Information placed before the Board of Directors

As required under the Regulation 17(7) read with Part – A of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the informations were placed before the Board.

Report on Corporate Governance (Contd.)

e) Code for prevention of Insider Trading practices and Fair Disclosures

The Company has in place an Insider Trading Code for compliance with the SEBI (Prohibition of Insider Trading) Regulations 1992. Shri Ravi Kumar Murarka, Chief Financial Officer and Company Secretary of the Company is the Compliance Officer and responsible for compliance with the insider trading procedures. Details of securities transactions by insiders are placed before the Board of Directors of the Company and also notified to the Stock Exchanges.

f) Shareholding of Non-Executive Directors

Except Smt. Sheela Chitlangia, none of the Non-Executive Directors hold any shares in the Company. Smt. Sheela Chitlangia holds 271650 Equity Shares of ₹10/- each of the Company as on 31st March, 2016.

g) Details of Familiarisation Programmes imparted to Independent Directors

Pursuant to Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should familiarise the independent directors through various programs about the Company. During the financial year, senior management team has from time to time made presentations to Directors giving an overview of the Company's operations, function, strategy and risk management plan of the Company. The details of the familiarisation programs are available at the website of the Company www.sardaplywood.in.

3. AUDIT COMMITTEE

a) Composition of the Committee

The Audit Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Shri Sujit Chakravorti (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Probir Roy. The Managing Director is permanent invitee in all meetings of the Committee. The Company Secretary acts as the Secretary to the Committee.

b) Terms of Reference

The terms of reference of the Committee as specified in Regulation 18 read with part C of Schedule II of the SEBI Regulations and Section 177 of the Companies Act, 2013 are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any Related Party Transactions;
 - g. Modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with Related Parties;



Report on Corporate Governance (Contd.)

- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant Related Party Transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

c) Audit Committee Meetings held during the year ended 31st March, 2016

During the year under review, four Audit Committee Meetings were held on 27th May 2015, 13th August 2015, 9th November 2015 and 10th February, 2016.

d) Attendance at the Audit Committee Meetings

Name of Directors	No. of Meetings held	No. of Meetings attended
Shri Probir Roy	4	4
Shri Ratan Lal Gaggar	4	4
Shri Sujit Chakravorti	4	4

4. NOMINATION & REMUNERATION COMMITTEE

a) Composition of the Committee

The Nomination & Remuneration Committee comprises of three Non-Executive Directors, all of whom are Independent Directors. The names of the members of the Committee are Dr. Kali Kumar Chaudhuri (Chairman of the Committee), Shri Ratan Lal Gaggar and Shri Sujit Chakravorti.

Report on Corporate Governance (Contd.)

b) Terms of Reference

The terms of reference of the Committee as specified in Regulation 19 read with Part D of Schedule II of the SEBI Regulations are as follows:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors,
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

c) Nomination & Remuneration Committee Meeting held during the year ended 31st March 2016

During the year under review, one Nomination & Remuneration Committee Meeting was held on 7th May, 2015.

d) Attendance at the Nomination & Remuneration Committee Meeting

Name of Directors	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	1	1
Shri Ratan Lal Gaggar	1	1
Shri Sujit Chakravorti	1	1

e) Details of remuneration to Directors

Name of Directors	Salary & Perks ₹	Sitting Fees ₹	Total ₹
Shri Sudeep Chitlangia	3,724,667	–	3,724,667
Shri Sohan Lal Yadav	3,000,000	–	3,000,000
Dr. Kali Kumar Chaudhuri	–	41,000	41,000
Shri Ratan Lal Gaggar	–	81,000	81,000
Shri Probir Roy	–	70,000	70,000
Shri Sujit Chakravorti	–	76,000	76,000
Smt. Sheela Chitlangia	–	40,000	40,000

Notes:

- (a) The Company does not pay any commission or performance linked incentives to any of its Directors.
- (b) The company pays sitting fees to independent directors for attending the Board and Committee Meetings. Other than that, Non Executive directors have no pecuniary relationships or transactions with the Company.

f) Performance Evaluation criteria for Independent Directors

The following are the evaluation criteria for the Performance evaluation of the independent directors.

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices
- Rendering independent, unbiased opinion
- Attendance & presence in meetings of Board & committees
- Attendance & presence in general meetings
- Disclosure of independence, if exists



Report on Corporate Governance (Contd.)

- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests
- Updation of skills and knowledge (Awareness program through presentation at the Board and Committee Meetings)
- Information regarding external environment
- Raising of concerns to the Board
- Safeguarding interest of whistle blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Safeguard of confidential information

g) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and as per requirement of Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has adopted the criteria for evaluation of its own performance, its committees and individual directors and carried out the required annual evaluation.

In respect of each of the evaluation factors, various aspects covering general parameters in respect of all the directors and its committees have been considered and set out in the Performance Evaluation Policy in accordance with their respective functions and duties.

Self-appraisal by the directors, based on their delegated specific responsibilities has also been carried out.

Further, the independent directors have evaluated the performance of Executive Chairman, Non-Independent Directors and the Board of Directors as a whole as per requirement of Regulation 25 (3) & (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Nomination and Remuneration Committee had also evaluated performance of each of the Directors based on the afore-said evaluation factors.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

a) Composition of the Committee

The Stakeholders Relationship Committee consists of Dr. Kali Kumar Chaudhuri, Non-Executive Independent Director and Chairman of the Committee, Shri Ratan Lal Gaggar, Non-Executive Independent Director and Shri Sudeep Chitlangia, Managing Director. The Company Secretary acts as the Secretary to the Committee.

b) Terms of Reference

The Committee performs amongst others the role/functions as are set out in SEBI Regulations and includes:

- to consider, review and redress grievances of shareholders, debenture-holders and other security holders of the Company;
- to consider and resolve the grievances of the Shareholders /Investor's like transfer of shares, debentures, non receipt of balance sheet, non receipt of declared dividends;
- to deal with all aspects relating to issue and allotment of shares and debentures and /or other securities of the Company;
- to consider and approve subdivision, consolidation, transfer and issue of duplicate shares and debenture certificate;
- to delegate any of the powers mentioned above to the company executives;
- authority to take a decision in any other matter in relation to the above functions/ powers; and
- to do such other acts, deeds and things as may be directed by the Board and required to comply with the applicable laws.

c) Stakeholders Relationship Committee Meetings held during the year ended 31st March, 2016

During the year under review, two Stakeholder Relationship Committee Meetings were held on 3rd October, 2015 and 10th February, 2016.

Report on Corporate Governance (Contd.)

d) Attendance at Stakeholders Relationship Committee Meetings

Name of Directors	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	2	2
Shri Sudeep Chitlangia	2	2
Shri Ratan Lal Gagar	2	2

e) Compliance Officer

Shri Ravi Kumar Murarka, Chief Financial Officer & Company Secretary is the Compliance Officer of the Company.

f) Shareholders' Complaints

During the year ended 31st March 2016, the Company had received two complaints from its shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, dispute or Court orders.

6. GENERAL BODY MEETINGS

Details of the last three Annual General Meetings are as under:

Financial Year	Location	Date	Time	Number of special resolutions passed
2012-2013	The Far Pavilion, Tollygunge Club Limited , 120, Deshapran Sasmal Road, Kolkata - 700 033	27.09.2013	11.00 A.M.	None
2013-2014	-do-	25.09.2014	11.00 A.M	Two
2014-2015	-do-	29.09.2015	11.00 A.M	One

Notes:

- (i) No special resolution was passed through postal ballot during the year 2015-16.
- (ii) No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

7. DISCLOSURES

- a) There is no materially significant Related Party Transaction entered into by the Company that may have potential conflict with the interests of the Company at large. Details of the related party transactions are presented in the notes to the financial statements. The Company's policy on Related Party Transactions is available at the website of the Company www.sardaplywood.in.
- b) There were no instances of non-compliance nor have any penalties or strictures been imposed by Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- c) The Company has followed the applicable guidelines of Accounting Standards as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d) The Company has adopted Vigil Mechanism/Whistle blower policy. No personnel were denied access to the Audit Committee.
- e) The Company has complied with all the mandatory requirement and discretionary requirement of unqualified financial statements.
- f) The Company does not have any subsidiary.
- g) The Company has complied with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

8. MEANS OF COMMUNICATION

- a) Quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are approved by the Board.
- b) Financial results are normally published in the Financial Express in English language and in Kalantar /Ekdin in Bengali language.



Report on Corporate Governance (Contd.)

- c) Financial results of the company are displayed on its website www.sardaplywood.in.
- d) No presentations were made to institutional investors or analysts.

9. GENERAL SHAREHOLDER INFORMATION

- I. Annual General Meeting
 - Date and Time : 16th September 2016 at 11.00 A.M.
 - Venue : Bharatiya Bhasha Parishad, 36A Shakespeare Sarani
Kolkata- 700017
- II. Financial Calendar for the year 2016-2017 :
 - Results for the first quarter : Second week of August
 - Results for the second quarter : Second week of November
 - Results for the third quarter : Second week of February
 - Annual Audited Results : Last week of May
- III. Book Closure Date : 9th September 2016 to 16th September 2016
(both days inclusive).
- IV. Dividend Payment Date : Not Applicable
- V. Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
Corporate Relationship Department
Rotunda Building, 1st Floor
New Trading Ring, P.J. Towers
Dalal Street, Mumbai-400 001
- VI. Scrip Code : 516003
- VII. Market Price Data

Month	Stock Prices on BSE		SENSEX	
	High	Low	High	Low
April 2015	43.80	31.00	29094.61	26897.54
May 2015	41.95	28.00	28071.16	26423.99
June 2015	39.95	30.10	27968.75	26307.07
July 2015	68.85	36.10	28578.33	27416.39
August 2015	70.00	43.65	28417.59	25298.42
September 2015	49.85	34.25	26471.82	24833.54
October 2015	53.50	36.00	27618.14	26168.71
November 2015	65.70	47.20	26824.30	25451.42
December 2015	64.00	51.50	26256.42	24867.73
January 2016	75.00	48.65	26197.27	23839.76
February 2016	63.35	45.45	25002.32	22494.61
March 2016	56.00	46.15	25479.62	23133.18

VIII. Share Transfer System

M/s. Maheshwari Datamatics Private Limited are the Share Transfer Agents/Registrars (both for physical as well as demat segments) of the Company. The Board of Directors of the Company has authorized Shri Sudeep Chitlangia, Managing Director and Shri Ravi Kumar Murarka, Chief Financial Officer and Company Secretary of the Company to approve all valid share transfer requests on regular basis and accordingly all valid transfers are effected within a fortnight. Details of approved share transfers are submitted to the Stakeholders Relationship Committee.

Report on Corporate Governance (Contd.)

IX. Foreign Exchange Risk and Hedging Activities

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to firm commitment.

X. Distribution of Shareholding as on 31st March, 2016

No. of shares of ₹ 10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6247	95.80	783783	17.35
501-1000	145	2.22	115172	2.55
1001-5000	78	1.20	167943	3.72
5001-10000	18	0.28	124993	2.76
100001 & above	33	0.50	3325994	73.62
TOTAL	6521	100.00	4517885	100.00

XI. Categories of Shareholding as on 31st March, 2016

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	1973451	43.68
Banks and Mutual Funds	10900	0.24
Body Corporates	773466	17.11
Individuals	1760068	38.97
TOTAL	4517885	100.00

XII. Dematerialisation of shares : The Company's shares are available for Dematerialisation and liquidity with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31st March 2016, 89.05% of the Share Capital has been dematerialised.

XIII. Outstanding GDR/ADR/Warrants : Not Applicable

XIV. Plant locations : 1. Tea Unit
P.O. Jeypore - 786614
Dist. Dibrugarh, Assam
2. Plywood Units
(a) P.O. Jeypore - 786614
Dist. Dibrugarh, Assam
(b) Rajkot Gondal Highway, Shapar - 360024,
Dist. Rajkot, Gujarat
(Under License Agreement)

XV. Address for Correspondence : Maheshwari Datamatics Private. Limited
6 Mangoe Lane, Kolkata – 700001
Phone: (033) 2243 5029/2243 5809
Fax : (033) 2248 4787,
E-mail: mdpl@cal.vsnl.net.in

XVI. E-mail id for investor grievances : investors@sardaplywood.com

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Registered Office
9, Parsee Church Street
Kolkata – 700001

Dated: 25th May 2016



Annexure-7

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

We have examined the compliance of conditions of Corporate Governance by Sarda Plywood Industries Limited for the year ended 31st March, 2016, as stipulated in Chapter IV of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchanges.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investor's grievances remaining unattended/pending for more than 30 days as at 31st March, 2016 except those under litigation, disputes or court orders.

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

For **G. P. AGRAWAL & CO.**
Chartered Accountants
(F.R. No.302082E)

CA RAKESH KUMAR SINGH
(Membership No.066421)
Partner

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 25th May 2016

Annexure-8

**Declaration Regarding Compliance By Board Members And Senior
Management Personnel With The Company's Code of Conduct**

This is to confirm that the Board has adopted a Code of Conduct for its Directors and Senior Management of the Company and the same is available on the Company's website.

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31st March, 2016.

SUDEEP CHITLANGIA
(DIN: 00093908)
Managing Director

Place: Kolkata
Date: 25th May 2016

Annexure-9

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

CERTIFICATION

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

- A. We have reviewed financial statements and the cash flow statement for the financial year ended 31st March, 2016 and that to the best of our knowledge and belief, we state that:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
1. Significant changes, if any, in internal control over financial reporting during the year;
 2. Significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

For **Sarda Plywood Industries Limited**

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

Place : Kolkata
Dated: 25th May, 2016



**Secretarial Audit Report
For The Financial Year Ended 31st March, 2016**

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

To
The Members
Sarda Plywood Industries Limited
9, Parsee Church Street
Kolkata – 700 001
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sarda Plywood Industries Limited having its Registered Office at 9, Parsee Church Street, Kolkata – 700 001, West Bengal (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS-1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015.
- (iii) Listing Agreement with the stock exchange.
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Secretarial Audit Report (Contd.)

- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has specifically complied with the provisions of the following Acts :

1. Food Safety And Standards Act, 2006
2. The Indian Forest Act, 1927
3. Tea Waste Control Order, 1959
4. Tea (Marketing) Control Order, 2003
5. Tea (Distribution & Export) Control Order, 2005
6. Plant Protection Code (Formulated by Tea Board of India)

to the extent of their applicability to the Company during the financial year ended 31.03.2016 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) SEBI (Share Based Employee Benefits) Regulations, 2014
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **A. K. LABH & Co.**
Company Secretaries

(**CS A. K. LABH**)
Practicing Company Secretary
FCS – 4848 / CP No.-3238

Place : Kolkata
Dated : 25th May, 2016



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

(A) CONSERVATION OF ENERGY

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

(B) TECHNOLOGY ABSORPTION

- c) Efforts made in technology absorption as per Form B: Form B is enclosed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- d) **Efforts:** the Company has not exported any of its products during the year.
- e) **Earnings and Outgo:** (₹ in Lakhs)
 - (i) Foreign Exchange earnings NIL
 - (ii) Foreign exchange outgo (imports and other expenditure in foreign currency) 5256.23

FORM – A

(See rule 2)

(For Bought Leaf Tea Processing Factory)

Disclosure of particulars with respect to conservation of energy

A. POWER AND FUEL CONSUMPTION		2015-2016	2014-2015
1. Electricity			
(a) Purchased			
Unit	Kwh	560020	277160
Total amount	₹	5600811	3465715
Rate/Unit	₹/Kwh	10.00	12.50
(b) Own generation			
(i) (Through gas generator)			
Unit	Kwh	1318019	1204306
Unit per SCUM of natural gas	Kwh/SCUM	2.14	2.04
Cost/unit	₹/Kwh	5.97	5.84
(ii) (Through Diesel Generator)			
Unit	Kwh	Nil	Nil
Unit per Litre of Diesel Oil	Kwh/ltr.	Nil	Nil
Cost/unit	₹/Kwh	Nil	Nil
2. Natural Gas			
Quantity	SCUM	1103256	889739
Total cost	₹	14127345	10892525
Rate	₹/SCUM	12.81	12.24
B. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity	Kwh/Kg.	0.79	0.71
Natural Gas	SCUM/Kg.	0.47	0.42

Annexure-11 (contd.)**FORM - B****Disclosure of particulars with respect to technology absorption****A. Research and Development**

1. Specific Areas : Efforts are being taken for improving input / output ratio, optimization of equipment efficiency and improvement in quality.
2. Benefits derived : Improvement in quality, productivity and performance.
3. Future plan of action : Efforts would be taken for further improvement in quality and capacity utilization.
4. Expenditure on R & D : It has not been accounted for separately.

B. Technology absorption, adoption and innovation

1. Efforts made : The process technology has been upgraded, wherever required.
2. Benefits : Efficient plant operation resulting into improved quality at optimum cost.
3. Particulars of technology imported during the last three years : Nil



Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L20211WB1957PLC023493
- ii) Registration Date : 26th June 1957
- iii) Name of the Company : Sarda Plywood Industries Limited
- iv) Category/Sub-Category of the Company : Public Company Limited by Shares
- v) Address of the Registered office and contact details : 9, Parsee Church Street, Kolkata – 700 001; Contact No. (033) 2265 2274
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Maheshwari Datamatics Private Limited, 6, Mangoe Lane (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata–700001 Contact No.(033) 2243 5029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Plywood & Veneer	1621	87.13
2	Tea	10791	12.87

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	P.S. Plywood Products Private Limited Rajkot – Gondal Highway, Shapar – 360024, Dist. – Rajkot, Gujarat	U20291GJ1986PTC009129	Associate	46.67	2(6)

Form No. MGT-9 (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	1549209	0	1549209	34.29	1549209	0	1549209	34.29	0	
b) Central Government										
c) State Government										
d) Bodies Corporate	584242	0	584242	12.93	424242	0	424242	9.3903	(-) 3.54	
e) Banks / Financial Institutions										
f) Any Other										
Sub-Total (A) (1) :-	2133451	0	2133451	47.22	1973451	0	1973451	43.68	(-) 3.54	
(2) Foreign										
a) NRIs-Individuals										
b) Other-Individuals										
c) Bodies Corporate										
d) Banks / Financial Institutions										
e) Any Other (Specify)										
Sub-Total (A) (2) :-	0	0	0	0.00	0	0	0	0.00	0.00	
Total shareholding of Promoter (A) (A) = (A)(1) + (A)(2)	2133451	0	2133451	47.22	1973451	0	1973451	43.68	(-) 3.54	
B. Public Shareholding										
(1) Institutions										
a) Mutual Funds	0	8600	8600	0.19	0	8600	8600	0.19	0.00	
b) Banks / Financial Institutions	200	2100	2300	0.05	200	2100	2300	0.05	0.00	
c) Central Government(s)										
d) State Government(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) Foreign Institutional Investors										
h) Foreign Venture Capital Funds										
i) Others (specify)										
Sub-total (B) (1) :-	200	10700	10900	0.24	200	10700	10900	0.24	0.00	
(2) Non-Institutions										
a) Bodies Corp.										
i) Indian	586050	4650	590700	13.07	763719	4650	768369	17.01	3.94	
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	685115	486732	1171847	25.94	655487	479582	1135069	25.12	(-) 0.82	
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	523019	0	523019	11.58	550739	0	550739	12.19	0.61	
c) Others (specify)										
1. Non Resident Indians	85253	0	85253	1.89	74260	0	74260	1.64	(-) 0.24	
2. Clearing Member	2715	0	2715	0.06	5097	0	5097	0.11	0.05	
3. OCB										
4. Trust										
5. Foreign Portfolio Investor										
Sub-total (B) (2) :-	1882152	491382	2373534	52.54	2049302	484232	2533534	56.08	3.54	
Total Public Shareholding (B) (B) = (B) (1) + (B) (2)	1882352	502082	2384434	52.78	2049502	494932	2544434	56.32	3.54	
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	4015803	502082	4517885	100	4022953	494932	4517885	100		



ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sudeep Chitlangia	358350	7.93	0.00	358350	7.93	0.00	0.00
2	Jaydeep Chitlangia	344300	7.62	0.00	344300	7.62	0.00	0.00
3	Sheela Chitlangia	271650	6.01	0.00	271650	6.01	0.00	0.00
4	Nikhilesh Chitlangia	91800	2.03	0.00	91800	2.03	0.00	0.00
5	Sudeep Chitlangia (HUF)	90786	2.01	0.00	90786	2.01	0.00	0.00
6	Purushottam Das Chitlangia (HUF)	90175	2.00	0.00	90175	2.00	0.00	0.00
7	Jaydeep Chitlangia (HUF)	65604	1.45	0.00	65604	1.45	0.00	0.00
8	Akhilesh Chitlangia	55000	1.22	0.00	55000	1.22	0.00	0.00
9	Abhishek Chitlangia	55000	1.22	0.00	55000	1.22	0.00	0.00
10	Archana Chitlangia	52294	1.16	0.00	52294	1.16	0.00	0.00
11	Shreya Chitlangia	50000	1.11	0.00	50000	1.11	0.00	0.00
12	Radheshyam Chitlangia (HUF)	18000	0.39	0.00	18000	0.39	0.00	0.00
13	Sunita Chitlangia	6250	0.14	0.00	6250	0.14	0.00	0.00
14	Madhya Bharat Papers Limited	55100	1.22	0.00	55100	1.22	0.00	0.00
15	Chitlangia Medical Society	72200	1.60	0.00	72200	1.60	0.00	0.00
16	Chitperi Farm Private Limited	21942	0.49	0.00	21942	0.49	0.00	0.00
17	Abhinandan Fintex Private Limited	435000	9.63	0.00	275000	6.09	0.00	(-) 3.54
	Total	2133451	47.22	0.00	1973451	43.69	0.00	(-) 3.54

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Abhinandan Fintex Private Limited				
	At the beginning of the year	435000	9.63	435000	9.63
	As on 11.03.2016 - Transfer			375000	8.30
	As on 18.03.2016 - Transfer			275000	6.09
	At the end of the year			275000	6.09

Form No. MGT-9 (Contd.)

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Cumulative Shareholding during the year		Shareholding at the beginning of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Aashray Enterprises Private Limited				
	At the beginning of the year	29500	0.6530		
	As on 24/07/2015 - Transfer			23500	0.5202
	As on 16/10/2015 - Transfer			23200	0.5135
	As on 23/10/2015 - Transfer			23160	0.5126
	As on 30/10/2015 - Transfer			22602	0.5003
	As on 06/11/2015 - Transfer			21500	0.4759
	As on 27/11/2015 - Transfer			21000	0.4648
	As on 08/01/2016 - Transfer			20500	0.4538
	At the end of the year			20500	0.4538
2	Arun Kumar Sancheti (HUF)				
	At the beginning of the year	13468	0.2981		
	As on 10/04/2015 - Transfer			15533	0.3438
	As on 03/07/2015 - Transfer			13996	0.3098
	As on 24/07/2015 - Transfer			10497	0.2323
	As on 31/07/2015 - Transfer			8875	0.1965
	As on 14/08/2015 - Transfer			7375	0.1632
	As on 18/03/2016 - Transfer			8875	0.1964
	At the end of the year			8875	0.1964
3	Arvind Kumar J Sancheti				
	At the beginning of the year	24751	0.5478		
	As on 03/04/2015 - Transfer			18603	0.4118
	As on 05/06/2015 - Transfer			15158	0.3355
	As on 12/06/2015 - Transfer			0	0.0000
	At the end of the year			0	0.0000
4	Cuckoo Fiscal Services Limited				
	At the beginning of the year	440000	9.7391	440000	9.7391
	At the end of the year			440000	9.7391
5	Dipak Kumar Amrutlal Dharani				
	At the beginning of the year	0		0	
	As on 11/12/2015 - Transfer			16000	0.3541
	At the end of the year			16000	0.3541
6	Fast Capital Markets Private Limited				
	At the beginning of the year	0		0	
	As on 23/10/2015 - Transfer			40	0.0009
	As on 30/10/2015 - Transfer			558	0.0124
	As on 06/11/2015 - Transfer			0	0.0000
	As on 27/11/2015 - Transfer			500	0.0111
	As on 04/12/2015 - Transfer			0	0.0000
	As on 11/03/2016 - Transfer			60000	1.3281
	As on 18/03/2016 - Transfer			100000	2.2134
	As on 25/03/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
7	Fourth Axis Advisors LLP				
	At the beginning of the year	0		0	
	As on 19/06/2015 - Transfer			2249	0.0498



	As on 30/06/2015 - Transfer			2388	0.0529
	As on 03/07/2015 - Transfer			5774	0.1278
	As on 17/07/2015 - Transfer			5890	0.1304
	As on 24/07/2015 - Transfer			8326	0.1843
	As on 31/07/2015 - Transfer			9826	0.2175
	As on 14/08/2015 - Transfer			16090	0.3561
	As on 21/08/2015 - Transfer			17300	0.3829
	As on 31/12/2015 - Transfer			19460	0.4307
	At the end of the year			19460	0.4307
8	Hemant Kumar Motihar				
	At the beginning of the year	226306	5.0091		
	As on 08/01/2016 - Transfer			226106	5.0048
	As on 15/01/2016 - Transfer			226101	5.0047
	At the end of the year			226101	5.0046
9	J. L. Shah Securities Private Limited				
	At the beginning of the year	0		0	
	As on 06/11/2015 - Transfer			10000	0.2213
	As on 13/11/2015 - Transfer			10200	0.2258
	As on 20/11/2015 - Transfer			16000	0.3541
	As on 11/12/2015 - Transfer			0	0.0000
	As on 04/12/2015 - Transfer			0	0.0000
	At the end of the year				
10	Kusum P Taori				
	At the beginning of the year	10000	0.2213	10000	0.2213
	At the end of the year			10000	0.2213
11	Madan Bhagchand Melwani				
	At the beginning of the year	68377	1.5135	68377	1.5135
	At the end of the year			68377	1.5135
12	Mamta Sancheti				
	At the beginning of the year	21787	0.4822		
	As on 10/04/2015 - Transfer			27281	0.6039
	As on 24/04/2015 - Transfer			31761	0.7030
	As on 19/06/2015 - Transfer			31311	0.6930
	As on 07/08/2015 - Transfer			30008	0.6642
	As on 05/02/2016 - Transfer			30367	0.6722
	As on 12/02/2016 - Transfer			26367	0.5836
	As on 18/03/2016 - Transfer			25367	0.5615
	At the end of the year			25367	0.5615
13	Niraj Investment Company Private Limited				
	At the beginning of the year	67372	1.4912	67372	1.4912
	At the end of the year			67372	1.4912
14	Parthiv Rameshchandra Patel				
	At the beginning of the year	12592	0.2787	12592	0.2787
15	Poushali Sales Private Limited				
	At the beginning of the year	0	0.0000		
	As on 18/03/2016 - Transfer			60000	1.3281
	As on 25/03/2016 - Transfer			160000	3.5415
	At the end of the year			160000	3.5415
16	Shabnam Motihar				
	At the beginning of the year	224115	4.9606	224115	4.9606
	At the end of the year			224115	4.9606

Form No. MGT-9 (Contd.)

17	Shilpa Stock Broker Private Limited				
	At the beginning of the year	0		0	
	As on 24/07/2015 - Transfer			13649	0.3021
	As on 12/02/2016 - Transfer			1000	0.0221
	At the end of the year			1000	0.0221
18	Smita Impex LLP				
	At the beginning of the year	0		0	
	As on 14/08/2015 - Transfer			10844	0.2400
	As on 21/08/2015 - Transfer			10855	0.2403
	As on 04/09/2015 - Transfer			11502	0.2546
	As on 11/09/2015 - Transfer			12572	0.2783
	As on 18/09/2015 - Transfer			12722	0.2816
	As on 30/09/2015 - Transfer			12737	0.2819
	As on 09/10/2015 - Transfer			13737	0.3041
	As on 30/10/2015 - Transfer			16737	0.3705
	As on 06/11/2015 - Transfer			17885	0.3959
	As on 13/11/2015 - Transfer			19385	0.4291
	As on 27/11/2015 - Transfer			20545	0.4547
	At the end of the year			20545	0.4547
19	Varsha Chugh				
	At the beginning of the year	0		0	
	12/06/2015 - Transfer			13300	0.2944
	03/07/2015 - Transfer			13430	0.2973
	24/07/2015 - Transfer			9285	0.2055
	31/03/2016 - Transfer			10485	0.2321
	At the end of the year			10485	0.2321
20	Ventura Securities Limited				
	At the beginning of the year	0		0	
	As on 12/06/2015 - Transfer			1749	0.0387
	As on 19/06/2015 - Transfer			0	0.0000
	As on 26/06/2015 - Transfer			89	0.0020
	As on 30/06/2015 - Transfer			0	0.0000
	As on 17/07/2015 - Transfer			1116	0.0247
	As on 24/07/2015 - Transfer			2030	0.0449
	As on 31/07/2015 - Transfer			5148	0.1140
	As on 07/08/2015 - Transfer			11167	0.2472
	As on 14/08/2015 - Transfer			1210	0.0268
	As on 21/08/2015 - Transfer			715	0.0158
	As on 28/08/2015 - Transfer			720	0.0159
	As on 04/09/2015 - Transfer			355	0.0079
	As on 09/10/2015 - Transfer			350	0.0077
	As on 16/10/2015 - Transfer			100	0.0022
	As on 23/10/2015 - Transfer			0	0.0000
	As on 06/11/2015 - Transfer			3750	0.0830
	As on 13/11/2015 - Transfer			2250	0.0498
	As on 20/11/2015 - Transfer			178	0.0039
	As on 27/11/2015 - Transfer			2338	0.0517
	As on 04/12/2015 - Transfer			2209	0.0489
	As on 11/12/2015 - Transfer			2160	0.0478
	As on 31/12/2015 - Transfer			0	0.0000
	At the end of the year			0	0.0000



v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Details of Directors:					
1	Sudeep Chitlangia				
	a) At the beginning of the year	358350	7.93	358350	7.93
	b) Changes during the year	-	-	-	-
	c) At the end of the year	358350	7.93	358350	7.93
2	Sheela Chitlangia				
	a) At the beginning of the year	271650	6.01	271650	6.01
	b) Changes during the year	-	-	-	-
	c) At the end of the year	271650	6.01	271650	6.01
3	Shri Sujit Chakravorti				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
4	Shri Kali Kumar Chaudhuri				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
5	Shri Ratan Lal Gaggar				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
6	Shri Probir Roy				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
7	Shri Sohan Lal Yadav				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-
Details of Key Managerial Personnel (KMP)					
1	Shri Ravi Kumar Murarka				
	a) At the beginning of the year	-	-	-	-
	b) Changes during the year	-	-	-	-
	c) At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3112.33	1411.77	Nil	4524.10
ii) Interest due but not paid	-	77.69	Nil	77.69
iii) Interest accrued but not due	0.72	0.18	Nil	0.66
Total (i + ii + iii)	3113.05	1489.64	Nil	4602.69
Change in Indebtedness during the financial year				
- Addition	1419.90	662.12	Nil	2082.02
- Reduction	563.23	827.99	Nil	1391.22
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	3977.21	1272.65	Nil	5249.86
ii) Interest due but not paid	-	51.03	Nil	51.03
iii) Interest accrued but not due	1.45	0.09	Nil	1.54
Total (i + ii + iii)	3978.66	1323.77		5302.43

Form No. MGT-9 (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Sudeep Chitlangia, Managing Director	Shri Sohan Lal Yadav, Whole-time Director	
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,300,000	3,000,000	6,300,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	411,000	0	411,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission – as % of profit – others, specify (Club Membership)	Nil	Nil	Nil
5.	Others, please specify – Club membership	13,667	0	13,667
Total* (A)		3,724,667	3,000,000	6,724,667
Ceiling as per the Act		4,200,000	4,200,000	8,400,000

*As per Cost to the Company

B. Remuneration to other directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Sujit Chakravorti	Dr. Kali Kumar Chaudhuri	Shri Ratan Lal Gaggar	Shri Probir Roy	Shri Sheela Chitlangia	
1.	Independent Directors Fee for attending board/ committee meetings	76,000	41,000	81,000	70,000	N.A	268,000
	Total (1)	76,000	41,000	81,000	70,000	N.A	268,000
2.	Other Non-Executive Directors Fee for attending board/ committee meetings, commission others, please specify	N.A	N.A	N.A	N.A	40,000	40,000
	Total (2)	-	-	-	-	-	40,000
	Total (B) – (1+2)	76,000	41,000	81,000	70,000	N.A	308,000

C. Remuneration to KEY Managerial Personnel other than MD/ Manager/ WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of KMP
		Ravi Kumar Murarka, CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,319,006
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	162,748
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission – as % of profit – others, specify.	NIL
5.	Others, please specify:	NIL
Total		1,481,754



VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Independent Auditors' Report to the Members

Report on the standalone financial statements

We have audited the accompanying standalone financial statements of Sarda Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement (in which are incorporated the accounts of Company's branch at Delhi audited by other Auditors), and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's responsibility for the standalone financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



Independent Auditors' Report (Contd.)

- iii. The Balance Sheet, the Statement of Profit and Loss and the Cash flow Statement dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors as at 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 28.2 to the financial statements.
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There is no amount outstanding in the Investor Education and Protection Fund.

For G.P. Agrawal & Co.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. RAKESH KUMAR SINGH)

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 25th May, 2016

"Annexure A" to the Auditor's Report

Statement referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Sarda Plywood Industries Limited on the standalone financial statements for the year ended 31st March, 2016.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories (excluding stocks with third parties) have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, and limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a), (b) and (c) of paragraph 3 of the said order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of Section 186 of the Act in respect of loans granted and investments.
- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) As per the information and explanations given to us by the management, maintenance of cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act is not applicable to the Company.

Annexure to the Auditors' Report (Contd.)

- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to ₹ 844.37 Lakhs that have not been deposited on account of matters pending before appropriate authorities are as under: -

Sl. No.	Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relate	Forum where the dispute is pending
1.	Delhi Sales Tax Act, 1975	Sales Tax	77,86,548	1990-91	Addl. Commissioner of Sales Tax
2.	Central Sales Tax Act, 1956	Sales Tax	47,51,800	1990-91	Addl. Commissioner of Sales Tax
3.	Central Excise Act, 1944	Excise Duty	20,71,205	20011- 12	Under Appeal Commissioner, Rajkot
4.	Central Excise Act, 1944	Service Tax	14,46,353	July'12 to Sept'13	Under Appeal Custom, Excise & Service Tax Appellate Tribunal
5.	Income Tax Act, 1961	Income Tax	87,429	1985-86	Income Tax Appellate Tribunal
6.	Central Excise Act, 1944	Excise Duty	6,82,93,531	April' 10 to Feb'15	Asst. Commissioner of Central Excise.
	TOTAL		8,44,36,866		

- (viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions or banks or Government. The Company has not issued any debentures.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. On the basis of our examination and according to the information and explanations given to us, money raised by way of term loans have been applied for the purpose for which the loans were obtained.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For G.P. Agrawal & Co.
Chartered Accountants
 Firm's Registration No. - 302082E

(CA. Rakesh Kumar Singh)
 Partner
 Membership No. 066421

Place of Signature: Kolkata
 Date: 25th May, 2016



“Annexure B” to the Independent Auditor’s Report of Even Date on the Standalone Financial Statements of Sarda Plywood Industries Limited

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

We have audited the internal financial controls over financial reporting of Sarda Plywood Industries Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts

Annexure to the Auditors' Report (Contd.)

and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For G.P. Agrawal & Co.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 25th May, 2016



BALANCE SHEET as at 31st March, 2016

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
		₹	₹	₹	₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	45,206,975		45,206,975	
(b) Reserves and surplus	3	<u>91,089,990</u>	<u>136,296,965</u>	<u>148,451,347</u>	193,658,322
(2) Non - current liabilities					
(a) Long - term borrowings	4	76,487,036		34,667,980	
(b) Long - term provisions	5	<u>8,138,520</u>	<u>84,625,556</u>	<u>8,548,760</u>	43,216,740
(3) Current liabilities					
(a) Short - term borrowings	6	435,590,609		401,582,881	
(b) Trade payables					
i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28.3)		-		-	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		<u>431,463,920</u>		<u>488,331,470</u>	
(c) Other current liabilities	7	62,525,387		59,337,427	
(d) Short - term provisions	8	<u>2,047,812</u>	<u>931,627,728</u>	<u>279,130</u>	<u>949,530,908</u>
TOTAL			<u><u>1,152,550,249</u></u>		<u><u>1,186,405,970</u></u>
II. ASSETS					
(1) Non - current assets					
(a) Fixed assets					
(i) Tangible assets	9	134,769,574		133,353,493	
(ii) Intangible assets		<u>3,251,215</u>		<u>3,391,976</u>	
(iii) Capital work-in-progress		-		<u>3,753,375</u>	
		<u>138,020,789</u>		<u>140,498,844</u>	
(b) Non - current investments	10	80,617,354		80,599,154	
(c) Deferred Tax Assets (Net)	11	108,513,575		81,283,398	
(d) Long - term loans and advances	12	21,512,479		18,090,840	
(e) Other non - current assets	13	<u>10,000</u>	<u>348,674,197</u>	<u>10,000</u>	320,482,236
(2) Current assets					
(a) Inventories	14	518,909,031		491,885,561	
(b) Trade receivables	15	214,294,777		297,982,296	
(c) Cash and bank balances	16	3,616,003		9,243,039	
(d) Short - term loans and advances	17	64,171,312		64,546,679	
(e) Other current assets	18	<u>2,884,929</u>	<u>803,876,052</u>	<u>2,266,159</u>	<u>865,923,734</u>
TOTAL			<u><u>1,152,550,249</u></u>		<u><u>1,186,405,970</u></u>

Significant accounting policies 1
Other Disclosures 28

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board

SUJIT CHAKRAVORTI

Director

DIN. 00066344

CA. RAKESH KUMAR SINGH

(Membership No.066421)

Partner

Place of Signature: Kolkata

Date : 25th May, 2016

RAVI KUMAR MURARKA

Chief Financial Officer &

Company Secretary

SUDEEP CHITLANGIA

Managing Director

DIN. 00093908

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

	Note No.	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
		₹	₹	₹	₹
I. Revenue from operations					
Sale of goods (Gross)	19	1,979,225,189		2,225,839,081	
Less: Excise duty (Inclusive of Tea Cess)		<u>156,385,338</u>		<u>192,259,659</u>	
Net sale of goods			1,822,839,851		2,033,579,422
Other operating Income	20		<u>973,630</u>		<u>1,621,908</u>
Total Revenue from Operations			1,823,813,481		2,035,201,330
II. Other income	21		<u>502,661</u>		<u>1,382,696</u>
III. Total revenue (I+II)			<u>1,824,316,142</u>		<u>2,036,584,026</u>
IV. Expenses:					
Cost of materials consumed	22		998,636,236		1,196,283,343
Purchases of stock-in-trade	23		72,723,198		66,949,510
Changes in inventories of finished goods, work -in-progress and stock-in-trade	24		24,860,388		(2,083,024)
Employee benefits expense	25		227,577,213		204,403,522
Finance costs	26		67,519,567		66,788,679
Depreciation and amortization expense			17,434,532		17,047,625
Other expenses	27		500,156,542		503,754,020
Total expenses			<u>1,908,907,676</u>		<u>2,053,143,675</u>
V. Profit/(Loss) before tax (III - IV)			<u>(84,591,534)</u>		<u>(16,559,649)</u>
VI. Tax expense :					
Deferred tax			<u>(27,230,177)</u>		<u>(11,625,649)</u>
Profit/(Loss) for the year (V - VI)			<u>(57,361,357)</u>		<u>(4,934,000)</u>
Earnings per equity share of Rs. 10/- each (Refer Note No. 28.5)					
Basic			(12.70)		(1.09)
Diluted			(12.70)		(1.09)
Significant accounting policies	1				
Other Disclosures	28				

The accompanying notes 1 to 28 are an integral part of the Financial Statements.

As per our report of even date attached.
For **G. P. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA. RAKESH KUMAR SINGH
(Membership No.066421)
Partner
Place of Signature: Kolkata
Date : 25th May, 2016

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908



CASH FLOW STATEMENT for the year ended 31st March, 2016

	Year ended 31 st March, 2016	Year ended 31 st March, 2015
	₹	₹
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(84,591,534)	(16,559,649)
Adjustments for:		
Depreciation and Amortisation expenses	17,434,532	17,047,625
Loss on Sale of Tangible Fixed Assets	191,663	485,309
(Profit)/Loss on Sale of Non Current Investments	-	(412,174)
Provision for diminution in value of Investments	(68,200)	2,100
Interest Income	(334,049)	(275,414)
Finance Costs	67,519,567	66,788,679
Dividend Income	(67,484)	(69,441)
Operating Profit/(Loss) before Working Capital Changes	84,495	67,007,035
Increase/(Decrease) in Long Term Provisions	(410,240)	3,193,345
Increase/(Decrease) in Short Term Provisions	1,768,682	(325,938)
Increase/(Decrease) in Other Current Liabilities	6,539,653	(971,333)
Increase/(Decrease) in Trade Payables	(56,867,550)	26,502,450
Decrease/(Increase) in Long Term Loans & Advances	(3,425,486)	437,059
Decrease/(Increase) in Short Term Loans & Advances	375,367	(5,723,007)
Decrease/(Increase) in Non Current Assets	-	50,000
Decrease/(Increase) in Other Current Assets	(664,002)	58,035
Decrease/(Increase) in Inventories	(27,023,470)	58,390,029
Decrease/(Increase) in Trade Receivables	83,687,519	(25,590,858)
Cash generated from Operating activities	4,064,968	123,026,817
Direct Taxes Paid / Refund	3,847	(15,744)
Net Cash Flow from/(used in) Operating Activities	4,068,815	123,011,073
B. Cash Flow from Investing Activities		
Additions to Tangible Fixed Assets	(14,823,863)	(13,099,446)
Additions to Intangible Fixed Assets	(841,667)	(623,995)
Sale of Tangible Fixed Assets	517,390	684,842
Sale of Long Term Investments	50,000	472,148
Interest Income	379,281	209,069
Dividend Income	67,484	69,441
Net Cash flow from/(used in) Investing activities	(14,651,375)	(12,287,941)
C. Cash Flow from Financing Activities		
Proceeds from Working Capital Loan	25,662,034	2,508,401
Repayment of Buyers Credit	20,745,694	(34,670,746)
Proceeds from Other Short Term Borrowings	(12,400,000)	(2,500,000)
Proceeds from Term Loan	55,028,924	2,762,732
Repayment of Term Loan	(16,561,561)	(23,713,293)
Interest Expenses	(62,027,770)	(63,116,665)
Other Borrowing Costs	(5,491,797)	(3,672,014)
Net Cash Flow from/(Used in) Financing Activities	4,955,524	(122,401,585)
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,627,036)	(11,678,453)
Opening Cash and Cash Equivalents	9,193,039	20,871,492
Closing Cash and Cash Equivalents as per Note No. 16	3,566,003	9,193,039

Note:

- 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) rules, 2014.
- 2) Figures in brackets represent cash outflow.
- 3) Cash equivalents does not include any amount which is not available for use by the Company.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board

SUJIT CHAKRAVORTI

Director
DIN. 00066344

CA. RAKESH KUMAR SINGH

(Membership No.066421)

Partner

Place of Signature: Kolkata

Date : 25th May, 2016

RAVI KUMAR MURARKA

Chief Financial Officer &

Company Secretary

SUDEEP CHITLANGIA

Managing Director

DIN. 00093908

Notes to Accounts

Note No. 1

Significant Accounting Policies

1. (a) The accounts of the Company have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.
- (b) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT .
- (c) Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.
- (d) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
- (e) All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.
2. (a) Fixed assets have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation. Wherever these assets have been revalued, the amounts stated are inclusive of enhanced value on account of revaluation.
- (b) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
- (c) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
3. Depreciation on Fixed Assets has been provided and Computer Software (Acquired) are amortised on straight line method so as to charge the cost of the assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013.
4. Inventories are valued at lower of cost or net realisable value. The cost of inventories is computed on weighted average/FIFO basis. The cost of Finished Goods includes cost of conversion and cost incurred in bringing the inventories to their present location and condition.
5. Long term investments have been stated at cost less provision for other than temporary diminution in the value of investments.
6. (a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- (b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- (c) In case of items which are covered by forward exchange contracts, the premium or discount on forward exchange contracts is amortised over the period of the respective contract.
- (d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.
7. (a) Government grants of the nature of project subsidy are credited to Capital Reserves.
- (b) Other Government grants of revenue nature are credited to Statement of Profit and Loss under the heading 'Other Operating Revenue'.
8. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
9. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
10. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there is a change in the estimate of recoverable amount.
11. Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the Accounts.



Notes to Accounts (Contd.)

Note No. 2

Share capital

Particulars	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of shares	Amount ₹	No. of shares	Amount ₹
(a) Authorised:				
Equity shares of ₹ 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
(b) Issued:				
Equity shares of ₹ 10/- each	4,697,810	46,978,100	4,697,810	46,978,100
(c) Subscribed and Paid up:				
Equity shares of ₹ 10/- each fully paid up	4,517,885	45,178,850	4,517,885	45,178,850
Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	28,125	5,625	28,125
		45,206,975		45,206,975
(d) Reconciliation of number and amount of equity shares outstanding :				
At the beginning of the year	4,517,885	45,178,850	4,517,885	45,178,850
Add: Issued during the year	-	-	-	-
At the end of the year	4,517,885	45,178,850	4,517,885	45,178,850
(e) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(f) Shareholders holding more than 5 % of the equity shares in the Company:				

Name of Shareholder	As at 31 st March, 2016		As at 31 st March, 2015	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	440000	9.74	440000	9.74
ii) Abhinandan Fintex (P) Ltd.	275000	6.09	435000	9.63
iii) Jaydeep Chitlangia	344300	7.62	344300	7.62
iv) Sheela Chitlangia	271650	6.01	271650	6.01
v) Sudeep Chitlangia	358350	7.93	358350	7.93
vi) Hemant Kumar Motihar	226101	5.00	226306	5.01
TOTAL	1915401	42.40	2075606	45.94

Note No. 3

Reserves and surplus

	As at 31 st March, 2016		As at 31 st March, 2015	
	₹	₹	₹	₹
(a) Capital Reserve				
Balance as per last account		10,618,140		10,618,140
(b) Securities premium account				
Balance as per last account		69,574,000		69,574,000
(c) Revaluation reserve				
Balance as per last account	2,530,089		2,936,555	
Less: Depreciation transfer to Surplus	34,665		258,986	
Less: Depreciation transfer to General Reserve on account of change in useful life of fixed assets.	-	2,495,424	147,480	2,530,089
(d) General reserve*				
Balance as per last account	121,684,036		124,485,632	
Less: Adjustment for change in useful life of fixed assets Net of Deferred Tax (Refer Note No. 28.6)	-		2,949,076	
Add: Depreciation transfer from Revaluation Reserve	-	121,684,036	147,480	121,684,036
(e) Surplus				
Balance as per last account	(55,954,918)		(51,279,904)	
Add: Profit / (Loss) for the Year	(57,391,357)		(4,934,000)	
Add: Depreciation transfer from Revaluation Reserve	34,665		258,986	
		(113,281,610)		(55,954,918)
		91,089,990		148,451,347

* General reserve is primarily created to comply with the requirements of section 123(1) of Companies Act, 2013. This is a free reserve and can be utilised for any general purpose.

Notes to Accounts (Contd.)

Note No. 4

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹
Long - term borrowings		
Term Loans		
Secured		
From banks	3,428,924	-
From entities other than banks	72,600,000	33,000,000
Unsecured		
From banks	176,194	832,444
From entities other than banks	281,918	835,536
	76,487,036	34,667,980

(a) Nature of securities:

Term loan from entities other than banks is secured by first charge on the Company's immovable properties situated at Jeypore (Assam) by deposit of title deeds and also by hypothecation of all plant and machinery and other fixed assets of the Company, both present & future, and is additionally secured by personal guarantee of the Managing Director.

(b) Terms of repayment:

Particulars	Amount outstanding as on Balance Sheet date		Period of maturity w.r.t. Balance Sheet date	Number of instalments Outstanding as on 31.03.2016	Amount of instalment ₹
	Non-Current ₹	Current ₹			
Secured Loans from Banks	3,428,924 (-)	1,200,000 (-)	2 Yrs 9 Months@	4 4 2 1	300,000 500,000 700,000 28,924#
Secured Loans from entities other than Banks	-	-	-	-	-
Secured Loans from entities other than Banks	22,600,000 (33,000,000)	10,400,000 (8,400,000)	2 Yrs 8 Months	8 12 8 4	800,000 1,000,000 1,200,000 1,250,000
	50,000,000 (-)	-	5 yrs.	12 12 12 12 8 4	500,000 650,000 800,000 1,000,000 1,200,000 1,250,000
Unsecured Loans from Banks	-	-	-	-	-
	118,947 (451,898)	332,950 (299,898)	1 Yr 4 Months	16	30,390 *
	57,247 (380,546)	323,299 (291,195)	1 Yr 2 Months	14	29,000 *
Unsecured Loans from entities other than Banks	-	-	-	-	-
	-	-	-	-	-
	281,918 (620,715)	214,821 (262,329)	9 Months	9	24,885 *
	281,918 (620,715)	336,085 (290,180)	1 yrs 9 Months	21	33,500 *
Total	76,487,036 (34,667,980)	12,807,155 (16,158,848)			

Figures in the brackets pertain to previous year.

* Includes Interest @In Respect of Loan Disbursement received till date # Residual Amount



Notes to Accounts (Contd.)

	As at 31 st March, 2016		As at 31 st March, 2015	
	₹	₹	₹	₹
Note No. 5				
Long - term provisions				
Provision for employee benefits		<u>8,138,520</u>		<u>8,548,760</u>
		<u><u>8,138,520</u></u>		<u><u>8,548,760</u></u>
Note No. 6				
Short - term borrowings				
Other loans and advances				
Secured				
From banks				
Buyers Credit		49,394,592		28,648,898
Working Capital Loan		<u>260,596,017</u>	<u>309,990,609</u>	<u>234,933,983</u>
Unsecured				
From entities other than banks		<u>125,600,000</u>		<u>138,000,000</u>
		<u><u>435,590,609</u></u>		<u><u>401,582,881</u></u>
Nature of securities:				
Working capital loan and Buyers Credit are secured by hypothecation of present & future stocks and book debts and second charge on the Company's immovable properties situated at Jeypore (Assam) by deposit of title deeds and also by second charge on all plant & machinery and other fixed assets of the Company, both present & future, and are additionally secured by personal guarantees of the Managing Director.				
Note No. 7				
Other current liabilities				
Current maturities of long - term debt		12,807,155		16,158,848
(Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)				
Interest accrued and due on borrowings		100,788		-
Interest accrued but not due on borrowings		154,813		90,647
Other payables				
Advances from customers and others		6,166,818		3,332,336
Security deposits		6,955,099		7,547,741
Statutory liabilities		13,249,737		14,350,838
Unpaid salaries and other payroll dues		22,777,518		17,781,994
Others		313,459		75,023
		<u>49,462,631</u>		<u>43,087,932</u>
		<u><u>62,525,387</u></u>		<u><u>59,337,427</u></u>
Note No. 8				
Short-term provisions				
Provision for employee benefits		2,047,812		279,130
		<u>2,047,812</u>		<u>279,130</u>

Note No. 9

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	Upto 31.03.2015	Retained earnings	for the Year	Sales/ Adjustment	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS											
Freehold Land	3,165,248	-	-	3,165,248	-	-	-	-	-	3,165,248	3,165,248
Buildings	75,234,454	83,201	-	75,317,655	35,762,520	-	1,925,673	-	37,688,193	37,629,462	39,471,934
Plant and Equipments	221,154,809	16,753,451	2,152,394	235,755,866	149,343,045	-	10,350,611	2,027,534	157,666,122	78,089,744	71,811,764
Motor Vehicles	23,003,842	62,900	1,649,547	21,417,195	12,064,194	-	1,930,158	1,098,199	12,896,153	8,521,042	10,939,648
Furniture and Fixtures	13,591,155	172,857	-	13,764,012	9,260,789	-	670,180	-	9,930,969	3,833,043	4,330,366
Office Equipments & Computer	21,375,209	1,504,829	576,482	22,303,556	17,740,676	-	1,575,482	543,637	18,772,521	3,531,035	3,634,533
Sub - total	357,524,717	18,577,238	4,378,423	371,723,532	224,171,224	-	16,452,104	3,669,370	236,953,958	134,769,574	133,353,493
INTANGIBLE ASSETS											
Computer Softwares (Acquired)	7,773,177	841,667	-	8,614,844	4,381,201	-	982,428	-	5,363,629	3,251,215	3,391,976
Sub - total	7,773,177	841,667	-	8,614,844	4,381,201	-	982,428	-	5,363,629	3,251,215	3,391,976
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	3,753,375
TOTAL	365,297,894	19,418,905	4,378,423	380,338,376	228,552,425	-	17,434,532	3,669,370	242,317,587	138,020,789	140,498,844
Previous Year	360,320,512	10,966,381	5,988,999	365,297,894	211,891,858	4,431,790	17,047,625	4,818,848	228,552,425	140,498,844	

Notes :

a) Land, Building and Plant & Machinery were revalued on 30th June 1985 as per valuation report of M/S. Consolidated Enterprises on the basis of net replacement value and appreciation on revaluation aggregating to ₹ 1,63,77,041/- (Land ₹ 19,65,934/- , Building ₹ 70,61,126/- and Plant & Machinery ₹ 73,49,981/-) was credited to Capital Reserve.

b) Intangible Assets

The unamortised amount of Computer Software (Acquired) ₹ 86,14,844/- (Previous year ₹ 77,73,177/-) is to be amortised over a period of 1 - 5 years as the case may be.

Notes to Accounts (Contd.)

Note No. 10

Non-current investments

Particulars	Face value ₹	Number of shares	As at 31 st March, 2016 ₹	Number of shares	As at 31 st March, 2015 ₹
Long term (At cost less provision for other than temporary diminution)					
Investments in Equity Shares					
Trade Investments					
Unquoted, Fully Paid up:					
Associate Company					
P. S. Plywood Products Private Ltd.	10	5,950,000	80,508,750	5,950,000	80,508,750
Other Companies					
Orissa Tea Plantations Ltd.	10	100	–	100	–
The Albion Plywood Ltd.	10	300	–	300	–
			<u>80,508,750</u>		<u>80,508,750</u>
Other Investments					
a) Quoted, Fully paid up					
Assam Petro-Chemicals Ltd.	10	200	1,572	200	1,572
Rampur Fertilizers Ltd.	10	61	–	61	–
SMIFS Capital Markets Ltd.	10	3,500	98,000	3,500	79,800
United Credit Ltd.	10	1,000	9,032	1,000	9,032
			<u>108,604</u>		<u>90,404</u>
b) Unquoted					
i) Fully paid up					
Pro Sports Management Ltd.	1,000	50	–	100	–
ii) Partly paid up (₹ 60/- called and paid up)					
The Purbanchal Bank Limited	100	200	–	200	–
			<u>80,617,354</u>		<u>80,559,154</u>
Aggregate amount of quoted investments			1,045,415		1,045,415
Aggregate amount of unquoted investments			80,572,202		80,622,202
Aggregate provision for diminution in value of investments			1,000,263		1,068,463
Aggregate market value of quoted investments			110,522		99,372
Besides above, the Company holds following shares in relation to the shares already sold by it:					
a) Rampur Fertilizers Ltd.			16		16
b) Bengal & Assam Company Ltd.			2		2

Note No. 11

Deferred tax Assets (Net)

(a) Deferred tax assets:

Expenses allowable for tax purposes when paid	3,525,286	1,792,252
Carry Forward Loss	113,708,457	89,456,421
	<u>117,233,743</u>	<u>91,248,673</u>

(b) Deferred tax liabilities:

Depreciation	8,720,168	9,965,275
	<u>8,720,168</u>	<u>9,965,275</u>

Deferred tax Assets (Net) *

	<u>108,513,575</u>	<u>81,283,398</u>
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Carried forward losses have been recognised as deferred tax assets as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.

* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.



Notes to Accounts (Contd.)

	As at 31st March, 2016		As at 31st March, 2015	
	₹	₹	₹	₹
Note No. 12				
Long term loans and advances				
(Unsecured, considered good)				
Security deposits		7,628,583		7,883,175
Capital advances		163,844		81,400
Other loans and advances				
Prepaid Expenses		3,884,508		286,874
Advance tax (net)		2,133,340		2,137,187
MAT credit entitlement		7,702,204		7,702,204
		<u>21,512,479</u>		<u>18,090,840</u>
Note No. 13				
Other non-current assets				
(Unsecured, considered good)				
Fixed deposits with banks				
(Non current portion with original maturity period of more than 12 months)				
Pledged with Government Authorities		10,000		10,000
		<u>10,000</u>		<u>10,000</u>
Note No. 14				
Inventories				
(At lower of cost and net realizable value, unless stated otherwise)				
Raw Materials		217,953,743		177,956,460
Raw Materials in Transit		20,467,432		5,489,670
Stores & Spares and Chemicals		21,316,417		24,007,528
Stores & Spares and Chemicals in Transit		99,450		459,313
Work-in-Progress		54,997,813		80,202,698
Finished Goods		164,046,130		152,513,757
Finished Goods in Transit		7,630,980		9,124,614
Stock in Trade		32,211,969		41,188,747
Stock in Trade in Transit		185,097		942,774
		<u>518,909,031</u>		<u>491,885,561</u>
Note No. 15				
Trade receivables				
(Unsecured, considered good)				
Trade receivables outstanding for a period exceeding six months from due date *		31,996,638		35,145,580
Other trade receivables		182,298,139		262,836,716
		<u>214,294,777</u>		<u>297,982,296</u>
* includes ₹ 4,861,347/- (Previous year ₹ 5,097,636) under litigation.				
Note No. 16				
Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
In current accounts		1,643,018		7,446,322
Cheques, drafts on hand		1,302,847		896,651
Cash on hand		620,138	3,566,003	850,066
Other bank balances				
Fixed deposits with banks		50,000		50,000
(Current portion with original maturity period of more than 12 months)				
		<u>3,616,003</u>		<u>9,243,039</u>

Notes to Accounts (Contd.)

	As at 31 st March, 2016		As at 31 st March, 2015	
	₹	₹	₹	₹
Note No. 17				
Short - term loans and advances				
(Unsecured, considered good)				
Security deposits		2,153,791		2,236,164
Other loans and advances				
Advance to suppliers and others		52,966,648		46,602,810
Cenvat, Vat and other taxes / duties		5,768,079		6,553,833
Prepaid expenses		3,282,794		9,153,872
		<u>64,171,312</u>		<u>64,546,679</u>
Note No. 18				
Other current assets				
Interest accrued but not due		417,219		462,451
Claim Receivable		306,517		82,610
Taxes and duties refundable		2,161,193		1,721,098
		<u>2,884,929</u>		<u>2,266,159</u>
Note No. 19				
Revenue from operations				
Sale of goods (Gross)				
A. Finished Goods				
i) Plywood	1,602,063,609		1,808,203,055	
ii) Tea	240,501,050		248,685,125	
iii) Veneers	26,178,057	1,868,742,716	70,153,686	2,127,041,866
B. Stock-in-trade				
i) Plywood	109,832,698		91,266,879	
ii) Furniture	266,256	110,098,954	6,666,624	97,933,503
C. Others		383,519		863,712
		<u>1,979,225,189</u>		<u>2,225,839,081</u>
Note No. 20				
Other operating revenues				
Insurance Claims		973,630		1,621,908
		<u>973,630</u>		<u>1,621,908</u>
Note No. 21				
Other income				
Interest income (Gross)				
Fixed deposits with banks	6,530		5,601	
Others	327,519	334,049	269,813	275,414
Dividend income				
Long term investment		67,484		69,441
Other non-operating income				
Profit on sale of Long Term Investments		-		412,174
Provision for diminution in value of Investments		68,200		-
Rent		6,000		6,000
Unspent liabilities / balances written back		-		304,936
Miscellaneous income		26,928		314,731
		<u>502,661</u>		<u>1,382,696</u>
Note No. 22				
Cost of materials consumed				
Timber		225,752,112		351,978,251
Veneer		383,695,025		412,041,450
Planks & Beams		134,271,120		169,357,509
Green Leaf		183,004,032		176,343,310
Others		71,913,947		86,562,823
		<u>998,636,236</u>		<u>1,196,283,343</u>



Notes to Accounts (Contd.)

	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	₹	₹	₹	₹
Note No. 23				
Purchases of stock-in-trade				
Plywood		72,723,198		60,981,156
Furniture		—		5,968,354
		<u>72,723,198</u>		<u>66,949,510</u>
Note No. 24				
Changes in inventories of finished goods, work-in-progress and stock-in-trade				
A. Finished Goods				
Opening Stock				
i) Plywood	135,680,989		137,177,624	
ii) Tea	7,646,562		3,432,928	
iii) Veneer	<u>18,310,820</u>		<u>33,007,952</u>	
	<u>161,638,371</u>		<u>173,618,504</u>	
Closing Stock				
i) Plywood	140,491,096		135,680,989	
ii) Tea	18,137,522		7,646,562	
iii) Veneer	<u>13,048,492</u>		<u>18,310,820</u>	
	<u>171,677,110</u>	(10,038,739)	<u>161,638,371</u>	11,980,133
B. Stock-in-Trade				
Opening Stock				
i) Plywood	36,666,555		41,070,767	
ii) Furniture	<u>5,464,966</u>		<u>5,540,484</u>	
	<u>42,131,521</u>		<u>46,611,251</u>	
Closing Stock				
i) Plywood	27,231,324		36,666,555	
ii) Furniture	<u>5,165,742</u>		<u>5,464,966</u>	
	<u>32,397,066</u>	9,734,455	<u>42,131,521</u>	4,479,730
C. Work-in-Progress				
Opening Stock				
i) Plywood	80,202,698		61,621,206	
Closing Stock				
i) Plywood	<u>54,997,813</u>	<u>25,204,885</u>	80,202,698	(18,581,492)
(INCREASE) / DECREASE IN STOCKS				
		<u>24,900,601</u>		(2,121,629)
Add: Excise Duty & Cess on Stocks *		<u>(40,213)</u>		38,605
NET (INCREASE) / DECREASE IN STOCKS				
		<u>24,860,388</u>		<u>(2,083,024)</u>
* The amount of Excise Duty & cess shown above represents differential excise duty on opening & closing stock of finished goods.				
Note No. 25				
Employee benefits expense				
Salaries and wages		204,080,482		187,843,997
Contribution to provident and other funds		20,844,546		13,831,478
Staff welfare expense		<u>2,652,185</u>		<u>2,728,047</u>
		<u>227,577,213</u>		<u>204,403,522</u>
Note No. 26				
Finance costs				
Interest expense				
On long term borrowings	6,866,660		8,903,894	
On short term borrowings	54,190,905		53,169,792	
On others	<u>970,205</u>	<u>62,027,770</u>	<u>1,042,979</u>	63,116,665
Other borrowing costs		<u>5,491,797</u>		<u>3,672,014</u>
		<u>67,519,567</u>		<u>66,788,679</u>

Notes to Accounts (Contd.)

	Year ended 31 st March, 2016		Year ended 31 st March, 2015	
	₹	₹	₹	₹
Note No. 27				
Other expenses				
Chemicals Consumption		102,287,128		113,543,734
Consumption of stores and spare parts		16,817,756		19,583,632
Consumption of packing materials		11,115,070		10,561,093
Power and fuel		78,957,143		71,412,589
Repairs				
Buildings	1,035,090		874,427	
Machinery	6,446,799		8,894,033	
Others	1,136,219	8,618,108	1,382,572	11,151,032
Job Charges		34,196,849		22,308,128
Rent		11,544,321		12,008,383
Electricity		2,420,589		2,584,792
License Fees		10,636,401		16,718,775
Rates & Taxes (excluding taxes on income)		2,070,573		1,677,074
Watch and Ward Expenses		2,512,099		2,355,390
Insurance		3,651,432		3,716,773
Communication Expenses		4,904,187		5,162,231
Travelling & Conveyance		20,588,547		18,476,169
Vehicles Maintenance		7,487,820		7,973,347
Printing & Stationery		1,507,481		1,672,673
Legal and Professional Charges		21,379,715		16,811,438
Human Resource Development Expenses		6,000		942,994
Miscellaneous Expenses		12,970,383		12,445,849
Statutory Auditors' Remuneration				
Audit Fee	180,850		150,000	
Tax Audit Fee	30,150		30,000	
Certification Fee	95,091	306,091	94,000	274,000
Charity & Donations		60,000		115,000
Bank charges		1,598,470		1,904,007
Forwarding, Freight, Octroi and Delivery Expenses		59,233,866		66,991,765
Sales Tax		768,239		1,597,318
Commission on Sales		14,022,053		12,890,929
Brokerage on Sales		2,419,995		2,267,162
Provision for diminution in value of Investments		-		2,100
Net loss on foreign currency transactions and translations (Including forward premium amortized)		14,170,774		14,446,116
Advertisement, Publicity & Sales Promotion		53,101,762		51,645,646
Loss on Sale / Discard of Fixed Assets		191,663		485,309
Bad Debts		537,946		-
Prior period expenses*		74,081		28,572
		<u>500,156,542</u>		<u>503,754,020</u>

* Details of Prior period expenses :

Expenses

Printing & Stationery	-	375
Communication Expenses	-	125
Travelling & Conveyance	74,081	26,639
Advertisement Publicity & Sales Promotion	-	1,433
	<u>74,081</u>	<u>28,572</u>



Notes to Accounts (Contd.)

	As at 31 st March, 2016 ₹	As at 31 st March, 2015 ₹			
Note No. 28					
Other Disclosures					
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	1,629,844	1,371,476			
2. Contingent Liabilities not provided for in respect of :					
a) Uncalled Capital against partly paid-up shares held as investment	8,000	8,000			
b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company	85,892,535	78,447,196			
Amount Paid against above	1,455,669	1,399,318			
3. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 st March, 2016 as micro or small or medium enterprises. Consequently the amount due to micro and small enterprises as per section 22 of the abovesaid Act is ₹ Nil (Previous year ₹ Nil).					
4. Segment information as per Accounting Standard - 17 on 'Segment Reporting':					
The Company has identified two business segments viz. Plywood and Tea. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure & internal business reporting system.					
a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".					
b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".					
c) Information about Primary Business Segments:					
	<u>Plywood</u>	<u>Tea</u>	<u>Others</u>	<u>Unallocated</u>	<u>Total</u>
Segment Revenue	1,583,775,493	239,771,732	266,256	-	1,823,813,481
	(1,780,472,875)	(248,061,831)	(6,666,624)	-	(2,035,201,330)
Segment Results	4,753,623	-10,279,135	-2,528,179	-	-8,053,691
	(55,336,274)	(7,791,670)	(-5,157,807)	-	(57,970,137)
Less : Finance Cost					67,519,567
					(66,788,679)
Other unallocable expenditure net of unallocable income					9,018,276
					(7,741,107)
Total Profit / (Loss) before tax					-84,591,534
					(-16,559,649)
Other Information					
Segment Assets	850,631,338	91,035,591	11,499,628	199,383,692	1,152,550,249
	(921,543,716)	(80,284,766)	(12,377,350)	(172,200,138)	(1,186,405,970)
Segment Liabilities	465,227,656	25,986,015	-	525,039,613	1,016,253,284
	(521,665,280)	(17,641,970)	(940,042)	(452,500,356)	(992,747,648)
Capital Expenditure	3,166,249	12,499,281	-	-	15,665,530
	(9,349,650)	(4,373,792)	(-)	(-)	(13,723,442)
Depreciation & Amortisation	13,563,115	3,744,673	126,744	-	17,434,532
	(14,139,387)	(2,718,220)	(190,018)	(-)	(17,047,625)
Non-cash expense other than depreciation & amortisation	-	-	-	-	-
	(29,814)	(-)	(-)	(-)	(29,814)

Notes:

- There are no transactions between segments. Common costs are apportioned on a reasonable basis.
- Since the Company's activities / operations are primarily within the country, there is only one geographical segment.
- Figures in the brackets pertain to previous year.

Notes to Accounts (Contd.)

	Year ended 31 st March, 2016 ₹	Year ended 31 st March, 2015 ₹
Note No. 28 (Contd.)		
5. In calculating Earnings per share		
a) Numerator used :		
Profit / (Loss) after tax	(57,361,357)	(4,934,000)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	4,517,885	4,517,885
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	4,517,885	4,517,885
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic Earnings per share (a/b) (₹)	(12.70)	(1.09)
f) Diluted Earnings per share (a/c) (₹)	(12.70)	(1.09)

6. Depreciation for the previous year was aligned to meet the requirement of Schedule II of the Companies Act, 2013 and accordingly an amount of ₹ 29.49 Lakhs (Net of Deferred Tax ₹ 14.83 Lakhs) in relation to the assets whose useful life has already exhausted was adjusted with retained earnings.

7. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under “Non Current Investments” under Note No. 10.

8. Related Party Disclosures

Particulars of transactions during the year ended 31st March, 2016

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence ₹	Key Management Personnel ₹	Total ₹
Rent Received	6,000 (6,000)	-	6,000 (6,000)
Remuneration to KMP	-	6,724,667 (6,663,778)	6,724,667 (6,663,778)
Purchase	133,393 (8,940,400)		133,393 (8,940,400)
Interest Paid	2,811,700 (1,400,000)	-	2,811,700 (1,400,000)
Licence fee Paid	9,600,000 (15,000,000)	-	9,600,000 (15,000,000)
Rent Paid	492,000 (492,000)	-	492,000 (492,000)
Loan Taken	23,100,000 (-)	-	23,100,000 (-)
Refund of Loan	10,300,000 (-)	-	10,300,000 (-)
Guarantees Obtained	-	50,000,000 (20,200,000)	50,000,000 (20,200,000)
Outstanding against Guarantees Obtained	-	612,540,890 (543,858,551)	612,540,890 (543,858,551)
Balance Outstanding at the Balance Sheet Date	24,128,934 Cr (11,557,226 Cr)	-	24,128,934 Cr (11,557,226 Cr)

Notes:

- Figures in the brackets pertain to previous year.
- The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.
- The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.



Notes to Accounts (Contd.)

Note No. 28 (Contd.)	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Disclosure of Material Transactions with Related Parties	₹	₹
Rent Received		
Madhya Bharat Papers Ltd.	6,000	6,000
Remuneration to KMP		
Shri Sudeep Chitlangia (Managing Director)	3,724,667	3,724,488
Shri Sohan Lal Yadav (Whole-time Director)	3,000,000	2,939,290
Purchase		
J S M & Company	133,393	–
Madhya Bharat Papers Ltd.	–	8,940,400
Interest Paid		
P.S Plywood Products Private Ltd.	973,995	1,400,000
Chitperi Farm Private Ltd.	1,837,705	–
License Fee Paid		
P.S Plywood Products Private Ltd.	9,600,000	15,000,000
Rent Paid		
J S M & Company	480,000	480,000
Madhya Bharat Papers Ltd.	12,000	12,000
Loan Taken		
P.S Plywood Products Private Ltd.	3,100,000	–
Chitperi Farm Private Ltd.	20,000,000	–
Refund Loan		
P.S Plywood Products Private Ltd.	5,300,000	–
Chitperi Farm Private Ltd.	5,000,000	–
Guarantees Obtained		
Sudeep Chitlangia	50,000,000	20,200,000
Outstanding against Guarantees Obtained		
Sudeep Chitlangia	612,540,890	543,858,551
Net Balance Receivable/(Payable)		
Madhya Bharat Papers Ltd.	–	(1,557,226)
Chitperi Farm Private Ltd.	(16,328,934)	–
P. S. Plywood Products Private Ltd.	(7,800,000)	(10,000,000)
Names of related parties & description of relationship		
Associates	:	P S Plywood Products Pvt. Ltd.
Enterprises over which KMP and his relatives have significant influence	:	Abhinandan Fintex Pvt. Ltd. Calcutta Technicians & Advisers Ltd. Chitperi Farm Pvt. Ltd. Madhya Bharat Papers Ltd. J S M & Company
Key Management Personnel	:	Shri Sudeep Chitlangia (Managing Director) Shri Sohan Lal Yadav (Whole-time Director)
9. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015		
There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.		
10. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets :		
a) No provision for Contingent Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.		
b) The Contingent Liabilities mentioned at SI No.2 are dependent upon Court decision / out of court settlement / disposal of appeals etc.		
11. Disclosure pursuant to AS - 15 (revised 2005) on “Employee Benefits”		
Defined Contribution Plan:		
Employee benefits in the form of Provident Fund, Pension Scheme and Superannuation Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year are as under:		
	2015-16 (₹)	2014-15 (₹)
Employers’ Contribution to Provident Fund & Pension Fund	12,198,344	11,139,974
Employers’ Contribution to Superannuation Fund	316,634	13,510

Notes to Accounts (Contd.)

Note No. 28 (Contd.)

Defined Benefit Plan:

Post employment and other long-term employee benefits in the form of gratuity, sick leave and earned leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the statement of profit and loss in respect of Employees Benefit Schemes based on actuarial reports is as follows:

	2015-16			2014-15		
	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹
I. Components of Employer Expense:						
1 Current Service Cost	2,574,493	84,056	1,301,166	2,644,491	275,268	1,164,491
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	1,441,143	41,594	531,117	1,494,644	30,040	358,231
4 Expected Return on Plan Asset	2,028,793	-	-	1,809,854	-	-
5 Curtailment Cost	-	-	-	-	-	-
6 Settlement Cost	-	-	-	-	-	-
7 Actuarial gain/(loss) recognized in the year	(5,057,104)	175,455	(1,693,902)	987,510	176,635	(3,398,077)
8 Net Expense Recognised in Statement of Profit and Loss	7,043,947	(49,805)	3,526,185	1,341,771	128,673	4,920,799
II. Change in Present Value of Defined Benefit Obligation:						
1 Present Value of Defined Benefit Obligation at the Beginning of the year	20,948,594	504,175	8,317,186	20,263,571	375,502	5,559,396
2 Acquisition Adjustment	-	-	-	-	-	-
3 Interest Cost	1,441,143	41,594	531,117	1,494,644	30,040	358,231
4 Past Service Cost	-	-	-	-	-	-
5 Current Service Cost	2,574,493	84,056	1,301,166	2,644,491	275,268	1,164,491
6 Curtailment Cost	-	-	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Benefits Paid	6,960,376	-	3,758,802	3,161,034	-	2,163,009
9 Actuarial Gain (Losses)	(9,857,417)	175,455	(1,693,902)	293,078	176,635	(3,398,077)
10 Present Value of Obligation at the End of the year	27,861,271	454,370	8,084,569	20,948,594	504,175	8,317,186
III. Change in Fair Value of Plan Assets						
1 Plan Assets at the Beginning of the year	24,591,435	NA	NA	22,623,176	NA	NA
2 Acquisition Adjustment	-	NA	NA	-	NA	NA
3 Settlement	-	NA	NA	-	NA	NA
4 Expected Return on Plan Assets	2,028,793	NA	NA	1,809,854	NA	NA
5 Actual Company Contribution	1,753,713	NA	NA	2,625,007	NA	NA
6 Actual Benefits Paid	6,960,376	NA	NA	3,161,034	NA	NA
7 Actuarial Gains/(Losses)	(4,800,313)	NA	NA	(694,432)	NA	NA
8 Plan Assets at the End of the year	26,213,878	NA	NA	24,591,435	NA	NA
IV. Net Asset/(Liability) recognized in the Balance Sheet						
1 Present value of Defined Benefit Obligation	27,861,271	454,370	8,084,569	20,948,594	504,175	8,317,186
2 Fair Value on Plan Assets	26,213,878	NA	NA	24,591,435	NA	NA
3 Funded Status (Surplus/(deficit))	(1,647,393)	NA	NA	3,642,841	NA	NA
4 Unrecognised past service cost	-	-	-	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	(1,647,393)	(454,370)	(8,084,569)	3,642,841	(504,175)	(8,317,186)
V Actuarial Assumptions						
1 Discount Rate (per annum)	8.25%	8.25%	8.25%	8.00%	8.00%	8.00%
2 Expected rate of return on plan assets (per annum)	8.25%	NA	NA	8.00%	NA	NA
3 Salary Increases	5.00%	5.00%	5.00%	5.50%	5.50%	5.50%
4 Retirement/ Superannuation Age	60	60	60	60	60	60
5 Mortality	IALM	IALM	IALM	IALM	IALM	IALM
	2006-08	2006-08	2006-08	2006-08	2006-08	2006-08
VI. Major Category of Plan Assets as a % of the Total Plan Assets Administered by Life Insurance Corporation of India	100%	NA	NA	100%	NA	NA



Note No. 28 (Contd.)

VII. Expected Employer's Contribution for the next year

The Expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial Year 2015-16

VIII. Basis used to determine the Expected Rate of Return on Plan Assets:

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.

IX. Basis of estimates of rate of escalation in salary

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

X Disclosure related to previous years

	2013-14			2012-13		
1 Present value of Defined Benefit Obligation	20,263,571	375,502	5,559,396	18,895,225	316,728	4,429,630
2 Fair Value on Plan Assets	22,623,176	NA	NA	18,311,864	NA	NA
3 Funded Status (Surplus/(deficit))	2,359,605	NA	NA	(583,361)	NA	NA
	2011-12					
1 Present value of Defined Benefit Obligation	15,748,366	341,390	4,449,404			
2 Fair Value on Plan Assets	15,065,715	NA	NA			
3 Funded Status (Surplus/(deficit))	(682,651)	NA	NA			

XI Other disclosures

The Gratuity Expenses have been recognized in "Contribution to Provident, Pension & Other Funds" and provision for Sick Leave and Earned Leave Encashment in "Salaries and Wages" under Note No. 25.

	Year ended 31 st March 2016		Year ended 31 st March 2015	
	₹		₹	
12. Value of Imports on C.I.F. basis				
Raw Materials		490,063,241		490,737,579
Trading Goods		16,614,979		18,263,704
Machinery & Spares		76,735		-
13. Expenditure in Foreign Currency				
Interest		194,342		369,084
Net loss on foreign currency transactions and translations (Including forward premium amortized)		14,170,774		14,446,116
Travelling		1,919,422		1,684,394
Others		229,847		128,081
14. Value of Raw Materials Consumed				
Indigenous	49%	493,143,750	45%	535,830,468
Imported	51%	505,492,486	55%	660,452,875
	<u>100%</u>	<u>998,636,236</u>	<u>100%</u>	<u>1,196,283,343</u>
15. Value of Stores & Spare Parts and Chemicals Consumed				
Indigenous	72.71%	86,603,779	86.96%	115,771,366
Imported	27.29%	32,501,105	13.04%	17,356,000
	<u>100.00%</u>	<u>119,104,884</u>	<u>100.00%</u>	<u>133,127,366</u>

16. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA. RAKESH KUMAR SINGH
(Membership No.066421)
Partner
Place of Signature: Kolkata
Date : 25th May, 2016

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Independent Auditors' Report to the Members

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Sarda Plywood Industries Limited (“the Company”) and its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended (hereinafter referred to as “the consolidated financial statements”).

Management’s responsibility for the consolidated financial statements

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

Auditor’s responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company’s Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India for the consolidated the state of affairs of the Company and its associates as at 31st March, 2016 and its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matters

The consolidated financial statements also include the share of net profit of ₹ 4,95,563 /- for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on other legal and regulatory requirements

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

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.



Independent Auditors' Report (Contd.)

- ii. In our opinion, proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by so far as it appears from our examination of those books and the reports of the other auditors.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors of the Company as at 31st March, 2016 and taken on record by the Board of Directors and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company and its associate company is disqualified as at 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate – Refer Note No. 18.1 to the consolidated financial statements.
 - b. The Company and its associate company incorporated in India did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company and its associate company incorporated in India.

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 25th May, 2016

"Annexure A" to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of Sarda Plywood Industries Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Sarda Plywood Industries Limited ("the Company") and its associate company as of that date.

Management's Responsibility for Internal Financial Controls

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

Annexure to the Auditor's Report (Contd.)

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of his report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to the associate Company, which is company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For G.P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. Rakesh Kumar Singh)

Partner

Membership No. 066421

Place of Signature: Kolkata
Date: 25th May, 2016



CONSOLIDATED BALANCE SHEET as at 31st March, 2016

Particulars	Note No.	₹	As at
			31.03.2016 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	45,206,975	
(b) Reserves and surplus	3	<u>92,801,042</u>	138,008,017
(2) Non - current liabilities			
(a) Long - term borrowings	4	76,487,036	
(b) Long - term provisions	5	<u>8,138,520</u>	84,625,556
(3) Current liabilities			
(a) Short - term borrowings	6	435,590,609	
(b) Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28.3)		—	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		<u>431,463,920</u>	
(c) Other current liabilities	7	62,525,387	
(d) Short - term provisions	8	<u>2,047,812</u>	<u>931,627,728</u>
TOTAL			<u><u>1,154,261,301</u></u>
II. ASSETS			
(1) Non - current assets			
(a) Fixed assets			
(i) Tangible assets	9	134,769,574	
(ii) Intangible assets		3,251,215	
(iii) Capital work-in-progress		—	
		<u>138,020,789</u>	
(b) Non - current investments	10	82,328,406	
(c) Deferred Tax Assets (Net)	11	108,513,575	
(d) Long - term loans and advances	12	21,512,479	
(e) Other non - current assets	13	<u>10,000</u>	350,385,249
(2) Current assets			
(a) Inventories	14	518,909,031	
(b) Trade receivables	15	214,294,777	
(c) Cash and bank balances	16	3,616,003	
(d) Short - term loans and advances	17	64,171,312	
(e) Other current assets	18	<u>2,884,929</u>	<u>803,876,052</u>
TOTAL			<u><u>1,154,261,301</u></u>

Basis of consolidation and Significant accounting policies 1

Other Disclosures 28

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

(F.R. NO. 302082E)

On behalf of the Board

SUJIT CHAKRAVORTI

Director

DIN. 00066344

CA. RAKESH KUMAR SINGH

(Membership No.066421)

Partner

Place of Signature: Kolkata

Date : 25th May, 2016

RAVI KUMAR MURARKA

Chief Financial Officer &

Company Secretary

SUDEEP CHITLANGIA

Managing Director

DIN. 00093908

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2016

Particulars	Note No.	₹	As at 31.03.2016 ₹
I. Revenue from operations			
Sale of goods (Gross)	19	1,979,225,189	
Less: Excise duty (Inclusive of Tea Cess)		<u>156,385,338</u>	
Net sale of goods			1,822,839,851
Other operating Income	20		973,630
Total Revenue from Operations			<u>1,823,813,481</u>
II. Other income	21		502,661
III. Total revenue (I+II)			<u>1,824,316,142</u>
IV. Expenses :			
Cost of materials consumed	22		998,636,236
Purchases of stock-in-trade	23		72,723,198
Changes in inventories of finished goods, work -in-progress and stock-in-trade	24		24,860,388
Employee benefits expense	25		227,577,213
Finance costs	26		67,519,567
Depreciation and amortization expense			17,434,532
Other expenses	27		500,156,542
Total expenses			<u>1,908,907,676</u>
V. Profit/(Loss) before tax (III - IV)			<u>(84,591,534)</u>
VI. Tax expense :			
Deferred tax			<u>(27,230,177)</u>
VII. Profit/ (Loss) after tax but before share in results of Associate (V-VI)			<u>(57,361,357)</u>
VIII. Share of profit of Associate			495,563
IX. Profit/(Loss) for the year (VII - VIII)			<u>(56,865,794)</u>
Earnings per equity share of ₹ 10/- each (Refer Note No. 28.5)			
Basic			(12.59)
Diluted			(12.59)
Basis of consolidation and Significant accounting policies	1		
Other Disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Consolidated Financial Statements.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 302082E)

CA. RAKESH KUMAR SINGH
(Membership No.066421)
Partner
Place of Signature: Kolkata
Date : 25th May, 2016

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908



CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2016

For the year ended
March 31, 2016
₹

A. Cash Flow from Operating Activities

Net Profit/(Loss) before tax (84,591,534)

Adjustments for:

Depreciation and Amortisation expenses 17,434,532

Loss on Sale of Tangible Fixed Assets 191,663

(Profit)/Loss on Sale of Non Current Investments –

Provision for diminution in value of Investments (68,200)

Interest Income (334,049)

Finance Costs 67,519,567

Dividend Income (67,484)

Operating Profit/(Loss) before Working Capital Changes 84,495

Increase/(Decrease) in Long Term Provisions (410,240)

Increase/(Decrease) in Short Term Provisions 1,768,682

Increase/(Decrease) in Other Current Liabilities 6,539,653

Increase/(Decrease) in Trade Payables (56,867,550)

Decrease/(Increase) in Long Term Loans & Advances (3,425,486)

Decrease/(Increase) in Short Term Loans & Advances 375,367

Decrease/(Increase) in Non Current Assets –

Decrease/(Increase) in Other Current Assets (664,002)

Decrease/(Increase) in Inventories (27,023,470)

Decrease/(Increase) in Trade Receivables 83,687,519

Cash generated from Operating activities 4,064,968

Direct Taxes Paid / Refund 3,847

Net Cash Flow from/(used in) Operating Activities 4,068,815

B. Cash Flow from Investing Activities

Additions to Tangible Fixed Assets (14,823,863)

Additions to Intangible Fixed Assets (841,667)

Sale of Tangible Fixed Assets 517,390

Sale of Long Term Investments 50,000

Interest Income 379,281

Dividend Income 67,484

Net Cash flow from/(used in) Investing activities (14,651,375)

Consolidated Cash Flow Statement (contd.)

**For the year ended
March 31, 2016**
₹

C. Cash Flow from Financing Activities

Proceeds from Working Capital Loan	25,662,034
Repayment of Buyers Credit	20,745,694
Proceeds from Other Short Term Borrowings	(12,400,000)
Proceeds from Term Loan	55,028,924
Repayment of Term Loan	(16,561,561)
Interest Expenses	(62,027,770)
Other Borrowing Costs	(5,491,797)
Net Cash Flow from/(Used in) Financing Activities	4,955,524
 Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(5,627,036)
Opening Cash and Cash Equivalents	9,193,039
Closing Cash and Cash Equivalents as per Note No. 16	3,566,003

Note:

- 1) The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Accounting Standard 3 on Cash Flow Statement specified under Section 133 of the Act, read with Rule 7 of the Companies (accounts) rules, 2014.
- 2) Figures in brackets represent cash outflow.
- 3) Cash equivalents does not include any amount which is not available for use by the Company.

As per our report of even date attached.

For **G. P. AGRAWAL & CO.**

Chartered Accountants

(F.R. NO. 302082E)

CA. RAKESH KUMAR SINGH

(Membership No.066421)

Partner

Place of Signature: Kolkata

Date : 25th May, 2016

RAVI KUMAR MURARKA

Chief Financial Officer &

Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI

Director

DIN. 00066344

SUDEEP CHITLANGIA

Managing Director

DIN. 00093908



Note No. 1

Basis of Consolidation and Significant Accounting Policies

A. Principles of Consolidation

1. The consolidated financial statements related to Sarda Plywood Industries Limited (the Company) and its Associate. The consolidated financial statements of the Company and its Associate have been prepared in accordance with Accounting Standard 23 (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements". The consolidated financial statements have been prepared on the following basis:
 - (a) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.
 - (b) Uniform accounting policies for like transactions and other events in similar circumstances have been adopted and presented, to the extent possible, in the same manner as the Company's separate financial statements.

B. Significant accounting policies

1.
 - (a) The consolidated financial statements of the Company and its Associate have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.
 - (b) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT.
 - (c) Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.
 - (d) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
 - (e) All Assets and Liabilities have been classified as current or non-current as per the respective Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company and its Associate has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.
2.
 - (a) Fixed assets have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation. Wherever these assets have been revalued, the amounts stated are inclusive of enhanced value on account of revaluation.
 - (b) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
 - (c) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
3. Depreciation on Fixed Assets has been provided and Computer Software (Acquired) are amortised on straight line method so as to charge the cost of the assets less its residual value over the useful life of the respective asset as prescribed under Part C of Schedule II to the Companies Act, 2013.
4. Inventories are valued at lower of cost or net realisable value. The cost of inventories is computed on weighted average/FIFO basis. The cost of Finished Goods includes cost of conversion and cost incurred in bringing the inventories to their present location and condition.
5. Long term investments have been stated at cost less provision for other than temporary diminution in the value of investments.
6.
 - (a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
 - (b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
 - (c) In case of items which are covered by forward exchange contracts, the premium or discount on forward exchange contracts is amortised over the period of the respective contract.
 - (d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.
7.
 - (a) Government grants of the nature of project subsidy are credited to Capital Reserves.
 - (b) Other Government grants of revenue nature are credited to Statement of Profit and Loss under the heading 'Other Operating Revenue'.
8. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
9. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
10. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there is a change in the estimate of recoverable amount.
11. Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the Accounts.

Notes to Consolidated Financial Statements (Contd.)

Note No. 2

Share capital

Particulars	As at 31 st March, 2016	
	No. of shares	Amount ₹
(a) Authorised:		
Equity shares of ₹ 10/- each	25,000,000	250,000,000
(b) Issued:		
Equity shares of ₹ 10/- each	4,697,810	46,978,100
(c) Subscribed and Paid up:		
Equity shares of ₹ 10/- each fully paid up	4,517,885	45,178,850
Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	28,125
		45,206,975
(d) Reconciliation of number and amount of equity shares outstanding :		
At the beginning of the year	4,517,885	45,178,850
Add: Issued during the year	—	—
At the end of the year	4,517,885	45,178,850
(e) The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
(f) Shareholders holding more than 5 % of the equity shares in the Company:		

Name of Shareholder	As at 31 st March, 2016	
	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	440000	9.74
ii) Abhinandan Fintex (P) Ltd.	275000	6.09
iii) Sudeep Chitlangia	358350	7.93
iv) Jaydeep Chitlangia	344300	7.62
v) Sheela Chitlangia	271650	6.01
vi) Hemant Kumar Motihar	226101	5.00
TOTAL	1915401	42.40

Note No. 3

Reserves and surplus

	As at 31 st March, 2016	
	₹	₹
(a) Capital Reserve		
Balance as per last account		10,618,140
(b) Securities premium account		
Balance as per last account		69,574,000
(c) Revaluation reserve		
Balance as per last account	2,530,089	
Less: Depreciation transfer to Surplus	34,665	2,495,424
(d) General reserve*		
Balance as per last account		121,684,036
(e) Surplus		
Balance as per last account	(54,739,429)	
Add: Profit / (Loss) for the Year	(56,865,794)	
Add: Depreciation transfer from Revaluation Reserve	34,665	
		(111,570,558)
		92,801,042

* General reserve is primarily created to comply with the requirements of section 123(1) of Companies Act, 2013. This is a free reserve and can be utilised for any general purpose.



Notes to Consolidated Financial Statements (Contd.)

As at 31st March, 2016

₹

Note No. 4

Long - term borrowings

Term Loans

Secured

From banks	3,428,924
From entities other than banks	72,600,000

Unsecured

From banks	176,194
From entities other than banks	281,918

76,487,036

(a) Nature of securities:

Term loan from entities other than banks is secured by first charge on the immovable properties situated at Jeypore (Assam) by deposit of title deeds and also by hypothecation of all plant and machinery and other fixed assets, both present & future, and is additionally secured by personal guarantee of the Managing Director.

(b) Terms of repayment:

Particulars	Amount outstanding as on Balance Sheet date		Amount of instalment
	Non-Current	Current	
	₹	₹	₹
Secured Loans from Banks	3,428,924	1,200,000	300,000
			500,000
			700,000
			28,924 [#]
Secured Loans from entities other than Banks	22,600,000	10,400,000	800,000
			1,000,000
			1,200,000
			1,250,000
	50,000,000	-	500,000
			650,000
			800,000
			1,000,000
			1,200,000
			1,250,000
Unsecured Loans from Banks	118,947	332,950	30,390 *
	57,247	323,299	29,000 *
Unsecured Loans from entities other than Banks	-	214,821	24,885 *
	281,918	336,085	33,500 *
Total	76,487,036	12,807,155	

* Includes Interest

Residual Amount

Notes to Consolidated Financial Statements (Contd.)

As at 31st March, 2016
₹

Note No. 5

Long - term provisions

Provision for employee benefits		8,138,520
		8,138,520

Note No : 6

Short - term borrowings

Other loans and advances

Secured

From banks

Buyers Credit		49,394,592
Working Capital Loan		260,596,017

309,990,609

Unsecured

From entities other than banks

125,600,000

435,590,609

Nature of securities:

Working capital loan and Buyers Credit are secured by hypothecation of present & future stocks and book debts and second charge on the immovable properties situated at Jeypore (Assam) by deposit of title deeds and also by second charge on all plant & machinery and other fixed assets, both present & future, and are additionally secured by personal guarantees of the Managing Director.

Note No : 7

Other current liabilities

Current maturities of long - term debt		12,807,155
(Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)		
Interest accrued and due on borrowings		100,788
Interest accrued but not due on borrowings		154,813
Other payables		
Advances from customers and others	6,166,818	
Security deposits	6,955,099	
Statutory liabilities	13,249,737	
Unpaid salaries and other payroll dues	22,777,518	
Others	313,459	
		49,462,631
		62,525,387

Note No :8

Short-term provisions

Provision for employee benefits		2,047,812
		2,047,812



Notes to Consolidated Financial Statements (Contd.)

**Note No : 9
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK
	As at 01.04.2015 ₹	Additions ₹	Deductions ₹	As at 31.03.2016 ₹	Upto 31.03.2015 ₹	Retained earnings ₹	for the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2016 ₹	As at 31.03.2016 ₹
TANGIBLE ASSETS										
Freehold Land	3,165,248	-	-	3,165,248	-	-	-	-	-	3,165,248
Buildings	75,234,454	83,201	-	75,317,655	35,762,520	-	1,925,673	-	37,688,193	37,629,462
Plant and Equipments	221,154,809	16,753,451	2,152,394	235,755,866	149,343,045	-	10,350,611	2,027,534	157,666,122	78,089,744
Motor Vehicles	23,003,842	62,900	1,649,547	21,417,195	12,064,194	-	1,930,158	1,098,199	12,896,153	8,521,042
Furniture and Fixtures	13,591,155	172,857	-	13,764,012	9,260,789	-	670,180	-	9,930,969	3,833,043
Office Equipments & Computer	21,375,209	1,504,829	576,482	22,303,556	17,740,676	-	1,575,482	543,637	18,772,521	3,531,035
Sub - total	357,524,717	18,577,238	4,378,423	371,723,532	224,171,224	-	16,452,104	3,669,370	236,953,958	134,769,574
INTANGIBLE ASSETS										
Computer Softwares (Acquired)	7,773,177	841,667	-	8,614,844	4,381,201	-	982,428	-	5,363,629	3,251,215
Sub - total	7,773,177	841,667	-	8,614,844	4,381,201	-	982,428	-	5,363,629	3,251,215
Capital Work in Progress	-									-
TOTAL	365,297,894	19,418,905	4,378,423	380,338,376	228,552,425	-	17,434,532	3,669,370	242,317,587	138,020,789

Notes :

- Land, Building and Plant & Machinery were revalued on 30th June 1985 as per valuation report of M/S. Consolidated Enterprises on the basis of net replacement value and appreciation on revaluation aggregating to ₹ 1,63,77,041/- (Land ₹ 19,65,934/- , Building ₹ 70,61,126/- and Plant & Machinery ₹73,49,981/-) was credited to Capital Reserve.
- Intangible Assets
The unamortised amount of Computer Software (Acquired) ₹ 86,14,844/- is to be amortised over a period of 1 - 5 years as the case may be.

Note No : 10

Non-current investments

Particulars	Face value ₹	Number of shares	As at 31st March, 2016 ₹
Long term (At cost less provision for other than temporary diminution)			
Investments in Equity Shares			
Trade Investments			
Unquoted, Fully Paid up :			
Associate Company			
P. S. Plywood Products Private Ltd.(include goodwill ₹ 95,55,695/-)	10	5,950,000	80,508,750
Add:			
Accumulated share in profit of the associate at the beginning of year			1,215,489
Share in profit of associate during the year			495,563
			<u>82,219,802</u>

Notes to Consolidated Financial Statements (Contd.)

Note No : 10 (Contd.)

Non-current investments

Particulars	Face value ₹	Number of shares	As at 31st March, 2016 ₹
Other Investments			
a) Quoted, Fully paid up			
Assam Petro-Chemicals Ltd.	10	200	1,572
SMIFS Capital Markets Ltd.	10	3,500	98,000
United Credit Ltd.	10	1,000	9,032
			<u>108,604</u>
			<u>82,328,406</u>
Aggregate amount of quoted investments			1,045,415
Aggregate amount of unquoted investments			82,283,254
Aggregate provision for diminution in value of investments			1,000,263
Aggregate market value of quoted investments			110,522

Besides above, the Company holds following shares in relation to the shares already sold by it:

a) Rampur Fertilizers Ltd.	16
b) Bengal & Assam Company Ltd.	2

Note No : 11

Deferred tax Assets (Net)

(a) Deferred tax assets :	
Expenses allowable for tax purposes when paid	3,525,286
Carry Forward Loss	113,708,457
	<u>117,233,743</u>
(b) Deferred tax liabilities :	
Depreciation	8,720,168
	<u>8,720,168</u>
Deferred tax Assets (Net) *	<u>108,513,575</u>

Carried forward losses have been recognised as deferred tax assets as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.

* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note No : 12

Long term loans and advances

(Unsecured, considered good)

Security deposits	7,883,175
Capital advances	81,400
Other loans and advances	-
Prepaid Expenses	286,874
Advance tax (net)	2,137,187
MAT credit entitlement	7,702,204
	<u>18,090,840</u>



Notes to Consolidated Financial Statements (Contd.)

As at 31st March, 2016

₹ ₹

Note No : 13

Other non-current assets

(Unsecured, considered good)	
Fixed deposits with banks	
(Non current portion with original maturity period of more than 12 months)	
Pledged with Government Authorities	10,000
	<u>10,000</u>

Note No : 14

Inventories

(At lower of cost and net realizable value, unless stated otherwise)	
Raw Materials	217,953,743
Raw Materials in Transit	20,467,432
Stores & Spares and Chemicals	21,316,417
Stores & Spares and Chemicals in Transit	99,450
Work-in-Progress	54,997,813
Finished Goods	164,046,130
Finished Goods in Transit	7,630,980
Stock in Trade	32,211,969
Stock in Trade in Transit	185,097
	<u>518,909,031</u>

Note No : 15

Trade receivables

(Unsecured, considered good)	
Trade receivables outstanding for a period exceeding six months from due date *	31,996,638
Other trade receivables	182,298,139
	<u>214,294,777</u>

* includes ₹ 48,61,347/- under litigation.

Note No :16

Cash and bank balances

Cash and cash equivalents	
Balances with banks	
In current accounts	1,643,018
Cheques, drafts on hand	1,302,847
Cash on hand	620,138
Other bank balances	3,566,003
Fixed deposits with banks	50,000
(Current portion with original maturity period of more than 12 months)	
	<u>3,616,003</u>

Note No : 17

Short - term loans and advances

(Unsecured, considered good)	
Security deposits	2,153,791
Other loans and advances	
Advance to suppliers and others	52,966,648
Cenvat, Vat and other taxes / duties	5,768,079
Prepaid expenses	3,282,794
	<u>64,171,312</u>

Notes to Consolidated Financial Statements (Contd.)

	As at 31 st March, 2016	
	₹	₹
Note No : 18		
Other current assets		
Interest accrued but not due		417,219
Claim Receivable		306,517
Taxes and duties refundable		2,161,193
		<u>2,884,929</u>
Note No : 19		
Revenue from operations		
Sale of goods (Gross)		
A. Finished Goods		
i) Plywood	1,602,063,609	
ii) Tea	240,501,050	
iii) Veneers	26,178,057	1,868,742,716
B. Stock-in-trade		
i) Plywood	109,832,698	
ii) Furniture	266,256	110,098,954
C. Others		383,519
		<u>1,979,225,189</u>
Note No : 20		
Other operating revenues		
Insurance Claims		973,630
		<u>973,630</u>
Note No : 21		
Other income		
Interest income (Gross)		
Fixed deposits with banks	6,530	
Others	327,519	334,049
Dividend income		
Long term investment		67,484
Other non-operating income		
Profit on sale of Long Term Investment		-
Provision for diminution in value of Investments		68,200
Rent		6,000
Miscellaneous income		26,928
		<u>502,661</u>
Note No : 22		
Cost of materials consumed		
Timber		225,752,112
Veneer		383,695,025
Planks & Beams		134,271,120
Green Leaf		183,004,032
Others		71,913,947
		<u>998,636,236</u>
Note No : 23		
Purchases of stock-in-trade		
Plywood		72,723,198
Furniture		-
		<u>72,723,198</u>



Notes to Consolidated Financial Statements (Contd.)

Year ended
31st March, 2016

₹ _____ ₹ _____

Note No : 24

Changes in inventories of finished goods, work-in-progress and stock-in-trade

A. Finished Goods

Opening Stock

- i) Plywood
- ii) Tea
- iii) Veneer

135,680,989
7,646,562
18,310,820

161,638,371

Closing Stock

- i) Plywood
- ii) Tea
- iii) Veneer

140,491,096
18,137,522
13,048,492

171,677,110

(10,038,739)

B. Stock-in-Trade

Opening Stock

- i) Plywood
- ii) Furniture

36,666,555
5,464,966

42,131,521

Closing Stock

- i) Plywood
- ii) Furniture

27,231,324
5,165,742

32,397,066

9,734,455

C. Work-in-Progress

Opening Stock

- i) Plywood

80,202,698

Closing Stock

- i) Plywood

54,997,813

25,204,885

(INCREASE) / DECREASE IN STOCKS

24,900,601

Add: Excise Duty & Cess on Stocks *

(40,213)

NET (INCREASE) / DECREASE IN STOCKS

24,860,388

* The amount of Excise Duty & cess shown above represents differential excise duty on opening & closing stock of finished goods.

Note No : 25

Employee benefits expense

Salaries and wages

204,080,482

Contribution to provident and other funds

20,844,546

Staff welfare expense

2,652,185

227,577,213

Note No : 26

Finance costs

Interest expense

On long term borrowings

6,866,660

On short term borrowings

54,190,905

On others

970,205

Other borrowing costs

62,027,770

5,491,797

67,519,567

Notes to Consolidated Financial Statements (Contd.)

	Year ended 31 st March, 2016	
	₹	₹
Note No : 27		
Other expenses		
Chemicals Consumption		102,287,128
Consumption of stores and spare parts		16,817,756
Consumption of packing materials		11,115,070
Power and fuel		78,957,143
Repairs		
Buildings	1,035,090	
Machinery	6,446,799	
Others	1,136,219	8,618,108
Job Charges		34,196,849
Rent		11,544,321
Electricity		2,420,589
License Fees		10,636,401
Rates & Taxes (excluding taxes on income)		2,070,573
Watch and Ward Expenses		2,512,099
Insurance		3,651,432
Communication Expenses		4,904,187
Travelling & Conveyance		20,588,547
Vehicles Maintenance		7,487,820
Printing & Stationery		1,507,481
Legal and Professional Charges		21,379,715
Human Resource Development Expenses		6,000
Miscellaneous Expenses		12,970,383
Statutory Auditors' Remuneration		
Audit Fee	180,850	
Tax Audit Fee	30,150	
Certification Fee	95,091	306,091
Charity & Donations		60,000
Bank charges		1,598,470
Forwarding, Freight, Octroi and Delivery Expenses		59,233,866
Sales Tax		768,239
Commission on Sales		14,022,053
Brokerage on Sales		2,419,995
Net loss on foreign currency transactions and translations (Including forward premium amortized)		14,170,774
Advertisement, Publicity & Sales Promotion		53,101,762
Loss on Sale / Discard of Fixed Assets		191,663
Bad Debts		537,946
Prior period expenses*		74,081
		500,156,542
 *Details of Prior period expenses :		
Expenses		
Travelling & Conveyance		74,081
		74,081



Notes to Consolidated Financial Statements (Contd.)

As at 31.03.2016
₹

Note No. : 28

Other disclosures

1. Estimated amount of contract remaining to be executed on Capital Account and not provided for 1,629,844
2. Contingent Liabilities not provided for in respect of :
 - a) Uncalled Capital against partly paid-up shares held as investment 8,000
 - b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company 85,892,535
Amount Paid against above 1,455,669
3. The Group has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2016 as micro or small or medium enterprises. Consequently the amount due to micro and small enterprises as per section 22 of the abovesaid Act is ₹ Nil.

4. Segment information as per Accounting Standard - 17 on 'Segment Reporting' :

The Group has identified two business segments viz. Plywood and Tea. Segments have been identified and reported taking into account the nature of the products, the differing risks and returns, the organisational structure & internal business reporting system.

- a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".
- b) Segment Assets and Segment Liabilities represent assets and liabilities of respective segments. Investments, tax related assets and other assets and liabilities that can not be allocated to a segment on reasonable basis have been disclosed as "Unallocable".
- c) Information about Primary Business Segments :

	Plywood	Tea	Others	Unallocated	Total
Segment Revenue	1,583,775,493	239,771,732	266,256	-	1,823,813,481
Segment Results	4,753,623	-10,279,135	-2,528,179	-	-8,053,691
Less : Finance Cost					67,519,567
Other unallocable expenditure net of unallocable income					9,018,276
Total Profit / (Loss) before tax					-84,591,534
Less : Tax Expenses					27,230,177
Profit/ (Loss) after tax but before share in results of Associate					-57,361,357
Share of profit of Associate					495,563
Profit / (Loss) for the year					-56,865,794
Other Information					
Segment Assets	850,631,338	91,035,591	11,499,628	201,094,744	1,154,261,301
Segment Liabilities	465,227,656	25,986,015	-	525,039,613	1,016,253,284
Capital Expenditure	3,166,249	12,499,281	-	-	15,665,530
Depreciation & Amortisation	13,563,115	3,744,673	126,744	-	17,434,532
Non-cash expense other than depreciation & amortisation	-	-	-	-	-

Notes :

- a) There are no transactions between segments. Common costs are apportioned on a reasonable basis.
- b) Since the company's and its associate's activities / operations are primarily within the country, there is only one geographical segment.

Notes to Consolidated Financial Statements (Contd.)

Note No. : 28 (contd.)

	Year ended 31 st March, 2016 ₹
5. In calculating Earnings per share	
a) Numerator used :	
Profit / (Loss) after tax	(56,865,794)
b) Denominator used in computing Basic Earning per Share:	
Weighted Average Number of Equity Shares	4,517,885
c) Denominator used in computing Diluted Earning per Share:	
Weighted Average Number of Equity Shares including potential Equity Shares	4,517,885
d) Nominal value of equity shares (₹)	10.00
e) Basic Earnings per share (a/b) (₹)	(12.59)
f) Diluted Earnings per share (a/c) (₹)	(12.59)
6. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under "Non Current Investments" under Note No. 10.	

7. Related Party Disclosures

Particulars of transactions during the year ended 31st March 2016

Nature of Transactions

	Associates/ Enterprises over which KMP and his relatives have significant influence (₹)	Key Management Personnel (₹)	Total (₹)
Rent Received	6,000	-	6,000
Remuneration to KMP	(-)	6,724,667	6,724,667
Purchase	133,393		133,393
Interest Paid	2,811,700	-	2,811,700
Licence fee Paid	9,600,000	-	9,600,000
Rent Paid	492,000	-	492,000
Loan Taken	23,100,000	-	23,100,000
Refund of Loan	10,300,000	-	10,300,000
Guarantees Obtained	-	50,000,000	50,000,000
Outstanding against Guarantees Obtained	-	612,540,890	612,540,890
Balance Outstanding at the Balance Sheet Date	24,128,934 Cr	-	24,128,934 Cr

Notes:

- a) The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.
- b) The amount due from related parties are good and hence no provision for doubtful debts in respect of dues from such related parties is required.

Disclosure of Material Transactions with Related Parties

Rent Received

Madhya Bharat Papers Ltd.	6,000
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Remuneration to KMP

Shri Sudeep Chitlangia (Managing Director)	3,724,667
Shri Sohan Lal Yadav (Whole-time Director)	3,000,000

Purchase

J S M & Company	133,393
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Interest Paid

P.S Plywood Products Private Ltd.	973,995
Chitperi Farm Private Ltd.	1,837,705

License Fee Paid

P.S Plywood Products Private Ltd.	9,600,000
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Notes to Consolidated Financial Statements (Contd.)

	Year Ended 31 st March, 2016 (₹)
Disclosure of Material Transactions with Related Parties (Contd.)	
Rent Paid	
J S M & Company	480,000
Madhya Bharat Papers Ltd.	12,000
Loan Taken	
P.S Plywood Products Private Ltd.	3,100,000
Chitperi Farm Private Ltd.	20,000,000
Refund of Loan	
P.S Plywood Products Private Ltd.	5,300,000
Chitperi Farm Private Ltd.	5,000,000
Guarantees Obtained	
Sudeep Chitlangia	50,000,000
Outstanding against Guarantees Obtained	
Sudeep Chitlangia	612,540,890
Net Balance Receivable/(Payable)	
Chitperi Farm Private Ltd.	(16,328,934)
P.S Plywood Products Private Ltd.	(7,800,000)

Names of related parties & description of relationship

Associates	:	P S Plywood Products Pvt. Ltd.
Enterprises over which KMP and his relatives have significant influence	:	Abhinandan Fintex Pvt. Ltd. Calcutta Technicians & Advisers Ltd. Chitperi Farm Pvt. Ltd. Madhya Bharat Papers Ltd. J S M & Company
Key Management Personnel	:	Shri Sudeep Chitlangia (Managing Director) Shri Sohan Lal Yadav (Whole-time Director)

8. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 :

There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

9. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets :

- a) No provision for Contingent Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.
- b) The Contingent Liabilities mentioned at SI No.2 are dependent upon Court decision / out of court settlement / disposal of appeals etc.

10. Disclosure pursuant to AS - 15 (revised 2005) on "Employee Benefits"

Defined Contribution Plan:

Employee benefits in the form of Provident Fund, Pension Scheme and Superannuation Fund are considered as defined contribution plan and the contributions are made in accordance with the relevant statute and are recognized as an expense when employees have rendered service entitling them to the contributions. The contribution to defined contribution plan, recognized as expense for the year are as under:

	2015-16 (₹)
Employers' Contribution to Provident Fund & Pension Fund	12,198,344
Employers' Contribution to Superannuation Fund	316,634

Defined Benefit Plan:

Post employment and other long-term employee benefits in the form of gratuity, sick leave and earned leave encashment are considered as defined benefit obligation. The present value of obligation is determined based on actuarial valuation using projected unit credit method as

Notes to Consolidated Financial Statements (Contd.)

at the Balance Sheet date. The amount of defined benefits recognized in the balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to the discounted value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The amount recognized in the statement of profit and loss in respect of Employees Benefit Schemes based on actuarial reports is as follows:

	Gratuity (Funded)	2015-16 Sick Leave (Unfunded)	Earned Leave Encashment (Unfunded)
I. Components of Employer Expense:			
1 Current Service Cost	2,574,493	84,056	1,301,166
2 Past Service Cost	-	-	-
3 Interest Cost	1,441,143	41,594	531,117
4 Expected Return on Plan Asset	2,028,793	-	-
5 Curtailment Cost	-	-	-
6 Settlement Cost	-	-	-
7 Actuarial gain / (loss) recognized in the year	(5,057,104)	175,455	(1,693,902)
8 Net Expense Recognised in Statement of Profit and Loss	7,043,947	(49,805)	3,526,185
II. Change in Present Value of Defined Benefit Obligation :			
1 Present Value of Defined Benefit Obligation at the Beginning of the year	20,948,594	504,175	8,317,186
2 Acquisition Adjustment	-	-	-
3 Interest Cost	1,441,143	41,594	531,117
4 Past Service Cost	-	-	-
5 Current Service Cost	2,574,493	84,056	1,301,166
6 Curtailment Cost	-	-	-
7 Settlement Cost	-	-	-
8 Benefits Paid	6,960,376	-	3,758,802
9 Actuarial Gain (Losses)	(9,857,417)	175,455	(1,693,902)
10 Present Value of Obligation at the End of the year	27,861,271	454,370	8,084,569
III. Change in Fair Value of Plan Assets			
1 Plan Assets at the Beginning of the year	24,591,435	NA	NA
2 Acquisition Adjustment	-	NA	NA
3 Settlement	-	NA	NA
4 Expected Return on Plan Assets	2,028,793	NA	NA
5 Actual Company Contribution	1,753,713	NA	NA
6 Actual Benefits Paid	6,960,376	NA	NA
7 Actuarial Gains/(Losses)	(4,800,313)	NA	NA
8 Plan Assets at the End of the year	26,213,878	NA	NA
IV. Net Asset/(Liability) recognized in the Balance Sheet			
1 Present value of Defined Benefit Obligation	27,861,271	454,370	8,084,569
2 Fair Value on Plan Assets	26,213,878	NA	NA
3 Funded Status (Surplus/(deficit))	(1,647,393)	NA	NA
4 Unrecognised past service cost	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	(1,647,393)	(454,370)	(8,084,569)
V. Actuarial Assumptions			
1 Discount Rate (per annum)	8.25%	8.25%	8.25%
2 Expected rate of return on plan assets (per annum)	8.25%	NA	NA
3 Salary Increases	5.00%	5.00%	5.00%
4 Retirement/ Superannuation Age	60	60	60
5 Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08
VI. Major Category of Plan Assets as a % of the Total Plan Assets			
Administered by Life Insurance Corporation of India	100%	NA	NA
VII. Expected Employer's Contribution for the next year			

The Expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial Year 2015-16



Notes to Consolidated Financial Statements (Contd.)

VIII. Basis used to determine the Expected Rate of Return on Plan Assets:

The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company’s policy for plan assets management.

IX. Basis of estimates of rate of escalation in salary

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

X. Disclosure related to previous years

: NA

- 1 Present value of Defined Benefit Obligation
- 2 Fair Value on Plan Assets
- 3 Funded Status (Surplus/(deficit))

XI. Other disclosures

The Gratuity Expenses have been recognized in “Contribution to Provident, Pension & Other Funds” and provision for Sick Leave and Earned Leave Encashment in “Salaries and Wages” under Note No. 25.

11. The Consolidated Financial Statements include the financial statements of the Company and its Associate. Associate over which the Company exercises significant influence is considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 “Accounting for Investments in Associates in Consolidated Financial Statements”.

The associate considered in the preparation of these consolidated financial statements is:-

Name of the Party & Nature of relationship	Country of Origin	% Holding
		As at 31 st March, 2016
Associate		
P. S. Plywood Products Private Limited (w.e.f. 26 th October, 2006)	India	46.67%

12. Additional Information as per Schedule III of the Companies Act, 2013

(Amount in ₹)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)	
	As % of consolidated net assets	Amount(₹)	As % of consolidated profit or loss	Amount (₹)
Parent				
Sarda Plywood Industries Limited	98.76%	136,296,965	-100.87%	(57,361,357)
Associate (investment as per equity method)				
Indian:				
P. S. Plywood Products Private Limited	1.24%	1,711,052	0.87%	495,563
TOTAL	100.00%	138,008,017	100.00%	(56,865,794)

13. This is the first consolidated financial statement of the Company and its associates, hence comparative figures for previous year have not been disclosed.

For **G. P. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 302082E)

On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA. RAKESH KUMAR SINGH
(Membership No.066421)
Partner
Place of Signature: Kolkata
Date : 25th May, 2016

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908



The mark of responsible forestry



100%
SATISFACTION
GUARANTEED

DURO[®]



Sarda Plywood Industries Ltd.

E-mail : info@sardaplywood.com

Toll Free Number: **1800-345-DURO** (10am - 6pm Monday-Friday)

www.sardaplywood.in