The Forest Friendly Company

61st Annual Report 2017-18

DURO™

Sarda Plywood Industries Ltd.

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

Shri Sudeep Chitlangia
Managing Director

Chief Financial Officer & Company Secretary
Shri Ravi Kumar Murarka

Bankers
United Bank of India
State Bank of India

Auditors
S. K. 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

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Directors' Report to the Members

Your Directors present their 61st Annual Report together with the Audited Accounts for the year ended 31st March 2018.

FINANCIAL RESULTS ₹ in Lakhs

Particulars	Standalone		Consolidated	
	As on 31.03.2018	As on 31.03.2017	As on 31.03.2018	As on 31.03.2017
Turnover	**22137.16**	22617.63	**22137.16**	22617.63
Other Income	**67.32**	64.32	**67.32**	64.32
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	**426.02**	336.46	**426.02**	336.46
Less: Finance Charges	**719.45**	715.39	**719.45**	715.39
Profit before Depreciation/ Amortization (PBTDA)	**(293.43)**	(378.93)	**(293.43)**	(378.93)
Less: Depreciation	**195.12**	180.61	**195.12**	180.61
Profit before Tax and Exceptional Items	**(488.55)**	(559.54)	**(488.55)**	(559.54)
Add: Exceptional Item (Profit of Sale of Property)	–	371.57	–	371.57
Net profit before taxation (PBT)	**(488.55)**	(187.97)	**(488.55)**	(187.97)
Provision for taxation	–	–	–	–
Profit/ (Loss) after Taxation (PAT)	**(488.55)**	(187.97)	**(488.55)**	(187.97)
Share of profit of Associate	–	–	**6.42**	5.51
Other Comprehensive Income	**(11.88)**	(54.80)	**(11.88)**	(54.80)
Total Comprehensive Income	**(500.43)**	(242.77)	**(494.00)**	(237.26)

STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved a net turnover of ₹ 221.37 Crores as against ₹ 226.18 Crores in the preceding financial year, a decrease of 2.13%. The company has incurred a net loss of ₹ 5.00 Crores as against a net loss of ₹ 2.43 Crores in the preceding year.

Plywood Segment revenue decreased from ₹ 203.03 Crores to ₹ 200.05 Crores i.e. a decrease of 1.47%. Tea Segment revenue during the year was ₹ 21.32 crores as against ₹ 23.14 Crores in the preceding financial year representing a decline of 7.87%.

CHANGES IN THE NATURE OF BUSINESS

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 2018.

RESERVES

Due to inadequacy of profit, no amount is proposed to be transferred to general reserve for the year ended 31st March 2018.

SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2018 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 ₹ 5620.96 Lakhs as at 31st March, 2018 as against ₹ 5611.89 Lakhs as on 31st March, 2017, i.e. a increase of ₹ 9.07 Lakhs.

Directors' Report (Contd.)

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.

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

Retirement by Rotation

In accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Shri Sohan Lal Yadav (DIN:00207333), Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

Appointment/Re-appointment of Directors

Shri Sohan Lal Yadav was appointed as Whole time Director of the Company for three years with effect from 1st April, 2015 and the same expired on 31st March, 2018. Thereafter he has been appointed as Non-Executive Director of the Company with effect from 1st April, 2018.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of Listing 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

During the year under review, the Board carried out annual evaluation in accordance with the above said policy and expressed satisfaction on the evaluation process and the performance of all the Directors, the Committees and the Board as a whole.

MANAGERIAL REMUNERATION

The information 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, 2018. 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.

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

The Company has in place a Vigil Mechanism/Whistle Blower Policy to deal with unethical behavior and to provide a framework to promote responsible and secured reporting of undesired activities. The Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company at www.sardaplywood.in. During the year, no case was reported under this policy.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any guarantees or given new loans or made any new investments in securities of any other body corporate 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 is available on the Company's website www.sardaplywood.in and the Remuneration Policy is separately attached herewith as "Annexure–4".

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

The Company has a defined risk management framework to identify, assess, monitor and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and is fully committed to identify and mitigate the risks in the business. The Company has formulated and implemented a risk management policy in accordance with Listing Regulations, to identify and monitor business risk and assist in measures to control and mitigate such risks. In accordance with the policy, the risk associated with the Company's business is always reviewed by the management team and placed before the Audit Committee. The Audit Committee reviews these risks on periodical basis and ensures that mitigation plans are in place. The Board is briefed about the identified risks and mitigation plans undertaken.

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

INTERNAL FINANCIAL CONTROL

The Company has adequate internal control procedures commensurate with its size and nature of business. The objective of these procedures is to ensure efficient use and protection of the Company's resources, accuracy in financial reporting and due compliance of statutes and corporate policies and procedures. The Internal Financial Control (IFC) system ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

Directors' Report (Contd.)

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 2018, 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, 2018 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 2018 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.

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–5".

The Corporate Governance Certificate for the year ended 31st March, 2018 issued by Mr. Vivek Agarwal partner of M/s S. K. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company, is also attached herewith as "Annexure–6".

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, 2018, which is attached herewith as "Annexure–7". Certificate Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached herewith as "Annexure–8".

AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder M/s. S. K. Agrawal & Co., Chartered Accountants (Firm Registration No.306033E) were appointed as the Statutory Auditors of the Company at the Annual General Meeting held on 19th September, 2017 for a term of five consecutive years, subject to ratification by members at every consequent Annual General Meeting. However pursuant to the provisions of the Companies Amendment Act, 2017 enforced on 7th May, 2018, the concept of ratification of appointment of auditor at each Annual General Meeting is being removed.

The report given by the auditors on the financial statements of the Company is part of the Annual Report. There is no qualification, reservation or adverse remark made by the statutory auditors in their report nor have they reported any instances of fraud under Section 143 (12) of the Companies, Act, 2013.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s A. K. Labh & Co, Company Secretaries was appointed as the Secretarial Auditor of the Company for the FY 2017-18. The Secretarial Audit report for the financial year ended 31st March, 2018 is attached herewith as "Annexure–9". The said report does not contain any qualification, reservation or adverse remarks.

Based on the consent received and on recommendation of the Audit Committee, the Board has appointed M/s. Rashmi Sharma & Co. as the Secretarial Auditor for the FY 2018-19.

INVESTOR EDUCATION & PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable for the Company as no dividend was declared 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 2018-2019.

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–10" attached herewith.

EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return as on 31st March, 2018 in the prescribed form MGT-9 is attached herewith as "Annexure–11".

AMALGAMATION OF P S PLYWOOD PRODUCTS PVT. LTD. WITH THE COMPANY

During the year under review National Company Law Tribunal (NCLT), Kolkata Bench, Kolkata vide their order dated 28th July, 2017 had directed the Company to hold meetings of Shareholders, Secured and Unsecured Creditors of Transferor and Transferee Company to consider the Scheme of Amalgamation of P S Plywood Products Pvt. Ltd. with the Company. Mr. Atul Kumar Labh, Practicing Company Secretary was appointed as the Chairman of the meetings. The Scheme was duly approved by the majority of Shareholders and Secured and Unsecured creditors in their respective meetings held on 11th and 12th October, 2017. Now the application is lying with the NCLT, Kolkata Bench for its approval.

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.

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

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace. During the year under review, no complaint was reported to the Board.

ISO CERTIFICATION

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

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the dealers, agents, suppliers, investors and bankers for their continued support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. Your Directors also place on record their sincere appreciation to employees at all levels for their hard work, dedication and continuous contribution to the Company.

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

Date : 28th May, 2018

Annexure-1

Management Discussion and Analysis Report

OVERVIEW

Sarda Plywood Industries Limited (SPIL) has been in the forefront of forest conservation since its inception in 1957 and hence promotes the usage of plywood and allied products. It principally operates in two segments – Plywood and allied products and Tea by utilizing the best available raw materials at its factories located in Jeypore, Assam and Rajkot, Gujarat. The Company owns a bought leaf tea processing factory in Assam.

Indian Economy

The past year has been marked by some major reforms. The transformational Goods and Services Tax (GST) was launched at the stroke of midnight on 1st July, 2017. The enactment of the Insolvency and Bankruptcy Code, 2016 (IBC) is a watershed towards improving the credit culture in our country. Prior to the IBC, India had multiple laws that governed various facets of a corporate rescue and/or insolvency process. India jumped thirty places to break into the top 100 for the first time in the World Bank's Ease of Doing Business Report (EODB), 2018.

SEGMENTWISE PERFORMANCE

Plywood

During the year 2017-18, segment revenue decreased from Rs.203.03 Crores to Rs 200.05 Crores i.e. a decrease of 1.47%.

India in FY 2017-18 poised to offer bigger opportunities and organized working after E-way bill. After GST that was applicable in July 2017, unorganized industries of plywood, hardware and furniture made sincere efforts to reduce the slab and slab was changed from 28 to 18%. In FY 2018-19 the plywood sector is going to be more economical which will help to organized retailer to grow quicker.

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 Rs. 21.32 crores as against Rs. 23.14 Crores in the preceding financial year representing a decline of 7.87%.

Tea Industry is directly dependent on weather conditions. Although the demand is increasing, there is no improvement in raw material availability. Lower availability and high cost of raw materials is a matter of concern.

INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors and cover all offices, factories and key business areas. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

OPPORTUNITIES & THREATS

Opportunities:

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

- Anti-dumping policy
- Real-estate sector growth
- Urbanisation
- Increase in the Working age population

Management Discussion and Analysis Report (Contd.)

- Rising nuclear families and increasing per capita incomes
- Increasing consumer's preference for quality products
- GST- fair competition taxation

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

Threats

- Raw material availability and imports
- Volatility in raw material prices
- Unorganised supplier bases
- Stringent regulatory norms on protection of environment
- Lack of investments

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. As your company's brand is well established in the market and pan India presence with dedicated channel partners nationwide for more than six decades and emphasis on quality and manufacture of eco friendly products serve as the tools to withstand competition and move forward and achieve the estimated growth.

FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has decreased from ₹ 226.18 Crores to ₹ 221.37 Crores registering a decline of 2.13 %. The Company has incurred a net loss of ₹ 5.00 Crores as against a net loss of ₹ 2.43 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

People management is the backbone of your Company and it is regarded as one of the important resources for the success of the organisation. Over the years, your Company has strengthened its HR processes to ensure continual development and growth of its employees. HR processes are fine-tuned and updated to attract and recruit talent into the Company. It continues to focus on progressive employee relations policies, creating an inclusive work culture and a strong talent pipeline.

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.

Annexure-2

Particulars of Remuneration

PARTICULARS 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	:	**Independent Directors** Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil **Non Executive Director** Smt. Sheela Chitlangia : Nil **Executive Directors** Shri Sudeep Chitlangia : 17.82:1 Shri Sohan Lal Yadav : 9.88:1
(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	:	**Independent Directors** Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil **Non Executive Director** Smt. Sheela Chitlangia : Nil **Executive Directors** Shri Sudeep Chitlangia : 18.41% Managing Director Shri Sohan Lal Yadav : Nil Whole-time Director **CFO & Company Secretary** Shri Ravi Kumar Murarka : 8.61%
(iii)	The percentage increase in the median remuneration of employees in the financial year	:	6.46%
(iv)	The number of permanent employees on the rolls of the Company	:	832 permanent employees as on 31st March, 2018
(v)	Affirmation that the remuneration is as per the remuneration policy of the Company	:	Remuneration paid during the year ended 31st March, 2018 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) Shri Sohan Lal Yadav has been appointed as Non-executive Director with w.e.f. 1st April, 2018. His term as Whole-time Director expired on 31st March, 2018.

Particulars of Remuneration (Contd.)

PARTICULARS OF EMPLOYEES PERTAINING TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Employee Name	Designation	Remuneration received (₹)	Qualification	Total years of Experience	Date of commence-ment of employment	Age	Last employment held by such employee before joining this company	Equity Shares held by the employee in this company
1	Sudeep Chitlangia	Managing Director	54,05,123	B.Com	30	27-05-1988	52	NA	3,58,350
2	Devesh Ahluwalia	Vice-President Sales	30,72,351	B.Sc., PGDBM	27	03-07-2014	51	Sheela Foam Pvt. Ltd.	Nil
3	Sohan Lal Yadav	Whole-time Director	30.00.000	I.A.	53	01-06-1965	70	NA	Nil
4	Akhilesh Chitlangia	General Manager	24,35,400	MBA	8	01-07-2010	30	NA	55,000
5	Somnath Roychoudhury	General Manager-Sales & Marketing	19,63,440	B.E. (Electrical)	33	15-11-2012	58	Free Lancer Trainer Consultant	Nil
6	Harender Verma	Regional Manager	19,51,501	M.Sc., MBA	21	26-09-2015	47	Lafarge India Pvt. Ltd.	Nil
7	Shashank Hissaria	General Manager	19,08,004	B.Com.	29	15-12-1988	49	Nil	Nil
8	Ravi Kumar Murarka	Chief Financial Officer & Company Secretary	17,97,318	B.Com, C.W.A., A.C.S, F.C.A., D.I S.A.	20	01-05-2009	44	Jessop & Co. Ltd.	Nil
9	Neeraj Gupta	General Manager-Commercial	17,66,136	B.Com, ICWA (Inter)	25	15-11-1998	49	Chembra Peak Estate Ltd	Nil
10	Pawan Kumar Verma	General Manager, Accounts	17,39,612	B.Com., FCA	11	18-12-2008	38	Reliance Retail Ltd.	Nil

Annexure-3

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 Asscociates / Joint Ventures		P. S. Plywood Products Private Limited	
Relationship		Associate	Associate
1	Latest audited Balance Sheet date	31st March, 2018	31st March, 2017
2	Shares of Associate held by the company on the year end		
	No.	5,950,000	5,950,000
	Amount of Investment in Associate	₹ 4374.10 Lakhs	₹ 4374.10 Lakhs
	Extent of Holding %	46.67%	46.67%
3	Description of how there is significant influence	Control of 46.67% of total Share Capital	Control of 46.67% of total Share Capital
4	Reason why the associate is not consolidated	N.A.	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	₹ 7800.53 Lakhs	₹ 7786.77 Lakhs
6	Profit / (Loss) for the year		
	i. Considered in Consolidation	₹ 6.42 Lakhs	₹ 5.51 Lakhs
	ii. Not Considered in Consolidation	₹ 7.34 Lakhs	₹ 6.30 Lakhs

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
3. Previous year figures are re-stated, as the financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

On behalf of the Board

SUJIT CHAKRAVORTI
Director
DIN. 00066344

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Place: Kolkata
Date : 28th May, 2018

Annexure-4

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.

Remuneration Policy (Contd.)

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.

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.

Annexure-5

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
- One Wholetime Director
- Four Non-Executive Independent Directors
- One Non-Executive Woman Director

Shri Sudeep Chitlangia and Smt. Sheela Chitlangia are related inter-se. Shri Sohan Lal Yadav has been appointed as Non executive director wef 1st April, 2018.His term as Whole-time Director expired on 31st March, 2018.

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

Name of Directors	Category of Directorship	Date of Appointment in the current term/ cessation	*Tenure (in months)	No. of Board Meetings attended	Attendance at last AGM on 19.09.2017	No. of Directorship(s) in Listed entities including this listed entity	No. of membership(s) in #Committee (s) including this listed entity	No. of post of Chairperson in #Committee held in listed entities including this listed entity
Shri Sudeep Chitlangia	Managing Director-Promoter	27.05.1988	–	4	Yes	1	1	–
Shri Sohan Lal Yadav	Whole-time Director	27.11.1996	–	2	No	1	–	–
Dr.Kali Kumar Chaudhuri	Non-Executive & Independent Director	01.04.2014	146	3	Yes	6	10	5
Shri Probir Roy	Non-Executive & Independent Director	01.04.2014	82	4	Yes	2	5	1
Shri Ratan Lal Gaggar	Non-Executive & Independent Director	01.04.2014	501	4	Yes	6	9	1
Shri Sujit Chakravorti	Non-Executive & Independent Director	01.04.2014	186	4	Yes	3	4	3
Smt. Sheela Chitlangia	Non-Executive Director	29.09.2015	–	4	No	1	–	–

* Tenure would mean total period from which Independent Director is serving on Board of Directors of the listed entity in continuity without any cooling off period.

\# Only Audit Committee and Stakeholders Relationship Committee have been considered.

Report on Corporate Governance (Contd.)

c) Board meetings held during the year ended 31st March 2018

During the year four Board Meetings were held on 30th May 2017, 11th August 2017, 8th December 2017, 8th February 2018.

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 information were placed before the Board.

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

The Company has in place an Insider Trading Code for compliance with the Securities And Exchange Board of India (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 policies. Details of security transactions by insiders, if any, are placed before the Board of Directors of the Company and also notified to the Stock Exchange.

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 2,71,650 Equity Shares of Rs.10/- each of the Company as on 31st March, 2018.

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.

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;
- 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 2018

During the year under review, four Audit Committee Meetings were held on 30th May 2017, 11th August 2017, 8th December 2017 and 8th February 2018.

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

Report on Corporate Governance (Contd.)

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.

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 2018**

During the year under review, one Nomination & Remuneration Committee Meeting was held on 8th February, 2018.

d) **Attendance at the Nomination & Remuneration Committee Meeting**

Name of Director	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	Salary & Perks	Sitting Fees	Total
Shri Sudeep Chitlangia	54,05,123	–	54,05,123
Shri Sohan Lal Yadav	30,00,000	–	30,00,000
Dr. Kali Kumar Chaudhuri	–	43,500	43,500
Shri Ratan Lal Gaggar	–	83,500	83,500
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
- 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 aforesaid 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.

Report on Corporate Governance (Contd.)

c) Stakeholders Relationship Committee Meetings held during the year ended 31st March 2018

During the year under review, three Stakeholder Relationship Committee Meetings were held on 30th May 2017, 15th January 2018 and 10th March 2018.

d) Attendance at Stakeholders Relationship Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	3	3
Shri Sudeep Chitlangia	3	3
Shri Ratan Lal Gaggar	3	3

e) Compliance Officer

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

f) Shareholders' Complaints

During the year ended 31st March 2018, the Company had received one complaint 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
2014-2015	The Far Pavilion, Tollygunge Club Limited, 120, Deshapran Sasmal Road, Kolkata - 700 033	29.09.2015	11.00 A.M.	One
2015-2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	16.09.2016	11.00 A.M	None
2016-2017	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	19.09.2017	11.00 A.M	One

Notes:

(i) One Special resolution was passed through postal ballot during the year 2017-18 as per the order dated 28th July, 2017 passed by the National Compnay Law Tribunal (NCLT), Kolkata Bench.

(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 Obligation & Disclosure Requirement) 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 all editions of the Financial Express in English language and in Ekdin in Bengali language.

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 : 24th September 2018 at 11.00 A.M.

– Venue : Bharatiya Bhasha Parishad, 36A Shakespeare Sarani Kolkata- 700017

II. Financial Calendar for the year 2018-2019 :

Particulars or Quarter	:	Tentative Dates
Results for the first quarter	:	On or before second week of August
Results for the second quarter	:	On or before second week of November
Results for the third quarter	:	On or before second week of February
Annual Audited Results	:	On or before last week of May

III. Book Closure Date : 17th September 2018 to 24th September 2018 (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 2017	223.15	182.00	30184.22	29241.48
May 2017	233.30	188.45	31255.28	29804.12
June 2017	295.00	200.00	31522.87	30680.66
July 2017	290.45	187.15	32672.66	31017.11
August 2017	177.80	138.50	32686.48	31128.02
September 2017	225.50	147.50	32524.11	31081.83
October 2017	165.80	141.00	33340.17	31440.48
November 2017	164.00	135.00	33865.95	32683.59
December 2017	185.60	135.75	34137.97	32565.16
January 2018	197.00	140.00	36443.98	33703.37
February 2018	166.00	135.40	36256.83	33482.81
March 2018	151.00	100.70	34278.63	32483.84

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. Distribution of Shareholding as on 31st March 2018

No. of shares of ₹ 10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6746	94.28	821175	18.18
501-1000	201	2.81	159647	3.53
1001-5000	153	2.14	327918	7.26
5001-10000	22	0.31	167735	3.71
10001 & above	33	0.46	3041410	67.32
TOTAL	7155	100.00	4517885	100.00

X. Categories of Shareholding as on 31st March 2018

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	1973451	43.68
Banks and Mutual Funds	10800	0.24
Body Corporates	707149	15.65
Individuals	1826485	40.43
TOTAL	4517885	100.00

XI. 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 2018, 89.63% of the Share Capital has been dematerialised.

XII. Outstanding GDR/ADR/Warrants : Not Applicable

XIII. 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)

XIV. Address for Correspondence : Maheshwari Datamatics Private. Limited
23, R. N. Mukherjee Road, 5th floor, Kolkata – 700001
Phone: (033) 2243 5029/2248 2248
Fax : (033) 2248 4787,
E-mail: mdpldc@yahoo.com

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

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director
(DIN: 00066344)

Registered Office
9, Parsee church Street
Kolkata – 700001
Date: 28th May 2018

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Annexure-6

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 on 31st March, 2018 as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

We have examined the books of accounts and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended 31st March, 2018.

We 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 **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. No.306033E)

CA VIVEK AGARWAL
Partner
(Membership No.301571)

Place: Kolkata
Date: 28th May 2018

Annexure-7

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 2018.

SUDEEP CHITLANGIA
Managing Director
(DIN: 00093908)

Place: Kolkata
Date: 28th May, 2018

Annexure-8

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 the financial statements and the cash flow statement for the financial year ended 31st March 2018 and that to the best of our knowledge and belief, 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
Date: 28th May, 2018

Annexure-9

Secretarial Audit Report
For The Financial Year Ended 31st March, 2018

[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 – 700001 (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 31.03.2018 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 Board 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 statues 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 31.03.2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;

(iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) 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;

(vi) 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;

Secretarial Audit Report (Contd.)

(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; and
6. Plant Protection Code (Formulated by Tea Board of India)

to the extent of their applicability to the Company during the financial year ended 31.03.2018 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) The Securities and Exchange Board of India (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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

(c) Majority decision is carried through while the dissenting members' views 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.

We further report that :

(a) The Company has filed an application with National Company Law Tribunal, Kolkata Bench, Kolkata ("the Tribunal") for approval of the Scheme of amalgamation of M/s P. S. Plywood Products Private Limited with it. In terms of the order dated 28th July, 2017 by the Tribunal, separate meetings of the members and creditors of the Company were held on 11th and 12th October, 2017 for approval of the said scheme. The scheme is pending for final approval by the Tribunal.

(b) Work at Plywood Unit at Jeypore factory (Assam) of the Company was temporarily suspended during the year under report.

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

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

Place : Kolkata
Date : 28th May, 2018

Annexure-10

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

a) Efforts made in technology absorption : Form B is enclosed.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

a) **Efforts:** the Company has not exported any of its products during the year.

b) **Earnings and Outgo:**	(₹ in Lakhs)
(i) Foreign Exchange earnings	NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)	4344.88

FORM – A
(See rule 2)
(For Bought Leaf Tea Processing Factory)
Disclosure of particulars with respect to conservation of energy

		2017-2018	2016-2017
A. POWER AND FUEL CONSUMPTION			
1. Electricity			
(a) Purchased			
Unit	Kwh	691530	591920
Total amount	₹	6796594	5784329
Rate/Unit	₹/Kwh	9.83	9.77
(b) Own generation			
(i) Through gas generator			
Unit	Kwh	787602	894908
Unit per SCUM of natural gas	Kwh/SCUM	1.93	1.66
Cost/unit	₹/Kwh	5.64	7.31
(ii) Through Diesel Generator			
Unit	Kwh	7374	Nil
Unit per Litre of Diesel Oil	Kwh/ltr.	2.43	Nil
Cost/unit	₹/Kwh	26.83	Nil
2. Natural Gas			
Quantity	SCUM	901630	920612
Total cost	₹	8772206	9792011
Rate	₹/SCUM	9.73	10.64
B. CONSUMPTION PER UNIT OF PRODUCTION			
Electricity	Kwh/Kg.	0.78	0.77
Natural Gas	SCUM/Kg.	0.47	0.48

Annexure-10 (contd.)

FORM - B

Disclosure of particulars with respect to technology absorption

I.	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.
II.	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

Annexure-11

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March 2018

[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 Share Transfer Agent, if any	: Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata–700001 Contact No.(033) 2243 5029/2248 2248

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Contributing 10 % or more of the total turnover of the company:-

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	90.07
2	Tea	10791	9.67

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 113, Park Street, North Block, 4th Floor, Kolkata 700 016	U20291WB1986PTC217119	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	-	1549209	34.29	1549209	-	1549209	34.29	-
b) Central Government									
c) State Government									
d) Bodies Corporate	424242	-	424242	9.39	424242	-	424242	9.39	-
e) Banks / Financial Institutions									
f) Any Other									
Sub-Total (A) (1) :-	1973451	-	1973451	43.68	1973451	-	1973451	43.68	-
(2) Foreign									
a) NRIs-Individuals									
b) Other–Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other (Specify)									
Sub-Total (A) (2) :-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) (A) =(A)(1)+(A)(2)	**1973451**	**-**	**1973451**	**43.68**	**1973451**	**-**	**1973451**	**43.68**	**-**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	-	8600	8600	0.19	-	8600	8600	0.19	-
b) Banks / Financial Institutions	200	2000	2200	0.05	200	2000	2200	0.05	-
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**	**10600**	**10800**	**0.24**	**200**	**10600**	**10800**	**0.24**	**-**
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	692522	4650	697172	15.43	702499	4650	707149	15.65	0.22
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	787898	470707	1258605	27.86	899928	453252	1353180	29.95	2.09
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	523642	-	523642	11.59	417743	-	417743	9.25	(-)2.34
c) Others (specify)									
i. Non Resident Indians	17763	-	17763	0.39	31576	-	31576	0.70	0.31
ii.Qualified Foreign Investor									
iii.Custodian of Enemy Property									
iv. Foreign National									
v. Clearing Member	36052	-	36052	0.80	22985	-	22985	0.51	-0.29
vi. Trust									
vii. Foreign Bodies - D R									
viii. Foreign Portfolio Investor									
ix. NBFC, registered with RBI	400	-	400	0.01	1001	-	1001	0.02	0.01
x. Foreign Portfolio Investor									
xi. Domestic Corporate Unclaimed Shares Account									
xii.Investor Education and Protection Fund Authoriry									
Sub-total(B) (2) :-	2058277	475357	2533634	56.08	2075732	457902	2533634	56.08	-
Total Public Shareholding (B) (B) = (B) (1) + (B) (2)	**2058477**	**485957**	**2544434**	**56.32**	**2075932**	**468502**	**2544434**	**56.32**	**-**
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	**4031928**	**485957**	**4517885**	**100.00**	**4049383**	**468502**	**4517885**	**100.00**	**-**

Form No. MGT-9 (Contd.)

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 share-holding during the year
		No. of Shares	% of total Shares of Company	%of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encum-bered to total shares	
1	Sudeep Chitlangia	358350	7.93	-	358350	7.93	-	-
2	Jaydeep Chitlangia	344300	7.62	-	344300	7.62	-	-
3	Sheela Chitlangia	271650	6.01	-	271650	6.01	-	-
4	Nikhilesh Chitlangia	91800	2.03	-	91800	2.03	-	-
5	Sudeep Chitlangia (HUF)	90786	2.01	-	90786	2.01	-	-
6	Purushottam Das Chitlangia (HUF)	90175	1.99	-	90175	1.99	-	-
7	Jaydeep Chitlangia (HUF)	65604	1.45	-	65604	1.45	-	-
8	Akhilesh Chitlangia	55000	1.22	-	55000	1.22	-	-
9	Abhishek Chitlangia	55000	1.22	-	55000	1.22	-	-
10	Archana Chitlangia	52294	1.16	-	52294	1.16	-	-
11	Shreya Chitlangia	50000	1.11	-	50000	1.11	-	-
12	Radheshyam Chitlangia (HUF)	18000	0.39	-	18000	0.39	-	-
13	Sunita Chitlangia	6250	0.14	-	6250	0.14	-	-
14	Madhya Bharat Papers Limited	55100	1.22	-	55100	1.22	-	-
15	Chitlangia Medical Society	72200	1.60	-	72200	1.60	-	-
16	Chitperi Farm Private Limited	21942	0.49	-	21942	0.49	-	-
17	Abhinandan Fintex Private Limited	275000	6.09	-	275000	6.09	-	-
Total		**1973451**	**43.68**	**-**	**1973451**	**43.68**	**-**	**-**

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

Sl. No	Shareholder's Name	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
No Change					

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	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	**Aashray Enterprises Private Limited**				
	At the beginning of the year	16008	0.3543		
	At the end of the year			16008	0.3543
2	**Anand L.**				
	At the beginning of the year	7450	0.1649		
	As on 07/04/2017 - Transfer	550	0.0122	8000	0.1771
	As on 10/11/2017 - Transfer	2000	0.0443	10000	0.2213
	As on 08/12/2017 - Transfer	898	0.0199	10898	0.2412
	As on 15/12/2017 - Transfer	593	0.0131	11491	0.2543
	As on 22/12/2017 - Transfer	1750	0.0387	13241	0.2931
	As on 12/01/2018 - Transfer	1459	0.0323	14700	0.3254
	As on 19/01/2018 - Transfer	1400	0.0310	16100	0.3564
	23/03/2018 - Transfer	150	0.0033	16250	0.3597
	At the end of the year	16250	0.3597	16250	0.3597
	As on 02/09/2016 - Transfer			2293	0.0508
3	**Badrinarayan Mahapatra**				
	At the beginning of the year	0	0.0000		
	As on 09/06/2017 - Transfer	21500	0.4759	21500	0.4759
	As on 16/06/2017 - Transfer	-2500	0.0553	19000	0.4206
	As on 23/06/2017 - Transfer	-370	0.0082	18630	0.4124
	As on 07/07/2017 - Transfer	-7343	0.1625	11287	0.2498
	As on 01/09/2017 - Transfer	3600	0.0797	14887	0.3295
	As on 23/03/2018 - Transfer	-14887	0.3295	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
4	**Bijal Kishorechand Madhani**				
	At the beginning of the year	0	0.0000		
	As on 01/04/2017	30000	0.6640		
	As on 21/04/2017 - Transfer	-4949	0.1095	25051	0.5545
	As on 21/07/2017 - Transfer	-1051	0.0233	24000	0.5312
	As on 28/07/2017 - Transfer	-1449	0.0321	22551	0.4991
	As on 04/08/2017 - Transfer	-824	0.0182	21727	0.4809
	As on 11/08/2017 - Transfer	-1727	0.0382	20000	0.4427
	As on 18/08/2017 - Transfer	-2000	0.0443	18000	0.3984
	As on 25/08/2017 - Transfer	-2000	0.0443	16000	0.3541
	As on 01/09/2017 - Transfer	-3000	0.0664	13000	0.2877
	As on 08/09/2017 - Transfer	7	0.0002	13007	0.2879
	As on 06/10/2017 - Transfer	-1507	0.0334	11500	0.2545
	As on 13/10/2017 - Transfer	-1500	0.0332	10000	0.2213
	As on 20/10/2017 - Transfer	-1130	0.0250	8870	0.1963
	As on 27/10/2017 - Transfer	-870	0.0193	8000	0.1771
	As on 03/11/2017 - Transfer	-1000	0.0221	7000	0.1549
	As on 10/11/2017 - Transfer	-2000	0.0443	5000	0.1107
	As on 24/11/2017 - Transfer	-498	0.0110	4502	0.0996

Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	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
	As on 01/12/2017 - Transfer	-2002	0.0443	2500	0.0553
	08/12/2017 - Transfer	-2500	0.0553	0	0.0000
	At the end of the year	0	0.0000	30000	0.6640
5	**Cuckoo Fiscal Services Limited**				
	At the beginning of the year	390000	8.6324		
	As on 05/05/2017 - Transfer	-18000	0.3984	372000	8.2339
	At the end of the year	372000	8.2339	372000	8.2339
6	**Dia Properties LLP**				
	At the beginning of the year	2933	0.0649		
	As on 07/04/2017 - Transfer	439	0.0097	3372	0.0746
	As on 14/04/2017 - Transfer	6092	0.1348	9464	0.2095
	As on 05/05/2017 - Transfer	536	0.0119	10000	0.2213
	As on 04/08/2017 - Transfer	10000	0.2213	20000	0.4427
	At the end of the year	20000	0.4427	20000	0.4427
7	**Lilly Thomas**				
	At the beginning of the year	79763	1.7655		
	At the end of the year	79763	1.7655	79763	1.7655
8	**Milind K Madhani**				
	At the beginning of the year	50000	1.1067		
	As on 14/04/2017 - Transfer	-5000	0.1107	45000	0.9960
	As on 28/04/2017 - Transfer	-5000	0.1107	40000	0.8854
	As on 05/05/2017 - Transfer	-1000	0.0221	39000	0.8632
	As on 12/05/2017 - Transfer	1000	0.0221	40000	0.8854
	As on 19/05/2017 - Transfer	-1006	0.0223	38994	0.8631
	As on 26/05/2017 - Transfer	-994	0.0220	38000	0.8411
	As on 16/06/2017 - Transfer	2000	0.0443	40000	0.8854
	As on 07/07/2017 - Transfer	-1500	0.0332	38500	0.8522
	As on 14/07/2017 - Transfer	-10500	0.2324	28000	0.6198
	As on 21/07/2017 - Transfer	-3000	0.0664	25000	0.5534
	As on 28/07/2017 - Transfer	-2000	0.0443	23000	0.5091
	As on 04/08/2017 - Transfer	-790	0.0175	22210	0.4916
	As on 11/08/2017 - Transfer	-1210	0.0268	21000	0.4648
	As on 18/08/2017 - Transfer	-3500	0.0775	17500	0.3873
	As on 25/08/2017 - Transfer	-2500	0.0553	15000	0.3320
	As on 01/09/2017 - Transfer	-3000	0.0664	12000	0.2656
	As on 08/09/2017 - Transfer	-2000	0.0443	10000	0.2213
	As on 22/09/2017 - Transfer	-3000	0.0664	7000	0.1549
	As on 30/09/2017 - Transfer	-619	0.0137	6381	0.1412
	As on 06/10/2017 - Transfer	-3381	0.0748	3000	0.0664
	As on 13/10/2017 - Transfer	-3000	0.0664	0	0.0000
	At the end of the year			50000	1.1067
9	**Nenumal Bhatia**				
	As on 01/04/2017	0	0.0000		
	As on 08/09/2017 - Transfer	9608	0.2127	9608	0.2127
	As on 15/09/2017 - Transfer	3892	0.0861	13500	0.2988

Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	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
	As on 22/09/2017 - Transfer	4500	0.0996	18000	0.3984
	As on 01/12/2017 - Transfer	-3600	0.0797	14400	0.3187
	As on 08/12/2017 - Transfer	-900	0.0199	13500	0.2988
	As on 15/12/2017 - Transfer	-6300	0.1394	7200	0.1594
	As on 05/01/2018 - Transfer	-7200	0.1594	0	0.0000
	At the end of the year	0	0.0000	0	0.0000
10	**Niraj Investment Company Private Limited**				
	At the beginning of the year	50372	1.1149		
	At the end of the year			50372	1.1149
11	**Paras Kesharmal Bathia**				
	At the beginning of the year	29783	0.6592		
	As on 07/04/2017 - Transfer	-500	0.0111	29283	0.6482
	As on 12/05/2017 - Transfer	-300	0.0066	28983	0.6415
	As on 09/06/2017 - Transfer	-1256	0.0278	27727	0.6137
	As on 16/06/2017 - Transfer	-1969	0.0436	25758	0.5701
	As on 23/06/2017 - Transfer	-2000	0.0443	23758	0.5259
	As on 30/06/2017 - Transfer	-500	0.0111	23258	0.5148
	At the end of the year	23258	0.5148	23258	0.5148
12	**Purinju V Veliyath**				
	At the beginning of the year	150000	3.3201		
	As on 08/12/2017 - Transfer	8725	0.1931	158725	3.5133
	At the end of the year	158725	3.5133	158725	3.5133
13	**Poushali Sales Private Limited**				
	At the beginning of the year	160000	3.5415		
	At the end of the year			160000	3.5415
14	**Religare Securities Limited**				
	At the beginning of the year	1608	0.0356		
	As on 07/04/2017 - Transfer	720	0.0159	2328	0.0515
	As on 14/04/2017 - Transfer	-961	0.0213	1367	0.0303
	As on 21/04/2017 - Transfer	557	0.0123	1924	0.0426
	As on 28/04/2017 - Transfer	-409	0.0091	1515	0.0335
	As on 05/05/2017 - Transfer	35	0.0008	1550	0.0343
	As on 12/05/2017 - Transfer	585	0.0129	2135	0.0473
	As on 19/05/2017 - Transfer	-730	0.0162	1405	0.0311
	As on 26/05/2017 - Transfer	516	0.0114	1921	0.0425
	As on 02/06/2017 - Transfer	-1093	0.0242	828	0.0183
	As on 09/06/2017 - Transfer	117	0.0026	945	0.0209
	As on 16/06/2017 - Transfer	-39	0.0009	906	0.0201
	As on 23/06/2017 - Transfer	1563	0.0346	2469	0.0546
	As on 30/06/2017 - Transfer	-762	0.0169	1707	0.0378
	As on 07/07/2017 - Transfer	-342	0.0076	1365	0.0302
	As on 14/07/2017 - Transfer	-114	0.0025	1251	0.0277
	As on 21/07/2017 - Transfer	1287	0.0285	2538	0.0562
	As on 28/07/2017 - Transfer	49	0.0011	2587	0.0573

Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	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
	As on 04/08/2017 - Transfer	241	0.0053	2828	0.0626
	As on 11/08/2017 - Transfer	741	0.0164	3569	0.0790
	As on 18/08/2017 - Transfer	4754	0.1052	8323	0.1842
	As on 25/08/2017 - Transfer	10416	0.2306	18739	0.4148
	As on 01/09/2017 - Transfer	4289	0.0949	23028	0.5097
	As on 08/09/2017 - Transfer	-22454	0.4970	574	0.0127
	As on 15/09/2017 - Transfer	1328	0.0294	1902	0.0421
	As on 22/09/2017 - Transfer	-21	0.0005	1881	0.0416
	As on 30/09/2017 - Transfer	-5	0.0001	1876	0.0415
	As on 06/10/2017 - Transfer	-127	0.0028	1749	0.0387
	As on 13/10/2017 - Transfer	-261	0.0058	1488	0.0329
	As on 20/10/2017 - Transfer	-103	0.0023	1385	0.0307
	As on 27/10/2017 - Transfer	-60	0.0013	1325	0.0293
	As on 03/11/2017 - Transfer	-84	0.0019	1241	0.0275
	As on 10/11/2017 - Transfer	-40	0.0009	1201	0.0266
	As on 17/11/2017 - Transfer	-42	0.0009	1159	0.0257
	As on 24/11/2017 - Transfer	67	0.0015	1226	0.0271
	As on 01/12/2017 - Transfer	-105	0.0023	1121	0.0248
	As on 08/12/2017 - Transfer	-100	0.0022	1021	0.0226
	As on 15/12/2017 - Transfer	-201	0.0044	820	0.0182
	As on 22/12/2017 - Transfer	313	0.0069	1133	0.0251
	As on 05/01/2018 - Transfer	-11	0.0002	1122	0.0248
	As on 12/01/2018 - Transfer	-526	0.0116	596	0.0132
	As on 19/01/2018 - Transfer	22	0.0005	618	0.0137
	As on 26/01/2018 - Transfer	40	0.0009	658	0.0146
	As on 02/02/2018 - Transfer	5	0.0001	663	0.0147
	As on 09/02/2018 - Transfer	95	0.0021	758	0.0168
	As on 23/02/2018 - Transfer	-103	0.0023	655	0.0145
	As on 02/03/2018 - Transfer	582	0.0129	1237	0.0274
	As on 09/03/2018 - Transfer	-582	0.0129	655	0.0145
	As on 16/03/2018 - Transfer	1848	0.0409	2503	0.0554
	As on 23/03/2018 - Transfer	346	0.0077	2849	0.0631
	As on 30/03/2018 - Transfer	515	0.0114	3364	0.0745
	31/03/2018 - Transfer	-829	0.0183	2535	0.0561
	At the end of the year			2535	0.0561
15	**Sharekhan Limited**				
	At the beginning of the year	3015	0.0667		
	As on 07/04/2017 - Transfer	-1445	0.0320	1570	0.0348
	As on 14/04/2017 - Transfer	-320	0.0071	1250	0.0277
	As on 21/04/2017 - Transfer	-582	0.0129	668	0.0148
	As on 28/04/2017 - Transfer	-17	0.0004	651	0.0144
	As on 05/05/2017 - Transfer	39	0.0009	690	0.0153
	As on 12/05/2017 - Transfer	365	0.0081	1055	0.0234
	As on 19/05/2017 - Transfer	195	0.0043	1250	0.0277
	As on 26/05/2017 - Transfer	411	0.0091	1661	0.0368

Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	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
	As on 02/06/2017 - Transfer	36258	0.8025	37919	0.8393
	As on 09/06/2017 - Transfer	-35984	0.7965	1935	0.0428
	As on 16/06/2017 - Transfer	2356	0.0521	4291	0.0950
	As on 23/06/2017 - Transfer	-2186	0.0484	2105	0.0466
	As on 30/06/2017 - Transfer	-892	0.0197	1213	0.0268
	As on 07/07/2017 - Transfer	2324	0.0514	3537	0.0783
	As on 14/07/2017 - Transfer	-2142	0.0474	1395	0.0309
	As on 21/07/2017 - Transfer	-820	0.0182	575	0.0127
	As on 11/08/2017 - Transfer	683	0.0151	1258	0.0278
	As on 18/08/2017 - Transfer	3227	0.0714	4485	0.0993
	As on 25/08/2017 - Transfer	-173	0.0038	4312	0.0954
	As on 01/09/2017 - Transfer	-3462	0.0766	850	0.0188
	As on 08/09/2017 - Transfer	65	0.0014	915	0.0203
	As on 15/09/2017 - Transfer	91	0.0020	1006	0.0223
	As on 22/09/2017 - Transfer	-203	0.0045	803	0.0178
	As on 30/09/2017 - Transfer	-3	0.0001	800	0.0177
	As on 06/10/2017 - Transfer	-599	0.0133	201	0.0044
	As on 13/10/2017 - Transfer	-1	0.0000	200	0.0044
	As on 20/10/2017 - Transfer	50	0.0011	250	0.0055
	As on 27/10/2017 - Transfer	330	0.0073	580	0.0128
	As on 03/11/2017 - Transfer	-380	0.0084	200	0.0044
	As on 08/12/2017 - Transfer	2	0.0000	202	0.0045
	As on 15/12/2017 - Transfer	-2	0.0000	200	0.0044
	As on 26/01/2018 - Transfer	15	0.0003	215	0.0048
	As on 02/02/2018 - Transfer	-15	0.0003	200	0.0044
	As on 02/03/2018 - Transfer	118	0.0026	318	0.0070
	As on 09/03/2018 - Transfer	-118	0.0026	200	0.0044
	As on 23/03/2018 - Transfer	29236	0.6471	29436	0.6515
	At the end of the year	29436	0.6515	29436	0.6515
16	**Singaraju R**				
	At the beginning of the year	45274	1.0021		
	As on 08/09/2017 - Transfer	19726	0.4366	65000	1.4387
	At the end of the year	65000	1.4387	65000	1.4387
17	**Suman rathi**				
	At the beginning of the year	21000	0.4648		
	At the end of the year			21000	0.4648
18	**Varsha Chugh**				
	At the beginning of the year	25694	0.5687		
	02/06/2017 - Transfer	-25694	0.5687	0	0.0000
	09/06/2017 - Transfer	3194	0.0707	3194	0.0707
	07/07/2017 - Transfer	-3194	0.0707	0	0.0000
	At the end of the year	0	0.0000	0	0.0000

Form No. MGT-9 (Contd.)

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	4520.56	1038.11	–	5558.67
ii) Interest due but not paid	–	49.14	–	49.14
iii) Interest accrued but not due	4.01	0.07	–	4.08
Total (i + ii + iii)	**4524.57**	**1087.32**	–	**5611.89**
Change in Indebtedness during the financial year				
- Addition	2,017.72	265.89	–	2,283.61
- Reduction	2,128.26	146.28	–	2,274.54
Net Change	**(110.54)**	**119.61**	**–**	**9.07**
Indebtedness at the end of the financial year				
i) Principal Amount	4409.53	1145.11	–	5554.64
ii) Interest due but not paid	–	61.76	–	61.76
iii) Interest accrued but not due	4.50	0.06	–	4.56
Total (i + ii + iii)	**4414.03**	**1206.93**	–	**5620.96**

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	48,00,000	30,00,000	78,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,91,000	–	5,91,000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–	–	–
2.	Stock Option	–	–	–
3.	Sweat Equity	–	–	–
4.	Commission – as % of profit	–	–	–
5.	Others – Club membership	14,123	–	14,123
	Total* (A)	**54,05,123**	**30,00,000**	**84,05,123**
	Ceiling as per the Act	**84,00,000**	**84,00,000**	**1,68,00,000**

**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	Smt. Sheela Chitlangia	
1.	Independent Directors						
	Fee for attending board/ committee meetings	76,000	43,500	83,500	70,000	-	2,73,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (1)	**76,000**	**43,500**	**83,500**	**70,000**	**-**	**2,73,000**
2.	Other Non-Executive Directors						
	Fee for attending board/ committee meetings	-	-	-	-	40,000	40,000
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**40,000**	**40,000**
	Total (B) – (1+2)	**76,000**	**43,500**	**83,500**	**70,000**	**40,000**	**3,13,000**

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	16,19,930
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,77,388
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	–
2.	Stock Option	–
3.	Sweat Equity	–
4.	Commission - as % of profit	–
5.	Others	–
	Total	**17,97,318**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for breach of any section of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

Independent Auditor's Report To The Members

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of Sarda Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branch at Delhi.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind As financial statements that give a true and fair view of the state of affairs(financial position), profit or loss(financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

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 standalone Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit/loss (financial performance including other comprehensive income) ,its cash flows and the changes in equity or the year ended on that date.

Other Matters

I. The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies Accounting Standards)

Independent Auditors' Report (Contd.)

Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 30th May 2017 and 25th May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

II. We did not audit the financial statements/information of Delhi branch included in the standalone Ind AS financial statements of the Company whose financial statements / financial information reflect total assets of Rs.2,298.68 Lakhs as at 31st March, 2018 and total revenues of Rs.7160.06 Lakhs for the year ended on that date. The financial statements/information of Delhi branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of Delhi branch, is based solely on the report of such branch auditors.

Report on Other Legal and Regulatory Requirements

I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.

c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.

e. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

f. On the basis of the written representations received from the Directors as on 31st March 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

g. 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";

h. With respect to the other matters to be included in the Auditor's Report in accordance with amended Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (Refer Note No. 34.3 to the financial statements).

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.K. Agrawal & Co.
Chartered Accountants
Firm's Registration No. 306033E

(CA VIVEK AGARWAL)
Partner
Membership No. 301571

Place : Kolkata
Date: 28th May, 2018

Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of Sarda Plywood Industries Limited (the Company') on the financial statements for the year ended on 31st March 2018. We report that:

i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to 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. According to the information and explanations given to us the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification.

iii. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, Clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans and investments made.

v. The Company has not accepted any deposits from the public during the year.

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.

vii. According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, Goods and Services Tax, duty of Custom, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs, goods and services tax, value added tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, duty of excise, service tax have not been deposited by the Company on account of disputes:

Nature of the Statute	Nature of dues	Amount (₹ In Lakhs)	Period to which the matter pertains	Forum where matter is pending
Delhi Sales Tax Act, 1975	Sales Tax	77.87	1990-91	Additional Commissioner of sales tax
Central Sales Tax Act, 1956	Sales Tax	47.52	1990-91	Additional Commissioner of sales tax
Central Excise Act, 1944	Service Tax	14.27	July, 2012 to Sep, 2013	Under Appeal Custom, Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	0.87	1985-86	Income Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	1,198.78	April, 2010 to Dec, 2016	Assistant Commissioner of Central Excise

Independent Auditors' Report (Contd.)

viii. On the basis of records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to Banks.

ix. The Company did not raise any money by way of initial public officer and further public offer (including debt instrument). To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained. Accordingly, paragraph 3 (ix) of the Order is not applicable.

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 course of our audit.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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 given to us and based on our examination of the records, 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, paragraph 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration No.306033E

(CA VIVEK AGARWAL)
Partner
Membership No. 301571

Place: Kolkata
Date: 28th May, 2018

Annexure - B to the Auditors' Report

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 to the extent records available with us in Conjunction with our audit of the financial statements of the company as of and for the year ended 31st March 2018, in which are incorporated the report of branch auditors for Internal financial control of Company's branch at Delhi.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Independent Auditors' Report (Contd.)

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 31 March 2018, based on the internal control over financial reporting criteria established by the Company.

For **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm's Registration No. 306033E

(CA VIVEK AGARWAL)
Partner
Membership No. 301571

Place: Kolkata
Date: 28th May, 2018

BALANCE SHEET as at 31st March, 2018

₹ in Lakhs

Particulars	Note No.	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
I. ASSETS							
(1) Non - Current Assets							
(a) Property, plant and equipment	2	**1,564.29**		**1,553.90**		1,495.97	
(b) Capital work-in-progress	2	**-**		23.53		-	
(c) Intangible assets	3	**35.24**		42.14		32.51	
(d) Financial Assets							
Investments	4	**4,376.25**		4,375.83		4,375.21	
Loans	5	**82.87**		77.71		76.39	
(e) Deferred Tax Assets (Net)	6	**1,162.16**		1,162.16		1,162.16	
(f) Other Non - Current Assets	7	**21.83**	**7,242.64**	29.47	7,264.74	40.48	7,182.72
(2) Current assets							
(a) Inventories	8	**5,999.12**		6,217.23		5,189.08	
(b) Financial Assets							
Trade receivables	9	**2,136.27**		1,996.21		2,132.95	
Cash and Cash Equivalents	10	**17.65**		30.14		35.66	
Other Bank Balances	11	**47.42**		0.59		0.50	
Loans	12	**39.05**		41.04		28.78	
(c) Current Tax Assets (Net)	13	**25.19**		24.19		21.33	
(d) Other current assets	14	**663.91**	**8,928.61**	876.98	9,186.38	641.79	8,050.09
TOTAL			**16,171.25**		16,451.12		15,232.81
II. EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity Share capital	15	**452.07**		452.07		452.07	
(b) Other Equity	16	**3,858.42**	**4,310.49**	4,358.85	4,810.92	4,601.62	5,053.69
(2) Non - current liabilities							
(a) Financial Liabilities							
Borrowings	17	**382.96**		548.63		760.41	
(b) Provisions	18	**171.85**		164.18		81.38	
(c) Other Non - Current Liabilities	19	**132.73**	**687.54**	145.58	858.39	6.33	848.12
(3) Current liabilities							
(a) Financial Liabilities							
Borrowings	20	**4,963.48**		4,787.63		4,355.91	
Trade payables	21	**5,189.08**		5,014.04		4,314.64	
Other Financial Liabilities	22	**647.46**		628.02		442.67	
(b) Other current liabilities	23	**350.82**		337.02		197.30	
(c) Provisions	24	**22.38**	**11,173.22**	15.10	10,781.81	20.48	9,331.00
TOTAL			**16,171.25**		16,451.12		15,232.81
Significant accounting policies	1.1						
Other Disclosures	34						

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place : Kolkata
Date : 28th May, 2018

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, 2018

₹ in Lakhs

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I. Revenue from operations			
Sale of goods	25	**22,025.26**	22,491.91
Other operating Income	26	**111.90**	125.72
Total Revenue from Operations		**22,137.16**	22,617.63
II. Other income	27	**67.32**	64.32
III. Total revenue (I+II)		**22,204.48**	22,681.95
IV. Expenses:			
Cost of materials consumed	28	**11,654.50**	11,528.12
Purchases of stock-in-trade	29	**1,766.48**	935.78
Changes in inventories of finished goods, work -in-progress and stock-in-trade	30	**(734.94)**	(494.65)
Excise duty (Inclusive of Tea Cess)		**381.47**	1,870.15
Employee benefits expense	31	**3,084.90**	2,753.42
Finance costs	32	**719.45**	715.39
Depreciation and amortization expense	2	**195.12**	180.61
Other expenses	33	**5,626.05**	5,752.67
Total expenses		**22,693.03**	23,241.49
V. Profit/(Loss) before exceptional items and tax (III - IV)		**(488.55)**	(559.54)
VI. Exceptional items			
Profit on Sale of Property		–	371.57
VII. Profit/(Loss) before tax (V-VI)		**(488.55)**	(187.97)
VIII. Tax expense :			
Current tax		–	–
Deferred tax		–	–
Profit/(Loss) for the year (VII - VIII)		**(488.55)**	(187.97)
Other Comprehensive Income			
i) Items that will not be reclassified to Profit and Loss			
- Remeasurement of Defined Benefit Liabilities		**(11.88)**	(54.80)
Total Comprehensive Income for the year		**(500.43)**	(242.77)
Earnings per equity share of ₹ 10/- each	34.11		
Basic		**(10.81)**	(4.16)
Diluted		**(10.81)**	(4.16)
Significant accounting policies	1.1		
Other Disclosures	34		

The accompanying notes 1 to 34 are an integral part of the Financial Statements.
As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place : Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2018

A) Equity Share Capital

Equity Shares of ₹ 10 each subscribed and fully paid	**Number of Shares**	**₹ in Lakhs**
On 1st April, 2016	45,17,885	451.79
Changes in equity share capital during the year	–	–
Balance as at 31st March, 2017	45,17,885	451.79
Changes in equity share capital during the year	–	–
Balance as at 31st March, 2018	**45,17,885**	451.79

B) Other Equity ₹ in Lakhs

Particulars	Reserves and Surplus				
	Securities Premium Reserve	General Reserve	Retained Earning	Other Comprehensive Income	Total
Balance as at 1st April, 2016	695.74	1,216.84	2,739.61	(50.57)	4,601.62
Profit for the year	-	-	(187.97)	-	(187.97)
Other Comprehensive Income for the year	-	-	-	(54.80)	(54.80)
Balance as at 31st March, 2017	**695.74**	**1,216.84**	**2,551.64**	**(105.37)**	**4,358.85**
Profit for the year	-	-	(488.55)	-	(488.55)
Other Comprehensive Income for the year	-	-	-	(11.88)	(11.88)
Balance as at 31st March, 2018	**695.74**	**1,216.84**	**2,063.09**	**(117.25)**	**3,858.42**

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place : Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

CASH FLOW STATEMENT for the year ended 31st March, 2018

₹ in Lakhs

		Year ended 31st March, 2018	Year ended 31st March, 2017
A.	**Cash Flow from Operating Activities**		
	Net Profit/(Loss) before tax	(488.55)	(187.97)
	Adjustments for:		
	Depreciation and Amortisation expenses	195.12	180.61
	Provision for fair value of Investments	(0.44)	(0.62)
	Unspent Liabilities Written Back	(1.42)	(6.48)
	Government Grant	(12.85)	(10.02)
	Loss on Sale of Property, Plant and Equipment	1.24	4.39
	(Profit)/Loss on Sale of Property	–	(371.57)
	(Profit)/Loss on Sale of Investment	(0.67)	–
	Interest Income	(5.31)	(8.25)
	Finance Costs	719.45	715.39
	Dividend Income	(0.80)	(0.79)
	Operating Profit/(Loss) before Working Capital Changes	**405.77**	**314.69**
	Decrease/(Increase) in Non Current Financial Assets	(5.16)	(1.32)
	Decrease/(Increase) in Current Financial Assets	1.89	(13.43)
	Decrease/(Increase) in Other Non Current Assets	7.65	11.01
	Decrease/(Increase) in Other Current Assets	213.07	(235.19)
	Decrease/(Increase) in Inventories	218.12	(1,028.15)
	Decrease/(Increase) in Trade Receivables	(140.06)	136.74
	Increase/(Decrease) in Long Term Provisions	(59.00)	27.99
	Increase/(Decrease) in Short Term Provisions	7.28	(5.38)
	Increase/(Decrease) in Other Financial Liabilities	28.56	110.82
	Increase/(Decrease) in Other Current Liabilities	13.80	139.72
	Increase/(Decrease) in Trade Payables	176.46	688.70
	Cash generated from Operating activities	**868.38**	**146.20**
	Direct Taxes Paid (Net of Refund)	(1.00)	(2.86)
	Net Cash Flow from/(used in) Operating Activities	**867.38**	**143.34**
B.	**Cash Flow from Investing Activities**		
	Additions to Property, Plant and Equipment	(185.55)	(276.40)
	Additions to Intangible Fixed Assets	(6.11)	(19.99)
	Sale of Property, Plant and Equipment	23.47	391.88
	Sale of Long Term Investments	0.69	(0.02)
	Interest Income	5.41	9.42
	Dividend Income	0.80	0.79
	Net Cash flow from/(used in) Investing activities	**(161.29)**	**105.68**
C.	**Cash Flow from Financing Activities**		
	Proceeds from Working Capital Loan	37.22	304.56
	Proceeds of Buyers Credit	64.00	360.80
	Proceeds from Other Short Term Borrowings	74.63	(233.63)
	Proceeds from Term Loan	43.50	14.66
	Proceeds from Capital Subsidy	–	149.27
	Repayment of Term Loan	(218.96)	(136.33)
	Interest Expenses	(679.06)	(662.86)
	Other Borrowing Costs	(39.91)	(51.00)
	Net Cash Flow from/(Used in) Financing Activities	**(718.58)**	**(254.53)**
	Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(12.50)	(5.51)
	Opening Cash and Cash Equivalents	30.15	35.66
	Closing Cash and Cash Equivalents as per Note No. 10	**17.65**	**30.15**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IND As 7 on 'Statement of Cash Flow'.
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.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place : Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Notes to Accounts

Note No. 1

1. Company Overview

Sarda Plywood Industries Limited (‘the company’) is a public limited company incorporated and domiciled in India in 1957 under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Plywood, Decorative Veneers, Block boards, Doors, Tea etc. The registered office of the Company is at 9, Parsee Church Street, Kolkata – 700 001.

1.1 Significant Accounting Policies

a. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the ‘Act’)and other relevant provisions of the Act.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rule, 2014.

These financial statements are the first financial statements under Ind AS. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”, with 1st April 2016 being the transition date.

In accordance with Ind AS 101 “First time adoption of Indian Accounting Standard”, the Company has presented a reconciliation (Refer Note No.34.1) from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) to Ind AS of total equity as at 1st April, 2016 and 31st March, 2017, total comprehensive income for the year ended 31st March, 2017.

b. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees (“INR”) and all values are rounded to the nearest lakhs, except otherwise stated.

c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

Notes to Accounts (Contd.)

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

d. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

f. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with carrying value of all its property, plant and equipment (except free hold land which is recognised at fair value) recognised as at 1st April, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

g. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

The Company has intangible assets with finite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets (Computer Software) are amortised on Straight Line method over a period of 5 years.

h. Depreciation and amortisation property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a Straight Line Method, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

The estimated useful life of the Property Plant and Equipment is given below: -

Asset Group	Useful Life (in years)
Factory Building	30
Non - Factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

Freehold land is not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Notes to Accounts (Contd.)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

i. Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

j. Recent accounting pronouncement

Ind AS 115- Revenue from Contract with Customers: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company will adopt the standard on 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 12 - Income Taxes: The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

k. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Notes to Accounts (Contd.)

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) **Operating lease** – Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

(ii) **Finance lease** – Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Company as lessor

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

l. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to Accounts (Contd.)

Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derivative financial instruments

The company uses Derivative Financial Instruments such as forward contracts to hedge its foreign currency risks. Such Derivative financial instruments are initially recognized and subsequently measured at Fair Value through profit or loss (FVTPL). Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains/ losses arising from changes in the fair value of derivative financial instrument are recognized in the statement of Profit or Loss and reported with foreign exchange gains/ (loss) not within results from operating activities. Changes in fair value gains/ (losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

m. Employee benefits

1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

2. Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3. Post-employment obligations

The company operates the following post-employment schemes:

Defined contribution plans

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

Defined benefit plans

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Notes to Accounts (Contd.)

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

4. **Bonus Plans**

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

n. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost incurred in bringing each product to its present location and condition are accounted as follows:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Finished Goods also include the applicable Excise Duty.

iii. Stores and spares & Chemicals: Cost is determined on FIFO/weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion.

o. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

p. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to revenue are recognized in statement of Profit and Loss under the heading 'Other Operating Revenue'.

q. Income taxes

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

Current tax

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

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Company has not recognized deferred tax assets during the year as the existence of unused tax losses are the evidence that future taxable profit may not be available against which these unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

r. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing the latitude and is also exposed to inventory and credit risks.

The management has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / goods and services tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Insurance Claims

Insurance and other claims are accounted for as and when settled.

s. Foreign currency transactions

Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

Notes to Accounts (Contd.)

Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end rate.

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.

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.

t. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

u. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

v. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables. The Company follows "simplified approach" for recognition of impairment loss allowances on trade receivables.

w. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

x. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

y. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

z. Related party transactions

Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Clause 9 of Ind AS 24 have been identified on the basis of representations made by the management and information available with the company.

Notes to Accounts (Contd.)

Note No : 2

PROPERTY, PLANT AND EQUIPMENT ₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2017 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	for the Year	Sales/Adjustment	Upto 31.03.2018	As at 31.03.2018
Freehold Land	179.93	-	-	179.93	-	-	-	-	179.93
Buildings	367.71	4.03	-	371.74	18.20	17.94	-	36.14	335.60
Plant and Equipments	991.68	58.67	7.11	1,043.24	114.57	125.88	1.94	238.51	804.73
Motor Vehicles	94.40	50.68	14.91	130.17	16.02	15.93	3.59	28.36	101.81
Furniture and Fixtures	39.10	64.89	-	103.99	6.99	8.00	-	14.99	89.00
Office Equipments & Computer	50.30	30.81	0.12	80.99	13.44	14.36	0.03	27.77	53.22
Sub - total	**1,723.12**	**209.08**	**22.14**	**1,910.06**	**169.22**	**182.11**	**5.56**	**345.77**	**1,564.29**
Capital Work in Progress	-								-
TOTAL	**1,723.12**	**209.08**	**22.14**	**1,910.06**	**169.22**	**182.11**	**5.56**	**345.77**	**1,564.29**

PROPERTY, PLANT AND EQUIPMENT - Previous Year

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2016 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2017	Upto 31.03.2016	for the Year	Sales/Adjustment	Upto 31.03.2017	As at 31.03.2017
Freehold Land	179.93	-	-	179.93	-	-	-	-	179.93
Buildings	376.29	-	8.58	367.71	-	18.34	0.14	18.20	349.51
Plant and Equipments	780.90	212.15	1.37	991.68	-	114.63	0.06	114.57	877.11
Motor Vehicles	85.21	24.62	15.43	94.40	-	16.81	0.79	16.02	78.38
Furniture and Fixtures	38.33	0.77	-	39.10	-	6.99	-	6.99	32.11
Office Equipments & Computer	35.31	15.34	0.35	50.30	-	13.47	0.03	13.44	36.86
Sub - total	**1,495.97**	**252.88**	**25.73**	**1,723.12**	**-**	**170.24**	**1.02**	**169.22**	**1,553.90**
Capital Work in Progress	-								23.53
TOTAL	**1,495.97**	**252.88**	**25.73**	**1,723.12**	**-**	**170.24**	**1.02**	**169.22**	**1,577.43**

Notes :

a) Land, Building and Plant & Equipment 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 ₹ 163.77 Lakhs (Land ₹ 19.66 Lakhs, Building ₹ 70.61 Lakhs and Plant & Equipment ₹ 73.49 Lakhs) was credited to Capital Reserve. The carrying amount as on 01/04/2016 has been adjusted with the Retained Earning as per the provision of Ind AS 101 (as amended).

b) For Property, Plant Equipment exixting as on 1st April 2016. i.e, date of transition to Ind AS, the company has used GAAP carrying value as deemed cost. (Refer Note 34(1)(A.1.1)

Notes to Accounts (Contd.)

Note No : 3

INTANGIBLE ASSETS

₹ in Lakhs

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2017 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	for the Year	Sales/Ad-justment	Upto 31.03.2018	As at 31.03.2018
Computer Softwares (Acquired)	52.51	6.11	-	58.62	10.37	13.01	-	23.38	35.24
TOTAL	**52.51**	**6.11**	**-**	**58.62**	**10.37**	**13.01**	**-**	**23.38**	**35.24**

INTANGIBLE ASSETS- Previous Year

₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2016 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2017	Upto 31.03.2016	for the Year	Sales/Ad-justment	Upto 31.03.2017	As at 31.03.2017
Computer Softwares (Acquired)	32.51	20.00	-	52.51	-	10.37	-	10.37	42.14
Sub - total	**32.51**	20.00	**-**	**52.51**	**-**	**10.37**	**-**	**10.37**	**42.14**

Notes :

a) For Intangible Assets exixting as on 1st April, 2016. i.e, date of transition to Ind AS, the company has used GAAP carrying value as deemed cost. (Refer Note 34(1)(A.1.1)

Note No : 4

Non-current investments

₹ in Lakhs

Particulars	Face value ₹	Number of shares	As at 31st March, 2018	Number of shares	As at 31st March, 2017	Number of shares	As at 1st April, 2016
Investments measured at Fair Value through Profit & Loss							
Investments in Equity Shares							
a) Quoted, Fully paid up							
Assam Petro-Chemicals Ltd.	**10**	**-**	**-**	200	0.02	200	0.02
Rampur Fertilizers Limited	**10**	**61**	**-**	61	-	61	-
SMIFS Capital Markets Ltd.	**10**	**3,500**	**1.99**	3,500	1.58	3,500	0.98
United Credit Ltd.	**10**	**1,000**	**0.16**	1,000	0.13	1,000	0.11
			2.15		1.73		1.11
b) Unquoted, Fully Paid up :							
Associate Company							
P. S. Plywood Products Private Ltd.	**10**	**59,50,000**	**4,374.10**	59,50,000	4,374.10	59,50,000	4,374.10
Other Companies							
Orissa Tea Plantations Ltd.	**10**	**100**	**-**	100	-	100	-
Albion Plywood Ltd.	**10**	**300**	**-**	300	-	300	-
Pro Sports Management Ltd.	**1,000**	**-**	**-**	50	-	100	-
			4,374.10		4,374.10		4,374.10
c) Unquoted, Partly paid up							
Partly paid up (₹ 60/- called and paid up)							
The Purbanchal Bank Limited	**100**	**200**	**-**	200	-		-
	-		**-**		-		
			4,376.25		4,375.83		4,375.21
Aggregate amount of quoted investments			**2.15**		1.73		1.11
Aggregate amount of unquoted investments			**4,374.10**		4,374.10		4,374.10
Aggregate market value of quoted investments			**2.15**		1.73		1.11

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

	2018	2017	2016
a) Rampur Fertilizers Ltd.	**16**	16	16
b) Bengal & Assam Company Ltd.	**-**	2	2

Notes to Accounts (Contd.)

Note No : 5

	As at 31st March, 2018	As at 31st March, 2017	₹ in Lakhs As at 1st April,2016
Loans			
(Unsecured, considered good)			
Security deposits	**82.72**	77.61	76.29
Others	**0.15**	0.10	0.10
	82.87	77.71	76.39

Note No : 6

Deferred tax Assets (Net)

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April,2016
(a) Deferred tax assets :			
Expenses allowable for tax purposes when paid	**67.22**	62.04	35.25
Carry Forward Loss	**1,361.14**	1,237.96	1,214.11
	1,428.36	1,300.00	1,249.36
(b) Deferred tax liabilities :			
Depreciation	**266.20**	137.84	87.20
	266.20	137.84	87.20
Deferred tax Assets (Net) *	**1,162.16**	1,162.16	1,162.16

As per IND AS 12, deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Company has not recognized deferred tax assets during the year as the existence of unused tax losses are the evidence that future taxable profit may not be available against which these unused tax losses can be utilised.

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Note No : 7			
Other Non - Current Assets			
(Unsecured, considered good)			
Capital advances	**7.71**	3.50	1.64
Prepaid Expenses	**14.12**	25.97	38.84
	21.83	29.47	40.48
Note No : 8			
Inventories			
(At lower of cost and net realizable value, unless stated otherwise)			
Raw Materials	**1,675.41**	2,472.96	2,179.54
Raw Materials in Transit	**152.74**	330.31	204.67
Work-in-Progress	**858.30**	650.15	549.98
Finished Goods	**2,464.92**	1,986.51	1,640.46
Finished Goods in Transit	**65.85**	100.17	76.31
Stock in Trade	**404.18**	349.52	322.12
Stock in Trade in Transit	**41.77**	-	1.85
Stores & Spares and Chemicals	**326.83**	321.60	213.16
Stores & Spares and Chemicals in Transit	**9.12**	6.01	0.99
	5,999.12	6,217.23	5,189.08

Notes to Accounts (Contd.)

₹ in Lakhs

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016
Note No : 9						
Trade receivables						
(Unsecured, considered good)						
Trade receivables *		**2,159.19**		2,016.72		2,142.95
Less:- Provision for Expected credit loss		**22.92**		20.51		10.00
		2,136.27		1,996.21		2,132.95

* includes ₹ 99.07 Lakhs (Previous year ₹ 48.61 Lakhs) under litigation.

Note No :10						
Cash and bank balances						
Cash and cash equivalents						
Balances with banks	**10.46**		22.97		16.43	
Cheques, drafts on hand	**4.16**		0.95		13.03	
Cash on hand	**3.03**	**17.65**	6.22	30.14	6.20	35.66
		17.65		30.14		35.66
Note No : 11						
Other bank balances						
Fixed deposits with banks		**47.42**		0.59		0.50
(Original maturity period above 3 Months but below 12 months)						
		47.42		0.59		0.50
Note No : 12						
Loans						
(Unsecured, considered good)						
Security deposits		**35.56**		37.58		21.54
Others		**3.49**		3.46		7.24
		39.05		41.04		28.78
Note No : 13						
Current Tax Assets (Net)						
Advance tax (net)		**25.19**		24.19		21.33
		25.19		24.19		21.33
Note No : 14						
Other Current Assets						
(Unsecured, considered good)						
Advance to suppliers and others		**587.28**		688.12		529.67
Balance with Statutory Authorities		**11.97**		123.57		79.29
Prepaid expenses		**64.66**		65.29		32.83
		663.91		876.98		641.79

Notes to Accounts (Contd.)

Note No : 15

Equity Share capital

	Particulars	As at 31st March, 2018 No. of shares	As at 31st March, 2018 Amount ₹ in Lakhs	As at 31st March, 2017 No. of shares	As at 31st March, 2017 Amount ₹ in Lakhs	As at 1st April, 2016 No. of shares	As at 1st April, 2016 Amount ₹ in Lakhs
(a)	**Authorised:**						
	Equity shares of ₹ 10/- each	2,50,00,000	**2,500.00**	2,50,00,000	2,500.00	2,50,00,000	2,500.00
(b)	**Issued:**						
	Equity shares of ₹ 10/- each	46,97,810	**469.78**	46,97,810	469.78	46,97,810	469.78
(c)	**Subscribed and Paid up:**						
	Equity shares of ₹ 10/- each fully paid up	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79
	Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	**0.28**	5,625	0.28	5,625	0.28
			452.07		452.07		452.07
(d)	**Reconciliation of number and amount of equity shares outstanding :**						
	At the beginning of the year	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79
	Add: Issued during the year	-	**-**	-	-	-	-
	At the end of the year	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79

(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) There are NIL (Previous year NIL) shares reserved for issue under option and contracts / commitment for the sale of shares / disinvestment.

(g) During the period of five years immediately preceding the reporting date:

i. No shares were issued for consideration other than cash

ii. No bonus shares were issued

iii. No shares were bought back

(h) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.

(i) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.

(j) No shares were forfeited during the year or during the previous year. 5625 equity shares of ₹10/- each on which ₹5/- each had been paid up, were forfeited in the year 1995-1996 and 1996-1997

(k) **Shareholders holding more than 5 % of the equity shares in the Company :**

Name of Shareholder	As at 31st March, 2018 No. of shares held	As at 31st March, 2018 % of holding	As at 31st March, 2017 No. of shares held	As at 31st March, 2017 % of holding	As at 1st April, 2016 No. of shares held	As at 1st April, 2016 % of holding
i) Cuckoo Fiscal Services Ltd.	**372000**	**8.23**	390000	8.63	440000	9.74
ii) Sudeep Chitlangia	**358350**	**7.93**	358350	7.93	358350	7.93
iii) Jaydeep Chitlangia	**344300**	**7.62**	344300	7.62	344300	7.62
iv) Abhinandan Fintex (P) Ltd.	**275000**	**6.09**	275000	6.09	275000	6.09
v) Sheela Chitlangia	**271650**	**6.01**	271650	6.01	271650	6.01
vi) Hemank Kumar Motihar	**-**	**-**	20	-	226306	5.00
TOTAL	**1621300**	**35.88**	1639320	36.28	1915606	42.39

Notes to Accounts (Contd.)

Note No : 16

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016
Other Equity		**₹ in lakhs**		₹ in lakhs		₹ in lakhs
(a) Securities premium account						
Balance as per last account		**695.74**		695.74		695.74
(b) General reserve *						
Balance as per last account		**1,216.84**		1,216.84		1,216.84
(c) Retained Earning						
Balance as per last account	**2,551.64**		2,739.61			
Add : Profit / (Loss) for the Year	**(488.55)**		(187.97)			
		2,063.09		2,551.64		2,739.61
(d) Other Comprehensive Income (OCI)						
As per last Balance Sheet	**(105.37)**		(50.57)			
Add: Movement in OCI(Net) during the year	**(11.88)**		(54.80)			
		(117.25)		(105.37)		(50.57)
		3,858.42		4,358.85		4,601.62

* 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.

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Note No : 17			
Borrowings			
Term Loans			
Secured			
From banks	**14.20**	34.00	45.61
From entities other than banks	**528.85**	716.83	823.76
Unsecured			
From banks	**48.11**	12.29	8.32
From entities other than banks	-	2.83	8.33
	591.16	765.95	886.02
Less :- Current Maturities Long term Debt	**208.20**	217.32	125.61
	382.96	548.63	760.41

(a) **Nature of securities:**

Term Loan from Bank is secured by exclusive charge on the New CTC Machinery. 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.

Notes to Accounts (Contd.)

(b) Terms of repayment:

Particulars	Amount outstanding as on Balance Sheet date		Period of maturity w.r.t.Balance Sheet date	Number of instalments Outstand-ing as on 31/03/2018	Amount of instalment
	Non-Current	Current			
	₹ in Lakhs	₹ in Lakhs			
Secured Loans from Banks**	**-** (14.24)	**14.20** (19.76)	1 Yr @	2	700000
				1	28924#
Secured Loans from entities other than Banks**	**-** (97.91)	**97.91** (127.57)	8 Months	4	1200000
				4	1250000
	352.46 (430.94)	**78.48** (60.41)	3 Yrs 11 Months	11	650000
				12	800000
				12	1000000
				8	1200000
				4	1250000
Unsecured Loans from Banks	**-** (-)	**-** (1.19)	-	-	30,390*
	- (-)	- (0.57)	-	-	29,000*
	8.06 (-)	**3.32** (-)	2Yrs 11 Months	35	36843 *
	18.20 (-)	**6.80** (-)	3Yrs 1 Month	37	76583 *
	4.24 (-)	**1.95** (-)	2Yrs 11 Months	35	20,032 *
	- (5.54)	**5.54** (4.99)	1 Year	12	48,800 *
Unecured Loans from entities other than Banks	**-** (-)	**-** (2.83)	-	-	33,500 *
Total	**382.96** (548.63)	**208.20** (217.32)			

Figures in the brackets pertain to previous year.
* Includes Interest
@In Respect of Loan Disbursement received till date
Residual Amount
** Processing fees amortise as per IND AS

Note No : 18

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
			₹ in Lakhs
Provisions			
Provision for employee benefits	171.85	164.18	81.38
	171.85	164.18	81.38

Note No :19

Other Non - Current Liabilities

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Deferred Government Grant	132.73	145.58	6.33
	132.73	145.58	6.33

Notes to Accounts (Contd.)

Note No : 20

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Borrowings						
Secured						
From banks						
Buyers Credit*	**918.74**		854.74		493.95	
Working Capital Loan	**2,947.74**	**3,866.48**	2,910.52	3,765.26	2,605.96	3,099.91
Unsecured						
From entities other than banks		**1,097.00**		1,022.37		1,256.00
		4,963.48		4,787.63		4,355.91

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.

* Buyers Credit is payable within 3 to 6 Months

Note No : 21

Trade Payables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding dues of micro enterprises and small enterprises	–	–	–
Outstanding dues other than of micro enterprises and small enterprises	**5,189.08**	5,014.04	4,314.64
	5,189.08	5,014.04	4,314.64

Note No : 22

Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long - term debt	**208.20**	217.32	125.61
Derivative Liabilities	**1.70**	43.48	17.18
Interest accrued and due on borrowings	**0.04**	-	1.01
Interest accrued but not due on borrowings	**4.56**	4.08	1.55
Unpaid salaries and other payroll dues	**323.92**	290.35	227.77
Security deposits	**109.04**	72.79	69.55
	647.46	628.02	442.67

Note No : 23

Other current liabilities

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Advances from Agents and Customers	**197.54**		177.31		61.67	
Statutory liabilities	**151.52**		156.90		132.50	
Others	**1.76**	**350.82**	2.81	337.02	3.13	197.30
		350.82		337.02		197.30

Note No :24

Provisions

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits	**22.38**	15.10	20.48
	22.38	15.10	20.48

Notes to Accounts (Contd.)

Note No : 25

				₹ in Lakhs
	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Revenue from operations				
Sale of goods (Gross)				
A. Manufactured Goods				
i) Plywood	**16,678.09**		18,079.15	
ii) Tea	**2,130.59**		2,313.36	
iii) Veneers	**1,034.91**	**19,843.59**	833.18	21,225.69
B. Stock-in-trade				
i) Plywood	**2,124.96**		1,261.61	
ii) Furniture	**0.21**	**2,125.17**	-	1,261.61
C. Others		**56.50**		4.61
		22,025.26		22,491.91

Note No : 26

Other operating revenues

Sales Tax Subsidy		**106.62**		105.05
Insurance Claims		**5.28**		20.67
		111.90		125.72

Note No : 27

Other income

Interest income (Gross)				
Fixed deposits with banks	**1.74**		0.07	
Others	**3.57**	**5.31**	8.18	8.25
Dividend income		**0.80**		0.79
Government Grant		**12.85**		10.02
Profit on Fair Value of Quoted Investments		**0.44**		0.62
Profit on Sale of Investments		**0.67**		-
Rent		**2.24**		0.66
Unspent liabilities / balances written back		**1.42**		6.48
Miscellaneous income		**0.45**		0.37
Foreign Exchange Fluctuations		**43.14**		37.13
		67.32		64.32

Note No : 28

Cost of materials consumed

Timber		**2,624.72**		3,048.56
Veneer		**4,761.63**		4,821.68
Planks & Beams		**1,183.96**		1,386.75
Green Leaf		**1,430.59**		1,442.18
Others		**1,653.60**		828.95
		11,654.50		11,528.12

Notes to Accounts (Contd.)

Note No : 29

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Purchases of stock-in-trade				
Plywood		**1,766.48**		935.78
		1,766.48		935.78

₹ in Lakhs

Note No : 30

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

	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
A. Finished Goods				
Opening Stock				
i) Plywood	**1,504.48**		1,404.91	
ii) Tea	**74.04**		181.38	
iii) Veneer	**508.16**		130.48	
	2,086.68		1,716.77	
Closing Stock				
i) Plywood	**1,737.55**		1,504.48	
ii) Tea	**93.11**		74.04	
iii) Veneer	**700.11**		508.16	
	2,530.77	**(444.09)**	2,086.68	(369.91)
B. Stock-in-Trade				
Opening Stock				
i) Plywood	**297.86**		272.31	
ii) Furniture	**51.66**		51.66	
	349.52		323.97	
Less:- Capitalised				
i) Furniture	**3.26**		-	
Closing Stock				
i) Plywood	**381.09**		297.86	
ii) Furniture	**47.87**		51.66	
	428.96	**(82.70)**	349.52	(25.55)
C. Work-in-Progress				
Opening Stock				
i) Plywood	**650.15**		549.98	
Closing Stock				
i) Plywood	**858.30**	**(208.15)**	650.15	(100.17)
(INCREASE) / DECREASE IN STOCKS		**(734.94)**		(495.63)
Add: Excise Duty & Cess on Stocks *		**-**		0.98
NET (INCREASE) / DECREASE IN STOCKS		**(734.94)**		(494.65)

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

Note No : 31

	Year Ended 31st March, 2018	Year Ended 31st March, 2017
Employee benefits expense		
Salaries and wages	**2,807.08**	2,521.07
Contribution to provident and other funds	**227.11**	201.78
Staff welfare expense	**50.71**	30.57
	3,084.90	2,753.42

Notes to Accounts (Contd.)

Note No : 32 — ₹ in Lakhs

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Finance costs				
Interest expense				
On long term borrowings	**95.13**		117.52	
On short term borrowings	**518.31**		523.37	
On others	**28.44**	**641.88**	18.16	659.05
Exchange difference regarded as an adjustment to borrowing Costs		**37.66**		5.34
Other borrowing costs		**39.91**		51.00
		719.45		715.39

Note No : 33

Other expenses

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Chemicals Consumption		**1,057.71**		1,129.84
Consumption of stores and spare parts		**203.58**		200.71
Consumption of packing materials		**90.12**		102.25
Power and fuel		**776.41**		801.57
Repairs				
Buildings	**10.42**		7.03	
Machinery	**49.43**		83.26	
Others	**12.64**	**72.49**	18.22	108.51
Job Charges		**545.95**		552.30
Rent		**175.81**		144.85
Electricity		**26.96**		33.22
License Fees		**57.92**		76.39
Rates & Taxes (excluding taxes on income)		**26.55**		30.19
Watch and Ward Expenses		**18.63**		26.16
Insurance		**40.48**		40.98
Communication Expenses		**55.58**		57.09
Travelling & Conveyance		**235.35**		237.07
Vehicles Maintenance		**80.49**		77.02
Printing & Stationery		**16.49**		18.52
Legal and Professional Charges		**307.30**		363.83
Miscellaneous Expenses		**146.77**		165.66
Statutory Auditors' Remuneration				
Audit Fee	**2.10**		1.92	
Tax Audit Fee	**0.50**		0.71	
Certification Fee	**0.78**	**3.38**	0.83	3.46
Charity & Donations		**0.72**		0.70
Bank charges		**23.07**		20.27
Forwarding,Freight,Octroi and Delivery Expenses		**803.34**		631.02
Commission on Sales		**179.20**		190.52
Brokerage on Sales		**18.77**		24.03
Forward Premium amortized		**56.56**		70.81
Advertisement, Publicity & Sales Promotion		**592.17**		630.80
Loss on Sale / Discard of Property, Plant and Equipment		**1.24**		4.39
Bad Debts		**1.60**		-
Provision for Doubtful Debts		**2.41**		10.51
Royalty Paid		**9.00**		-
		5,626.05		5,752.67

Notes to Accounts (Contd.)

Note No. : 34

Other disclosures

1. Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accountig standards notified under Companies (Accounting Standards) Rules, 2006 (amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Fair Valuation of property, plant and equipment and intangible assets

The Company have considered fair value for property, viz land situated in india, in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the retained earnings. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

A.1.2 Fair value of investments in associates

The Company have considered fair value for investments in associated in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the retained earnings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

As per para 14 of Ind AS 101, an entity's estimates. In accordance with lnd AS at the date of transition to lnd AS at the end of the comparative period presented in the entity's first lnd AS financial statements, as the case may be, should be consistent with estimates made for the same date ln accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accountings policies. As per para 16 of the standard, where application of lnd AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative Period. The Company's estimates under lnd AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the 'expected credit loss model'
- Determination of the discounted value for financial instruments carried at amortized cost.

A.2.2 Classification and measurement of financial assets

Para 88 - 88C of lnd AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable, Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

A.2.3 Impairment of financial assets

The company has applied impairment requirements of Ind AS 109 restrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

B. Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

"First Time Adoption of Indian Accounting Standards".

(i) Reconciliation of total equity as at 1st April 2016 and 31st March, 2017.

(ii) Reconciliation of total comprehensive income for the year ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

Notes to Accounts (Contd.)

(i) Reconciliation of Equity as at 1st April 2016 and 31st March 2017:-

₹ in Lakhs

Particulars	31st March 2017	1st April 2016
Total equity (shareholder's funds) as per previous GAAP	1,134.56	1,362.97
Adjustments:		
Fair Valuation of Investments in Equity Instruments (Unquoted)- P S Plywood Products (P) Ltd.	3,569.01	3,569.01
Revaluation reserve transferred to Retained Earnings	24.95	24.95
Revaluation reserve transferred to Retained Earnings	-	(24.95)
Capital Investment Subsidy transferred to Retained Earnings	99.86	99.86
Capital Investment Subsidy transferred to Retained Earnings	(99.86)	(99.86)
Capital Investment Subsidy transferred to Government Grant	(6.32)	(6.32)
MTM Loss on Forward Contracts	(43.48)	(17.18)
Actuarial Loss transferred to OCI Reserve - Mar 2016	-	50.57
Actuarial Loss transferred to OCI Reserve - Mar 2016	-	(50.57)
Actuarial Loss transferred to OCI Reserve - Mar 2017	54.80	-
Actuarial Loss transferred to OCI Reserve - Mar 2017	(54.80)	-
Deferred Government Grant	0.27	-
Depreciation	(0.34)	
Provisions for Trade Receivables- ECL Model	(10.51)	(10.00)
Amortization of Processing Fees	4.46	6.91
Fair valuation of Non Current investment - Quoted	0.04	0.02
Fair Valuation of Free Hold Land	148.28	148.28
Total adjustments	**3,686.36**	**3,690.72**
Total equity as per Ind AS	**4,820.92**	**5,053.69**

(ii) Reconciliation of total comprehensive income for the year ended 31st March 2017: ₹ in Lakhs

Particulars	31st March 2017
Profit after tax as per previous GAAP	(203.45)
Adjustments:	
Gain on Fair Valuation of Quoted Equity Shares	0.02
Government Grant	0.27
Amortization of Processing Fees	(2.46)
MTM Loss on Currency Hedging	(26.30)
Actuarial loss transferred to OCI Reserve	54.80
Provisions for Trade Receivables- ECL Model	(10.51)
Depriciation	(0.34)
Total adjustments	**15.48**
Profit after tax as per Ind AS	(187.97)
Other comprehensive income	(54.80)
Total comprehensive income as per Ind AS	**(242.77)**

Notes to Accounts (Contd.)

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction cost are included in initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

b. Property, plant and equipment

The Company has elected to considered fair value for property, viz land situated in india, in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the reserves. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c. Fair value of investments

Under the lndian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under lnd AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017 and 31st March, 2018. Fair value changes with respect to investments in quoted equity instruments, unquoted equity instruments and mutual funds designated as at FVTPL have been recognised in retained earning at the date of transition and subsequently in the profit and loss account for the year ended 31st March, 2017 and 31st March, 2018.

d. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

e. Other comprehensive income

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and “other comprehensive income” includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

f. Expected credit loss model

lnd-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

g. Re-Classifications

The Company has done the following reclassifications as per the requirements of lnd-AS:

(i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

(ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCl.

(iii) The Company has re-classified fixed deposits with banks under lien from cash and cash equivalents to other bank balances.

(iv) Excise duty on sales was earlier netted off with sales, has now been presented separately.

h. Derivative Contract

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the statement of profit & loss.

Notes to Accounts (Contd.)

Note No. 34 (Contd.)

		As at 31st March 2018 ₹ in Lakhs	As at 31st March 2017 ₹ in Lakhs
2.	Estimated amount of contract remaining to be executed on Capital Account and not provided for	**41.74**	11.45
3.	Contingent Liabilities not provided for in respect of :		
	a) Uncalled Capital against partly paid-up shares held as investment	**0.08**	0.08
	b) Demand raised by Govt.authorities in respect of Taxes and Duties and contested by the Company	**1,340.06**	1,115.04
	Amount Paid against above	**0.75**	19.85

4. 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 31st March, 2018 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).

5. Leases

Finance lease commitments - Company as lessee

The Company has also entered into finance leases on Vehicle and Equipment purchase with lease terms of 3 years.The Company has paid ₹ 10.50 Lakhs (31st March, 2017 ₹ 14.52 Lakhs) during the year towards minimum lease payment.

Operating lease commitments - Company as lessee

The Company has entered into operating lease agreement for office space and godowns. The total charge to the Statement of Profit and Loss for the year on account of operating lease is ₹ 175.81 Lakhs (31st March, 2017 ₹ 144.85 Lakhs)

The minimum rentals payable under operating leases for non cancellable agreements are as follows:

₹ in Lakhs

Particulars	2017-18	2016-17
Within one year	**144.69**	175.81
After one year but not more than five years	**217.12**	531.58
More than five years	**5.77**	11.81

6. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company net debt includes interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

₹ in Lakhs

Particulars	31st March 2018	31st March 2017	1st April 2016
Borrowings (Note - 17 and 20)	**5,554.64**	5,553.58	5,241.92
Trade payables (Note-21)	**5,189.08**	5,014.04	4,314.64
Less: Cash and cash equivalents (Note-10)	**17.65**	30.14	35.66
Net debt	**10,726.07**	10,537.48	9,520.90
Equity	**4,310.49**	4,810.92	5,053.69
Capital and net debt			
Gearing ratio	**2.49**	2.19	1.88

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

Notes to Accounts (Contd.)

7. Financial instruments by category

(a) Fair value of financial assets and liabilities measured at amortised cost

₹ in Lakhs

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Non current financial assets						
(i) Investments	0.44	4,375.81	0.62	4,375.21	3,569.01	806.20
(ii) Other non current financial assets		82.87		77.71		76.39
Current financial assets						
(i) Trade receivables		2,136.27		1,996.21		2,132.95
(ii) Cash and cash equivalents		17.65		30.14		35.66
(iii) Bank Balance other than above		47.42		0.59		0.50
(iv) Other current fiancial assets		39.05		41.04		28.78
Total Financial assets	**0.44**	**6,699.07**	**0.62**	**6,520.90**	**3,569.01**	**3,080.48**
Non Current financial Liabilities						
(i) Borrowings		382.96		548.63		760.41
(ii) Other non current financial liabilities		132.73		145.58		6.33
Current financial liabilities						
(i) Borrowings		4,963.48		4,787.63		4,355.91
(ii) Trade payable		5,189.08		5,014.04		4,314.64
(iii) Other current financial liabilities	1.70	645.76	43.48	584.54	17.18	425.49
Total financial liabilities	**1.70**	**11,314.01**	**43.48**	**11,080.42**	**17.18**	**9,862.78**

The carrying amount of financial assets and financial liabilities measured at amortisd cost in the financial statements are a reasonable approximation of their fair value since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's asets

₹ in Lakhs

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant obserable inputs (Level 2)	Significant unobserable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2018			
Assets measured at fair value			
Investments	0.44		
Liabilites measured at fair value			
Derivative Liabilities		1.70	
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017			
Assets measured at fair value			
Investments	0.62		
Liabilites measured at fair value			
Derivative Liabilities		43.48	
Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2016			
Assets measured at fair value			
Investments		3,569.01	
Liabilites measured at fair value			
Derivative Liabilities		17.18	

8. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include Trade payables and borrowings in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carryg its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable and Fixed interest rates.

₹ in Lakhs

Descriptions	31st March 2018	31st March 2017	1st April 2016
Variable rate borrowings	**2,947.74**	2,910.52	2,605.96
Fixed rate borrowings	**2,606.90**	2,643.06	2,635.97

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

Descriptions	Effect on Profit before tax		
	31st March 2018	31st March 2017	1st April 2016
Increase by 50 basis points	**(14.74)**	(14.55)	(13.03)
Decrease by 50 basis points	**14.74**	14.55	13.03

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in purchase of raw material through letter of credits. The Company is not resricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

Unhedged foreign currency exposure In Lakhs

Descriptions	31st March 2018	31st March 2017	1st April 2016
Trade creditors			
Rs.	**1,485.60**	1,000.52	1,574.45
USD	**18.60**	14.25	19.80
EUR	**3.43**	1.10	3.42

Notes to Accounts (Contd.)

In Lakhs

Hedge of import trade payables

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Derivative Outstanding			
USD	**7.61**	27.15	12.72
EUR	**-**	0.86	2.77
Rs.	**496.42**	1,886.20	1,066.78

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD/EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Lakhs

Descriptions	Effect on Profit before tax		
	31st March, 2018	31st March, 2017	1st April, 2016
USD/EURO Sensitivity			
Increase by 5% (31 March 2016 - 5%)	**74.28**	50.03	78.72
Decrease by 5% (31 March 2016 - 5%)	**(74.28)**	(50.03)	(78.72)

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addtion, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2018 and 31st March, 2017 is the carrying amount as illustrated in Note 34(7).

Gross carrying amount of trade receivables ₹ in Lakhs

Descriptions	31st March, 2018	31st March, 2017
Ageing		
Not due	**1,392.50**	1,089.44
0-30 days past due	**240.61**	394.58
31-60 days past due	**85.41**	119.99
61-90 days past due	**35.94**	55.76
91-180 days past due	**43.69**	65.11
181-365 days past due	**97.67**	42.25
more than 365 days	**263.37**	249.59

Notes to Accounts (Contd.)

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

₹ in Lakhs

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Floating rate			
a) Expiring within one year (Bank overdraft and other facilities)			
Secured			
- Current maturities of long term debt	**208.20**	217.32	125.61
-Working capital loan	**2,947.74**	2,910.52	2,605.96
-Buyer's credit	**918.74**	854.74	493.95
Unsecured			
-Short term loans	**1,097.00**	1,022.37	1,256.00
b) Expiring beyond one year (Bank loans)			
Secured			
-Rupees term loan from banks	**-**	14.24	34.00
-Rupees term loan from financial institutions	**352.46**	528.85	721.84
Unsecured			
-Term loan from banks	**30.50**	5.54	1.76
-Term loan from financial institutions	**-**	-	2.82

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

₹ in Lakhs

Descriptions	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Year ended 31st March, 2018					
Contractual maturities of borrowings	703.16	341.58	65.61	98.00	253.44
Contractual maturities of finance lease obligations	4.19	4.57	9.46	14.09	15.50
Contractual maturities of trade payables	644.32	418.96	-	-	-
Descriptions	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Year ended 31st March, 2017					
Contractual maturities of borrowings	354.11	600.64	109.50	191.61	350.35
Contractual maturities of finance lease obligations	3.57	2.48	3.54	5.54	-
Contractual maturities of trade payables	1,239.05	774.84	-	-	-
Descriptions	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Year ended 1st April, 2016					
Contractual maturities of borrowings	275.59	272.36	67.00	209.50	545.79
Contractual maturities of finance lease obligations	3.07	3.16	5.84	4.61	-
Contractual maturities of trade payables	1,063.02	1,085.18	-	-	-

Notes to Accounts (Contd.)

9. Disclosure pursuant to IND AS - 19 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:

	2017-18 ₹ **in Lakhs**	2016-17 ₹ in Lakhs
Employers' Contribution to Provident Fund & Pension Fund	**164.19**	145.85
Employers' Contribution to Superannuation Fund	**9.15**	6.72

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 amounts recognised in the Profit & Loss Statement and Balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Gratuity and other post-employment benefit plans

₹ in Lakhs

Descriptions	**31st March, 2018**	31st March, 2017
Gratuity Plan	**76.23**	68.49
Sick Leave	**6.84**	6.19
Leave Encashment	**111.16**	104.60
Total	**194.23**	179.28

Changes in defined benefit obligation ₹ in Lakhs

Descriptions	**31st March, 2018**			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the start of the year	**353.97**	**6.19**	**104.60**	278.61	4.54	80.85
Interest cost	**25.32**	**0.46**	**6.58**	19.64	0.34	5.15
Current service cost	**34.72**	**1.18**	**13.79**	33.80	1.00	15.00
Benefits paid	**32.67**	**-**	**33.83**	33.64	-	24.33
Actuarial loss/(gain) on obligations	**11.74**	**(0.99)**	**20.02**	55.56	0.31	27.93
Present value obligation as at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60

Change in fair value of plan assets ₹ in Lakhs

Descriptions	**31st March, 2018**			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Fair value of plan assets as at the start of the year	**285.49**	**NA**	**NA**	262.14	NA	NA
Return on plan assets	**21.41**	**NA**	**NA**	19.66	NA	NA
Actuarial loss/(gain)	**0.14**	**NA**	**NA**	(0.76)	NA	NA
Contribution	**42.76**	**NA**	**NA**	36.57	NA	NA
Benefits paid	**32.67**	**NA**	**NA**	33.64	NA	NA
Fair value of plan assets as at the end of the year	**316.85**			285.49		

Notes to Accounts (Contd.)

Breakup of Actuarial gain/loss: ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Actuarial (gain)/loss on arising from change in financial assumption	-	-	-	24.65	-	-
Actuarial (gain)/loss on arising from experience adjustment	**11.74**	**(0.99)**	**20.02**	30.91	0.31	27.93
Return on plan assets (greater)/less than discount rate	-	-	-	-	-	-

Reconciliation of present value of defined benefit obligation and the fair value of plan assets ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60
Fair value of plan assets as at the end of the year	**316.85**	-	-	285.49	-	-
Net asset/(obligation) recognized in balance sheet	**76.23**	**6.84**	**111.16**	68.48	6.19	104.60

Amount recognized in the statement of profit and loss ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Current service cost	**34.72**	**1.18**	**13.79**	33.80	1.00	15.00
Interest cost	**25.32**	**0.46**	**6.58**	19.64	0.34	5.15
Expected Return on the Plan Assets	**21.41**	**NA**	**NA**	19.66	NA	NA
Actuarial gain/ (loss) recognized in the year	**11.88**	**(0.99)**	**20.02**	54.80	0.31	27.93
(Income)/Expense recognised in the statement of profit and loss	**38.63**	**0.65**	**40.39**	33.78	1.65	48.08

Amount recognised in the statement of Other Comprehensive Income ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Actuarial Gain/(Loss) for the year on PBO	**(11.74)**	-	-	(55.56)	-	-
Actuarial Gain/(Loss) for the year on Asset	**(0.14)**	-	-	0.76	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	**(11.88)**	-	-	(54.80)	-	-

Actuarial assumptions

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Discount rate	**7.50%**	**7.50%**	**7.50%**	7.50%	7.50%	7.50%
Future salary increase	**5.00%**	**5.00%**	**5.00%**	5.00%	5.00%	5.00%

Notes to Accounts (Contd.)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Impact of the change in discount rate						
Present value of obligation at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60
a) Impact due to increase of 0.50 %	**375.03**	**6.44**	**104.85**	337.23	-	-
b) Impact due to decrease of 0.50 %	**412.59**	**7.28**	**118.06**	372.06	-	-
Impact of the change in salary increase						
Present value of obligation at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60
a) Impact due to increase of 0.50 %	**412.86**	**7.28**	**118.15**	372.30	-	-
b) Impact due to decrease of 0.50 %	**374.64**	**6.44**	**104.72**	336.86	-	-

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	Sick Leave	Leave Encashment	Gratuity	Sick Leave	Leave Encashment
Within next 12 months	**127.72**	**-**	**-**	120.07	-	-

10. Segment information as per IND AS - 108 on 'Segment Reporting' :

The Company has identified two business segments viz. Plywood and Tea. Segments have been identified on the basis of the products of the company. Operating segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM).

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".

Notes to Accounts (Contd.)

c) Information about Primary Business Segments : ₹ in Lakhs

	Plywood	Tea	Others	Unallocated	Total
Segment Revenue	**20,004.90**	**2,132.05**	**0.21**	**-**	**22,137.16**
	(20,303.45)	(2,314.18)	-	-	(22,617.63)
Segment Results	**253.08**	**29.94**	**-2.45**	**-**	**280.57**
	(174.08)	(31.68)	(-6.48)	-	(199.28)
Less : Finance Cost					**719.45**
					(715.39)
Other unallocable expenditure net of unallocable income					**-49.67**
					(-43.43)
Total Profit / (Loss) before exceptional item and tax					**-488.55**
					(-559.54)
Exceptional Items					**-**
					(371.57)
Total Profit / (Loss) before tax					**-488.55**
					(-187.97)
Other Information					
Segment Assets	**14,087.96**	**790.09**	**102.45**	**1,190.75**	**16,171.25**
	(9,957.03)	(816.71)	(111.74)	(5,565.64)	(16,451.12)
	{8626.41}	{938.53}	{115.00}	{5562.87}	{15242.81}
Segment Liabilities	**6,114.53**	**186.64**	**0.39**	**5,559.20**	**11,860.76**
	(5,896.82)	(185.71)	(-)	(5,557.67)	(11,640.20)
	{4669.46}	{266.19}	{-}	{5243.47}	{10179.12}
Capital Expenditure	**179.37**	**12.29**	**-**	**-**	**191.66**
	(255.80)	(40.59)	(-)	(-)	(296.39)
Depreciation & Amortisation	**150.36**	**43.51**	**1.25**		**195.12**
	(137.08)	(42.26)	(1.27)	(-)	(180.61)

Notes :

a) There are no transactions between segments . Common costs are apportioned on a reasonable basis.
b) Since the Company's activities / operations are primarily within the country, there is only one geographical segment.
c) Figures in the brackets ( ) pertain to previous year.
d) Figures in the brackets { } pertain to 1st April, 2016.

11. **In calculating Earnings per share**

	Year ended 31st March, 2018	Year ended 31st March, 2017
a) Numerator used :		
Profit / (Loss) after tax (₹ in Lakhs)	**(488.55)**	(187.97)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	**45,17,885**	45,17,885
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	**45,17,885**	45,17,885
d) Nominal value of equity shares (₹)	**10.00**	10.00
e) Basic Earnings per share (a/b) (₹)	**(10.81)**	(4.16)
f) Diluted Earnings per share (a/c) (₹)	**(10.81)**	(4.16)

Notes to Accounts (Contd.)

12. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under "Non Current Investments" under Note No. 4.

13. **Related Party Disclosures**

Particulars of transactions during the year ended 31st March, 2018 ₹ in Lakhs

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Rent Received	**2.01**	**-**	**2.01**
	(0.66)	-	(0.66)
Remuneration to KMP	**-**	**102.02**	**102.02**
	-	(92.20)	(92.20)
Sales	**20.96**	**-**	**20.96**
	(-)	-	(-)
Interest Paid	**30.43**	**-**	**30.43**
	(33.39)	-	(33.39)
Licence fee Paid	**48.00**	**-**	**48.00**
	(66.62)	-	(66.62)
Rent Paid	**4.92**	**-**	**4.92**
	(4.92)	-	(4.92)
Royalty Paid	**9.00**	**-**	**9.00**
	(-)	-	(-)
Loan Taken	**45.63**	**-**	**45.63**
	(332.00)	-	(332.00)
Refund of Loan	**51.00**	**-**	**51.00**
	(300.63)	-	(300.63)
Guarantees Obtained	**-**	**-**	**-**
	-	(500.00)	(500.00)
Outstanding against Guarantees Obtained	**-**	**5,472.82**	**5,472.82**
	-	(6,125.41)	(6,125.41)
Balance Outstanding at the Balance Sheet Date	**248.64 Cr**	**-**	**248.64 Cr**
	(264.91 Cr)	(-)	(264.91 Cr)

Notes :

a) Figures in the brackets pertain to previous year.

b) The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.

c) 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.)

Disclosure of Material Transactions with Related Parties ₹ in Lakhs

	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Rent Received				
Madhya Bharat Papers Ltd.		**0.66**		0.66
J S M & Company		**1.35**		-
Remuneration to KMP				
Shri Sudeep Chitlangia (Managing Director)		**54.05**		45.65
Short term employee benefit	48.29		40.79	
Post employment benefit	5.76		4.86	
Shri Sohan Lal Yadav (Whole Time Director)				
Short term employee benefit		**30.00**		30.00
Shri Ravi Kumar Murarka (CFO & Company Secretary)		**17.97**		16.55
Short term employee benefit	16.93		15.55	
Post employment benefit	1.04		1.00	
Sales				
Madhya Bharat Papers Ltd.		**15.96**		-
Aishani Infotech Pvt. Ltd.		**5.00**		
Interest Paid				
P.S Plywood Products Private Ltd.		**30.43**		20.86
Chitperi Farm Private Ltd.		**-**		12.53
License Fee Paid				
P.S Plywood Products Private Ltd.		**48.00**		66.62
Rent Paid				
J S M & Company		**4.80**		4.80
Madhya Bharat Papers Ltd.		**0.12**		0.12
Royalty Paid				
Chitperi Farm Private Ltd.		**9.00**		-
Loan Taken				
P.S Plywood Products Private Ltd.		**45.63**		282.00
Chitperi Farm Private Ltd.		**-**		50.00
Refund of Loan				
P.S Plywood Products Private Ltd.		**51.00**		100.63
Chitperi Farm Private Ltd.		**-**		200.00
Guarantees Obtained				
Sudeep Chitlangia		**-**		200.00
Outstanding against Guarantees Obtained				
Sudeep Chitlangia		**5,472.82**		6,534.44
Net Balance Receivable/(Payable)				
Madhya Bharat Papers Ltd.		**10.46**		-
P.S Plywood Products Private Ltd.		**(254.00)**		(259.37)
Shri Sudeep Chitlangia		**(2.46)**		(2.64)
Shri Sohan Lal Yadav		**(1.42)**		(1.71)
Shri Ravi Kumar Murarka		**(1.21)**		(1.19)

Notes to Accounts (Contd.)

Names of related parties & description of relationship

Associates:	P. S. Plywood Products Private Ltd.
Enterprises over which KMP and his relatives have significant influence:	Abhinandan Fintex Pvt. Ltd.
	Aishani Infotech Pvt. Ltd.
	Calcutta Technicians & Advisers Ltd.
	Chitperi Farm Pvt. Ltd.
	J S M & Company
	Madhya Bharat Papers Ltd.
	Sujay Management Services LLP
Key Management Personnel :	Shri Sudeep Chitlangia (Managing Director)
	Shri Sohan Lal Yadav (Whole Time Director)
	Shri Ravi Kumar Murarka (CFO & Company Secretary)
	Smt. Sheela Chitlangia (Non Executive Director)
	Shri Sujit Chakravorty (Independent Director)
	Dr. Kali Kumar Chaudhuri (Independent Director)
	Shri Ratan Lal Gaggar (Independent Director)
	Shri Probir Roy (Independent Director)

14. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclousre Requirments) Regulations, 2015 :

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

15. The Boards of Directors in its meeting held 16th September, 2016 had approved the scheme of amalgamation (the scheme) of P S Plywood Products Private Limited, an associate of the Company, into the Company with effect from 1st April, 2016. The petition for merger has been filed with The Hon'ble National Company Law Tribunal, Kolkata Bench upon obtaining the approval from the Bombay Stock Exchange. Pending requisite approvals, merger has not been accounted in the financial statements.
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 **S.K. Agrawal & Co**
Chartered Accountants
(F.R. NO. 306033E)

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place: Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Independent Auditors' Report to the Members

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of SARDA PLYWOOD INDUSTRIES LIMITED (hereinafter referred to as "the Parent") and its associate (the Parent and it associate together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as Consolidated Ind AS financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Parent 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 Consolidated Ind As financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 respective standalone Ind AS 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 Ind AS financial statements by the Board of Directors of the Parent Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent Company's preparation of the consolidated Ind AS 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 Parent Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of the reports referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view

Independent Auditors' Report to the Members (contd.)

in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated financial position of the Group as at 31st March, 2018, and their consolidated financial performance (including other comprehensive income) ,their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Other Matters

a. The comparative financial information of the Group for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory consolidated financial statements of the Group prepared in accordance with the Companies Accounting Standards Rules, 2006 audited by the predecessor auditors whose report for the year ended 31st March 2017 and 31st March, 2016 dated 30th May, 2017 and 25th May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us with respect to the Parent Company and by other auditor with respect to the Associate. Our opinion is not modified in respect of this matter.

b. The consolidated financial statements also include the share of net profit of ₹ 6.42 lakhs for the year ended 31st March, 2018, 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

   Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements furnished to us by the management.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on standalone or consolidated financial statements, as applicable, and the other financial information of the associate as noted in the 'Other Matters' paragraph, we report to the extent applicable, that

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of accounts as required by law have been kept by the Group so far as it appears from our examination of those books.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and the Consolidated Statement of Change in Equity dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

e. On the basis of the written representations received from the Directors of the Parent Company as on 31st March, 2018 taken on record by the Board of Directors of the Parent Company, and the report of the statutory auditor of its associate, none of the Directors of the Group Companies are disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Parent Company and its associate and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

g. With respect to the other matters to be included in the Auditor's Report in accordance with amended Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to

Independent Auditors' Report (Contd.)

the explanations given to us and based on the consideration of report of other auditor on standalone or consolidated financial statements, as applicable, as also the other financial information of the subsidiary as noted in the "Other Matters" paragraph:

i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its Consolidated Ind AS financial statements (Refer Note No. 34.3 to the financial statements).

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306033E

(**CA VIVEK AGARWAL**)
Partner
Membership No. 301571

Place : Kolkata
Date: 28^{th} May, 2018

Annexure - A to the Auditors' Report

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^{st} March, 2018, we have audited the internal financial controls over financial reporting of Sarda Plywood Industries Limited ("the Holding Company") which is a Company incorporated in India, to the extent available with us. We have not audited the internal financial controls of its associate company, which is a Company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Parent Company and its associate Company, which is Company incorporated in India, are responsible for establishing and maintaining internal financial controls. 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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

Annexure to the Auditor's Report (Contd.)

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

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

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 its associate, which is company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph above, the Parent Company and its associate 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company.

For **S. K. AGRAWAL & CO.**
Chartered Accountants
Firm Registration No. 306033E

(CA VIVEK AGARWAL)
Partner
Membership No. 301571

Place : Kolkata
Date: 28th May, 2018

CONSOLIDATED BALANCE SHEET as at 31st March, 2018

₹ in Lakhs

Particulars	Note No.	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
I. ASSETS							
(1) Non - Current Assets							
(a) Property, plant and equipment	2	**1,564.29**		1,553.90		1,495.97	
(b) Capital work-in-progress	2	**-**		23.53		-	
(c) Intangible assets	3	**35.24**		42.14		32.51	
(d) Financial Assets							
Investments	4	**4,405.29**		4,398.45		4,392.32	
Loans	5	**82.87**		77.71		76.39	
(e) Deferred Tax Assets (Net)	6	**1,162.16**		1,162.16		1,162.16	
(f) Other Non - Current Assets	7	**21.83**	**7,271.68**	29.47	7,287.36	40.48	7,199.83
(2) Current assets							
(a) Inventories	8	**5,999.12**		6,217.23		5,189.08	
(b) Financial Assets							
Trade receivables	9	**2,136.27**		1,996.21		2,132.95	
Cash and Cash Equivalents	10	**17.65**		30.14		35.66	
Other Bank Balances	11	**47.42**		0.59		0.50	
Loans	12	**39.05**		41.04		28.78	
(c) Current Tax Assets (Net)	13	**25.19**		24.19		21.33	
(d) Other current assets	14	**663.91**	**8,928.61**	876.98	9,186.38	641.79	8,050.09
TOTAL			**16,200.29**		16,473.74		15,249.92
II. EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity Share capital	15	**452.07**		452.07		452.07	
(b) Other Equity	16	**3,887.46**	**4,339.53**	4,381.47	4,833.54	4,618.73	5,070.80
(2) Non - current liabilities							
(a) Financial Liabilities							
Borrowings	17	**382.96**		548.63		760.41	
(b) Provisions	18	**171.85**		164.18		81.38	
(c) Other Non - Current Liabilities	19	**132.73**	**687.54**	145.58	858.39	6.33	848.12
(3) Current liabilities							
(a) Financial Liabilities							
Borrowings	20	**4,963.48**		4,787.63		4,355.91	
Trade payables	21	**5,189.08**		5,014.04		4,314.64	
Other Financial Liabilities	22	**647.46**		628.02		442.67	
(b) Other current liabilities	23	**350.82**		337.02		197.30	
(c) Provisions	24	**22.38**	**11,173.22**	15.10	10,781.81	20.48	9,331.00
TOTAL			**16,200.29**		16,473.74		15,249.92
Significant accounting policies	1.1						
Other Disclosures	34						

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place: Kolkata
Date : 28th May, 2018

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, 2018

₹ in Lakhs

	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I. Revenue from operations			
Sale of goods	25	**22,025.26**	22,491.91
Other operating Income	26	**111.90**	125.72
Total Revenue from Operations		**22,137.16**	22,617.63
II. Other income	27	**67.32**	64.32
III. Total revenue (I+II)		**22,204.48**	22,681.95
IV. Expenses:			
Cost of materials consumed	28	**11,654.50**	11,528.12
Purchases of stock-in-trade	29	**1,766.48**	935.78
Changes in inventories of finished goods, work -in-progress and stock-in-trade	30	**(734.94)**	(494.65)
Excise duty (Inclusive of Tea Cess)		**381.47**	1,870.15
Employee benefits expense	31	**3,084.90**	2,753.42
Finance costs	32	**719.45**	715.39
Depreciation and amortization expense	2	**195.12**	180.61
Other expenses	33	**5,626.05**	5,752.67
Total expenses		**22,693.03**	23,241.49
V. Profit/(Loss) before exceptional items and tax (III - IV)		**(488.55)**	(559.54)
VI. Exceptional items			
Profit on Sale of Property		–	371.57
VII. Profit/(Loss) before tax (V-VI)		**(488.55)**	(187.97)
VIII. Tax expense :			
Current tax		–	–
Deferred tax		–	–
IX. Profit/(Loss) for the year (VII - VIII)		**(488.55)**	(187.97)
X. Share of Profit of Associate		**6.42**	5.51
XI. Profit/(Loss) for the year (IX-X)		**(482.13)**	(182.46)
Other Comprehensive Income			
i) Items that will not be reclassified to Profit and Loss			
– Remeasurement of Defined Benefit Liabilities		**(11.88)**	(54.80)
Total Comprehensive Income for the year		**(494.01)**	(237.26)
Earnings per equity share of ₹ 10/- each	34.11		
Basic		**(10.81)**	(4.16)
Diluted		**(10.81)**	(4.16)
Significant accounting policies	1.1		
Other Disclosures	34		

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place: Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY for the year ended 31st March, 2018

A) Equity Share Capital

Equity Shares of ₹ 10 each subscribed and fully paid	**Number of Shares**	**₹ in Lakhs**
On 1st April, 2016	45,17,885	451.79
Changes in equity share capital during the year	–	–
Balance as at 31st March, 2017	45,17,885	451.79
Changes in equity share capital during the year	–	–
Balance as at 31st March, 2018	**45,17,885**	451.79

B) Other Equity ₹ in Lakhs

Particulars	Reserves and Surplus				
	Securities Premium Reserve	General Reserve	Retained Earning	Other Comprehensive Income	Total
Balance as at 1st April, 2016	695.74	1,216.84	2,756.72	(50.57)	4,618.73
Profit for the year	-	-	(182.45)	-	(182.45)
Other Comprehensive Income for the year	-	-	-	(54.80)	(54.80)
Balance as at 31st March, 2017	**695.74**	**1,216.84**	**2,574.26**	**(105.37)**	**4,381.47**
Profit for the year	-	-	(482.13)	-	(482.13)
Other Comprehensive Income for the year	-	-	-	(11.88)	(11.88)
Balance as at 31st March, 2018	**695.74**	**1,216.84**	**2,092.14**	**(117.25)**	**3,887.47**

The accompanying notes form an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place: Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018

₹ in Lakhs

	Year ended 31st March, 2018	Year ended 31st March, 2017
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	(488.55)	(187.97)
Adjustments for:		
Depreciation and Amortisation expenses	195.12	180.61
Provision for fair value of Investments	(0.44)	(0.62)
Unspent Liabilities Written Back	(1.42)	(6.48)
Government Grant	(12.85)	(10.02)
Loss on Sale of Property, Plant and Equipment	1.24	4.39
(Profit)/Loss on Sale of Property	-	(371.57)
(Profit)/Loss on Sale of Investment	(0.67)	-
Interest Income	(5.31)	(8.25)
Finance Costs	719.45	715.39
Dividend Income	(0.80)	(0.79)
Operating Profit/(Loss) before Working Capital Changes	**405.77**	**314.69**
Decrease/(Increase) in Non Current Financial Assets	(5.16)	(1.32)
Decrease/(Increase) in Current Financial Assets	1.89	(13.43)
Decrease/(Increase) in Other Non Current Assets	7.65	11.01
Decrease/(Increase) in Other Current Assets	213.07	(235.19)
Decrease/(Increase) in Inventories	218.12	(1,028.15)
Decrease/(Increase) in Trade Receivables	(140.06)	136.74
Increase/(Decrease) in Long Term Provisions	(59.00)	27.99
Increase/(Decrease) in Short Term Provisions	7.28	(5.38)
Increase/(Decrease) in Other Financial Liabilities	28.56	110.82
Increase/(Decrease) in Other Current Liabilities	13.80	139.72
Increase/(Decrease) in Trade Payables	176.46	688.70
Cash generated from Operating activities	**868.38**	**146.20**
Direct Taxes Paid (Net of Refund)	**(1.00)**	**(2.86)**
Net Cash Flow from/(used in) Operating Activities	**867.38**	**143.34**

CONSOLIDATED CASH FLOW STATEMENT for the year ended 31st March, 2018

₹ in Lakhs

	Year ended 31st March, 2018	Year ended 31st March, 2017
B. Cash Flow from Investing Activities		
Additions to Property, Plant and Equipment	(185.55)	(276.40)
Additions to Intangible Fixed Assets	(6.11)	(19.99)
Sale of Property, Plant and Equipment	23.47	391.88
Sale of Long Term Investments	0.69	(0.02)
Interest Income	5.41	9.42
Dividend Income	0.80	0.79
Net Cash flow from/(used in) Investing activities	**(161.29)**	**105.68**
C. Cash Flow from Financing Activities		
Proceeds from Working Capital Loan	37.22	304.56
Proceeds of Buyers Credit	64.00	360.80
Proceeds from Other Short Term Borrowings	74.63	(233.63)
Proceeds from Term Loan	43.50	14.66
Proceeds from Capital Subsidy	-	149.27
Repayment of Term Loan	(218.96)	(136.33)
Interest Expenses	(679.06)	(662.86)
Other Borrowing Costs	(39.91)	(51.00)
Net Cash Flow from/(Used in) Financing Activities	**(718.58)**	**(254.53)**
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**(12.50)**	**(5.51)**
Opening Cash and Cash Equivalents	30.15	35.66
Closing Cash and Cash Equivalents as per Note No. 10	**17.65**	**30.15**

Note:

1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the IND As 7 on 'Statement of Cash Flow'.
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.

On behalf of the Board

For **S. K. AGRAWAL & CO.**
Chartered Accountants
(F.R. NO. 306033E)

SUJIT CHAKRAVORTI
Director
DIN. 00066344

CA VIVEK AGARWAL
(Membership No.301571)
Partner
Place : Kolkata
Date : 28th May, 2018

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

Notes to Consolidated Financial Statements

1. Company Overview

Sarda Plywood Industries Limited ('the company') is a public limited company incorporated and domiciled in India in 1957 under the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company is primarily engaged in manufacturing and sale of Plywood, Decorative Veneers, Block boards, Doors, Tea etc. The registered office of the Company is at 9, Parsee Church Street, Kolkata – 700 001.

1.1 Significant Accounting Policies

a. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act')and other relevant provisions of the Act.

For all periods up to and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rule, 2014.

These financial statements are the first financial statements under Ind AS. The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with 1st April, 2016 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation (Refer Note No.34.1) from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at 1st April, 2016 and 31st March, 2017, total comprehensive income for the year ended 31st March, 2017.

b. Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise stated.

c. Basis of consolidation

The consolidated financial statements related to Sarda Plywood Industries Limited (the Company) and its Associate. Associates are entities over which the group exercise significant influence but does not control. Significant influence is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's return from its investment. Such assessment requires the exercise of judgment. The consolidated financial statements of the Company and its Associate have been prepared in accordance with IND AS-27 "Consolidated and Separate Financial Statement". The consolidated financial statements have been prepared on the following basis:

i) Investment in associate is accounted using the equity method and disclosed separately in the Consolidated Balance Sheet.

ii) 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.

d. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted and unquoted equity shares
- Financial instruments

e. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

f. Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Notes to Consolidated Financial Statements (Contd.)

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

g. Property, plant and equipment

Recognition and initial measurement

An item of property, plant and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

For transition to Ind AS, the Company has elected to continue with carrying value of all its property, plant and equipment (except free hold land which is recognised at fair value) recognised as at 1st April, 2016 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss, if any.

The Company has intangible assets with finite useful lives.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Intangible assets (Computer Software) are amortised on Straight Line method over a period of 5 years.

i. Depreciation and amortisation property plant and equipment and intangible assets

Depreciation or amortisation is provided so as to write off, on a Straight Line Method, the cost of property, plant and equipment and other intangible assets, including those held under finance leases to their residual value.

These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives as per the useful life prescribed in Schedule II to the Companies Act, 2013, or, as per technical assessment, or, in the case of leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Notes to Consolidated Financial Statements (Contd.)

The estimated useful life of the Property Plant and Equipment is given below: -

Asset Group	Useful Life (in years)
Factory Building	30
Non - Factory Building	60
Plant & Equipment	8-15
Electrical Installation	10
Furniture & Fixtures	10
Office Equipment and Vehicle	5-8
Computers	3

Freehold land is not depreciated.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

j. Impairment of non-financial assets

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

k. Recent accounting pronouncement

Ind AS 115- Revenue from Contract with Customers: On 28th March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors;

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1st April, 2018.

The Company will adopt the standard on 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Ind AS 12 - Income Taxes: The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or

Notes to Consolidated Financial Statements (Contd.)

in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1st April, 2018. These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

l. Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or operating lease.

Leases are classified as finance leases where the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) Operating lease – Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

(ii) Finance lease – Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company’s general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

The Company as lessor

(i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight line basis over the lease term.

m. Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company has measured quoted equity instruments at fair value through profit or loss.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL:

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derivative financial instruments

The company uses Derivative Financial Instruments such as forward contracts to hedge its foreign currency risks. Such

Notes to Consolidated Financial Statements (Contd.)

Derivative financial instruments are initially recognized and subsequently measured at Fair Value through profit or loss (FVTPL). Derivatives are carried as Financial Assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains/ losses arising from changes in the fair value of derivative financial instrument are recognized in the statement of Profit or Loss and reported with foreign exchange gains/ (loss) not within results from operating activities. Changes in fair value gains/ (losses) on settlement of foreign currency derivative financial instruments relating to borrowings, which have not been designated as hedge are recorded as finance expense.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

n. Employee benefits

1. Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

2. Other long term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3. Post-employment obligations

The company operates the following post-employment schemes:

Defined contribution plans

The company pays provident fund contribution to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid.

Defined benefit plans

Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit or loss.

Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

4. Bonus Plans

The company recognizes a liability and an expense for bonuses. The company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Notes to Consolidated Financial Statements (Contd.)

o. Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost incurred in bringing each product to its present location and condition are accounted as follows:

i. Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

ii. Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. Finished Goods also include the applicable Excise Duty.

iii. Stores and spares & Chemicals: Cost is determined on FIFO/weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion.

p. Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

q. Government grants

The Company recognises government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are treated as deferred income and are recognized as other income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset. Grants related to revenue are recognized in statement of Profit and Loss under the heading 'Other Operating Revenue'.

r. Income taxes

Tax expense is the aggregate amount included in determination of profit or loss for the period in respect of current tax & deferred tax.

Current tax

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

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences. Deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Company has not recognized deferred tax assets during the year as

Notes to Consolidated Financial Statements (Contd.)

the existence of unused tax losses are the evidence that future taxable profit may not be available against which these unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

s. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principle in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing the latitude and is also exposed to inventory and credit risks.

The management has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / goods and service tax (GST) is not received by the company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in finance income in the statement of profit and loss.

Dividend income

Dividend income from investments is recognised when the shareholder’s rights to receive payment have been established.

Insurance Claims

Insurance and other claims are accounted for as and when settled.

t. Foreign currency transactions

Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.

Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year-end are translated at the year-end rate.

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.

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.

Notes to Consolidated Financial Statements (Contd.)

u. Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist ofinterest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

v. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, by the weighted average number of shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

w. Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables. The Company follows "simplified approach" for recognition of impairment loss allowances on trade receivables.

x. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the company's cash management.

y. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the credit period allowed. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Long term trade payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

z. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

aa. Related party transactions

Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosures" has been set out in a separate note. Related parties as defined under Clause 9 of Ind AS 24 have been identified on the basis of representations made by the management and information available with the company.

ab. Investment in subsidiaries, associates and joint venture

Investment in associates are shown at fair value. (refer note 4). Further where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of profit and loss.

Notes to Consolidated Financial Statements (Contd.)

Note No : 2

PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2017 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	for the Year	Sales/Ad-justment	Upto 31.03.2018	As at 31.03.2018
Freehold Land	179.93	-	-	179.93	-	-	-	-	179.93
Buildings	367.71	4.03	-	371.74	18.20	17.94	-	36.14	335.60
Plant and Equipments	991.68	58.67	7.11	1,043.24	114.57	125.88	1.94	238.51	804.73
Motor Vehicles	94.40	50.68	14.91	130.17	16.02	15.93	3.59	28.36	101.81
Furniture and Fixtures	39.10	64.89	-	103.99	6.99	8.00	-	14.99	89.00
Office Equipments & Computer	50.30	30.81	0.12	80.99	13.44	14.36	0.03	27.77	53.22
Sub - total	**1,723.12**	**209.08**	**22.14**	**1,910.06**	**169.22**	**182.11**	**5.56**	**345.77**	**1,564.29**
Capital Work in Progress	-								-
TOTAL	**1,723.12**	**209.08**	**22.14**	**1,910.06**	**169.22**	**182.11**	**5.56**	**345.77**	**1,564.29**

PROPERTY, PLANT AND EQUIPMENT - Previous Year

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2016 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2017	Upto 31.03.2016	for the Year	Sales/Ad-justment	Upto 31.03.2017	As at 31.03.2017
Freehold Land	179.93	-	-	179.93	-	-	-	-	179.93
Buildings	376.29	-	8.58	367.71	-	18.34	0.14	18.20	349.51
Plant and Equipments	780.90	212.15	1.37	991.68	-	114.63	0.06	114.57	877.11
Motor Vehicles	85.21	24.62	15.43	94.40	-	16.81	0.79	16.02	78.38
Furniture and Fixtures	38.33	0.77	-	39.10	-	6.99	-	6.99	32.11
Office Equipments & Computer	35.31	15.34	0.35	50.30	-	13.47	0.03	13.44	36.86
Sub - total	**1,495.97**	**252.88**	**25.73**	**1,723.12**	**-**	**170.24**	**1.02**	**169.22**	**1,553.90**
Capital Work in Progress	-								23.53
TOTAL	**1,495.97**	**252.88**	**25.73**	**1,723.12**	**-**	**170.24**	**1.02**	**169.22**	**1,577.43**

Notes :

a) Land, Building and Plant & Equipment 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 ₹ 163.77 Lakhs (Land ₹ 19.66 Lakhs, Building ₹ 70.61 Lakhs and Plant & Equipment ₹ 73.49 Lakhs) was credited to Capital Reserve. The carrying amount as on 01/04/2016 has been adjusted with the Retained Earning as per the provision of Ind AS 101 (as amended).

b) For Property, Plant Equipment exixting as on 1st April, 2016. i.e, date of transition to Ind AS, the company has used GAAP carrying value as deemed cost. (Refer Note 34(1)(A.1.1)

Notes to Consolidated Financial Statements (Contd.)

Note No : 3

INTANGIBLE ASSETS ₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2017 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2018	Upto 31.03.2017	for the Year	Sales/Adjustment	Upto 31.03.2018	As at 31.03.2018
Computer Softwares (Acquired)	52.51	6.11	-	58.62	10.37	13.01	-	23.38	35.24
TOTAL	**52.51**	**6.11**	**-**	**58.62**	**10.37**	**13.01**	**-**	**23.38**	**35.24**

INTANGIBLE ASSETS- Previous Year ₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK
	As at 01.04.2016 Cost or Deemed Cost	Additions	Deductions	As at 31.03.2017	Upto 31.03.2016	for the Year	Sales/Adjustment	Upto 31.03.2017	As at 31.03.2017
Computer Softwares (Acquired)	32.51	20.00	-	52.51	-	10.37	-	10.37	42.14
Sub - total	**32.51**	**20.00**	**-**	**52.51**	**-**	**10.37**	**-**	**10.37**	**42.14**

Notes :

a) For Intangible Assets exixting as on 1st April, 2016. i.e, date of transition to Ind AS, the company has used GAAP carrying value as deemed cost. (Refer Note 34(1)(A.1.1)

Note No : 4

Non-current investments ₹ in Lakhs

Particulars	Face value ₹	Number of shares	As at 31st March, 2018	Number of shares	As at 31st March, 2017	Number of shares	As at 1st April, 2016
Investments measured at Fair Value through Profit & Loss							
Investments in Equity Shares							
a) Quoted, Fully paid up							
Assam Petro-Chemicals Ltd.	**10**	**-**	**-**	200	0.02	200	0.02
Rampur Fertilizers Limited	**10**	**61**	**-**	61	-	61	-
SMIFS Capital Markets Ltd.	**10**	**3,500**	**1.99**	3,500	1.58	3,500	0.98
United Credit Ltd.	**10**	**1,000**	**0.16**	1,000	0.13	1,000	0.11
			2.15		1.73		1.11
b) Unquoted, Fully Paid up :							
Associate Company							
P. S. Plywood Products Private Ltd. (include goodwill ₹ 95.56 Lakhs)	**10**	**59,50,000**	**4,374.10**	59,50,000	4,374.10	59,50,000	4,374.10
Add:-							
Accumulated share in profit of the associate at the beginning of the year			22.62		17.11		12.15
Share in profit of the associate during the year			**6.42**		5.51		4.96
Other Companies							
Orissa Tea Plantations Ltd.	**10**	**100**	**-**	100	-	100	-
Albion Plywood Ltd.	**10**	**300**	**-**	300	-	300	-
Pro Sports Management Ltd.	**1,000**	**-**	**-**	50	-	100	-
			4,403.14		4,396.72		4,391.21
c) Unquoted, Partly paid up							
Partly paid up (₹ 60/- called and paid up)							
The Purbanchal Bank Limited	**100**	**200**	**-**	200	-		-
	-		**-**		-		
			4,405.30		4,398.45		4,392.32
Aggregate amount of quoted investments			**2.15**		1.73		1.11
Aggregate amount of unquoted investments			**4,403.14**		4,396.72		4,391.21
Aggregate market value of quoted investments			**2.15**		1.73		1.11
Besides above, the Company holds following shares in relation to the shares already sold by it:							
a) Rampur Fertilizers Ltd.			**16**		16		16
b) Bengal & Assam Company Ltd.			**-**		2		2

Notes to Consolidated Financial Statements (Contd.)

Note No : 5

₹ in Lakhs

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans			
(Unsecured, considered good)			
Security deposits	**82.72**	77.61	76.29
Others	**0.15**	0.10	0.10
	82.87	77.71	76.39

Note No : 6

Deferred tax Assets (Net)			
(a) Deferred tax assets :			
Expenses allowable for tax purposes when paid	**67.22**	62.04	35.25
Carry Forward Loss	**1,361.14**	1,237.96	1,214.11
	1,428.36	**1,300.00**	1,249.36
(b) Deferred tax liabilities :			
Depreciation	**266.20**	137.84	87.20
	266.20	137.84	87.20
Deferred tax Assets (Net) *	**1,162.16**	1,162.16	1,162.16

As per IND AS 12, deferred tax asset shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The Company has not recognized deferred tax assets during the year as the existence of unused tax losses are the evidence that future taxable profit may not be available against which these unused tax losses can be utilised.

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

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Note No : 7			
Other Non - Current Assets			
(Unsecured, considered good)			
Capital advances	**7.71**	3.50	1.64
Prepaid Expenses	**14.12**	25.97	38.84
	21.83	29.47	40.48
Note No : 8			
Inventories			
(At lower of cost and net realizable value, unless stated otherwise)			
Raw Materials	**1,675.41**	2,472.96	2,179.54
Raw Materials in Transit	**152.74**	330.31	204.67
Work-in-Progress	**858.30**	650.15	549.98
Finished Goods	**2,464.92**	1,986.51	1,640.46
Finished Goods in Transit	**65.85**	100.17	76.31
Stock in Trade	**404.18**	349.52	322.12
Stock in Trade in Transit	**41.77**	-	1.85
Stores & Spares and Chemicals	**326.83**	321.60	213.16
Stores & Spares and Chemicals in Transit	**9.12**	6.01	0.99
	5,999.12	6,217.23	5,189.08

Notes to Consolidated Financial Statements (Contd.)

₹ in Lakhs

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016
Note No : 9						
Trade receivables						
(Unsecured, considered good)						
Trade receivables*		**2,159.19**		2,016.72		2,142.95
Less:- Provision for Expected credit loss		**22.92**		20.51		10.00
		2,136.27		1,996.21		2,132.95

* includes ₹ 99.07 Lakhs (Previous year ₹ 48.61 Lakhs) under litigation.

		As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016
Note No :10						
Cash and bank balances						
Cash and cash equivalents						
Balances with banks	**10.46**		22.97		16.43	
Cheques, drafts on hand	**4.16**		0.95		13.03	
Cash on hand	**3.03**	**17.65**	6.22	30.14	6.20	35.66
		17.65		30.14		35.66
Note No : 11						
Other bank balances						
Fixed deposits with banks		**47.42**		0.59		0.50
(Original maturity period above 3 Months but below 12 months)						
		47.42		0.59		0.50
Note No : 12						
Loans						
(Unsecured, considered good)						
Security deposits		**35.56**		37.58		21.54
Others		**3.49**		3.46		7.24
		39.05		41.04		28.78
Note No : 13						
Current Tax Assets (Net)						
Advance tax (net)		**25.19**		24.19		21.33
		25.19		24.19		21.33
Note No : 14						
Other Current Assets						
(Unsecured, considered good)						
Advance to suppliers and others		**587.28**		688.12		529.67
Balance with Statutory Authorities		**11.97**		123.57		79.29
Prepaid expenses		**64.66**		65.29		32.83
		663.91		876.98		641.79

Notes to Consolidated Financial Statements (Contd.)

Note No : 15

Equity Share capital

	Particulars	As at 31st March, 2018 No. of shares	As at 31st March, 2018 Amount ₹ in Lakhs	As at 31st March, 2017 No. of shares	As at 31st March, 2017 Amount ₹ in Lakhs	As at 1st April, 2016 No. of shares	As at 1st April, 2016 Amount ₹ in Lakhs
(a)	**Authorised:**						
	Equity shares of ₹ 10/- each	2,50,00,000	**2,500.00**	2,50,00,000	2,500.00	2,50,00,000	2,500.00
(b)	**Issued:**						
	Equity shares of ₹ 10/- each	46,97,810	**469.78**	46,97,810	469.78	46,97,810	469.78
(c)	**Subscribed and Paid up:**						
	Equity shares of ₹ 10/- each fully paid up	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79
	Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	5,625	**0.28**	5,625	0.28	5,625	0.28
			452.07		452.07		452.07
(d)	**Reconciliation of number and amount of equity shares outstanding :**						
	At the beginning of the year	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79
	Add: Issued during the year	-	**-**	-	-	-	-
	At the end of the year	45,17,885	**451.79**	45,17,885	451.79	45,17,885	451.79

(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) There are NIL (Previous year NIL) shares reserved for issue under option and contracts / commitment for the sale of shares / disinvestment.

(g) During the period of five years immediately preceding the reporting date:

i. No shares were issued for consideration other than cash

ii. No bonus shares were issued

iii. No shares were bought back

(h) There are NIL (Previous year NIL) securities convertible into Equity/ Preference Shares.

(i) There are NIL (Previous year NIL) calls unpaid including calls unpaid by Directors and Officers as on the balance sheet date.

(j) No shares were forfeited during the year or during the previous year. 5625 equity shares of ₹10/- each on which ₹5/- each had been paid up, were forfeited in the year 1995-1996 and 1996-1997

(k) **Shareholders holding more than 5 % of the equity shares in the Company :**

Name of Shareholder	As at 31st March, 2018 No. of shares held	As at 31st March, 2018 % of holding	As at 31st March, 2017 No. of shares held	As at 31st March, 2017 % of holding	As at 1st April, 2016 No. of shares held	As at 1st April, 2016 % of holding
i) Cuckoo Fiscal Services Ltd.	**372000**	**8.23**	390000	8.63	440000	9.74
ii) Sudeep Chitlangia	**358350**	**7.93**	358350	7.93	358350	7.93
iii) Jaydeep Chitlangia	**344300**	**7.62**	344300	7.62	344300	7.62
iv) Abhinandan Fintex (P) Ltd.	**275000**	**6.09**	275000	6.09	275000	6.09
v) Sheela Chitlangia	**271650**	**6.01**	271650	6.01	271650	6.01
vi) Hemank Kumar Motihar	**-**	**-**	20	-	226306	5.00
TOTAL	**1621300**	**35.88**	1639320	36.28	1915606	42.39

Notes to Consolidated Financial Statements (Contd.)

Note No : 16

		As at 31st March, 2018		As at 31st March, 2017	As at 1st April, 2016
Other Equity		**₹ in Lakhs**		₹ in Lakhs	₹ in Lakhs
(a) Securities premium account					
Balance as per last account		**695.74**		695.74	695.74
(b) General reserve *					
Balance as per last account		**1,216.84**		1,216.84	1,216.84
(c) Retained Earning					
Balance as per last account	**2,574.26**		2,756.72		
Add : Profit / (Loss) for the Year	**(482.13)**	**2,092.13**	(182.46)	2,574.26	2,756.72
(d) Other Comprehensive Income (OCI)					
As per last Balance Sheet	**(105.37)**		(50.57)		
Add: Movement in OCI(Net) during the year	**(11.88)**	**(117.25)**	(54.80)	(105.37)	(50.57)
		3,887.46		4,381.47	4,618.73

* 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.

	As at 31st March, 2018	As at 31st March, 2017	₹ in Lakhs As at 1st April, 2016
Note No : 17			
Borrowings			
Term Loans			
Secured			
From banks	**14.20**	34.00	45.61
From entities other than banks	**528.85**	716.83	823.76
Unsecured			
From banks	**48.11**	12.29	8.32
From entities other than banks	-	2.83	8.33
	591.16	765.95	886.02
Less :- Current Maturities Long term Debt	**208.20**	217.32	125.61
	382.96	548.63	760.41

(a) **Nature of securities:**

Term Loan from Bank is secured by exclusive charge on the New CTC Machinery. 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.

Notes to Consolidated Financial Statements (Contd.)

(b) Terms of repayment:

Particulars	Amount outstanding as on Balance Sheet date		Period of maturity w.r.t.Balance Sheet date	Number of instalments Outstand-ing as on 31/03/2018	Amount of instalment
	Non-Current	Current			
	₹ in Lakhs	₹ in Lakhs			
Secured Loans from Banks**	**-** (14.24)	**14.20** (19.76)	1 Yr @	2	700000
				1	28924#
Secured Loans from entities other than Banks**	**-** (97,91)	**97.91** (127.57)	8 Months	4	1200000
				4	1250000
	352.46 (430.94)	**78.48** (60.41)	3 Yrs 11 Months	11	650000
				12	800000
				12	1000000
				8	1200000
				4	1250000
Unsecured Loans from Banks	- (-)	- (1.19)	-	-	30,390*
	- (-)	- (0.57)	-	-	29,000*
	8.06 (-)	**3.32** (-)	2Yrs 11 Months	35	36843 *
	18.20 (-)	**6.80** (-)	3Yrs 1 Month	37	76583 *
	4.24 (-)	**1.95** (-)	2Yrs 11 Months	35	20,032 *
	- (5.54)	**5.54** (4.99)	1 Year	12	48,800 *
Unecured Loans from entities other than Banks	**-** (-)	**-** (2.83)	-	-	33,500 *
Total	**382.96** (548.63)	**208.20** (217.32)			

Figures in the brackets pertain to previous year.
* Includes Interest
@In Respect of Loan Disbursement received till date
Residual Amount
** Processing fees amortise as per IND AS

Note No : 18

₹ in Lakhs

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provisions			
Provision for employee benefits	**171.85**	164.18	81.38
	171.85	164.18	81.38

Note No :19

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other Non - Current Liabilities			
Deferred Government Grant	**132.73**	145.58	6.33
	132.73	145.58	6.33

Notes to Consolidated Financial Statements (Contd.)

Note No : 20

₹ in Lakhs

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Borrowings						
Secured						
From banks						
Buyers Credit*	**918.74**		854.74		493.95	
Working Capital Loan	**2,947.74**	**3,866.48**	2,910.52	3,765.26	2,605.96	3,099.91
Unsecured						
From entities other than banks		**1,097.00**		1,022.37		1,256.00
		4,963.48		4,787.63		4,355.91

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.

* Buyers Credit is payable within 3 to 6 Months

Note No : 21

Trade Payables

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Outstanding dues of micro enterprises and small enterprises	–	–	–
Outstanding dues other than of micro enterprises and small enterprises	**5,189.08**	5,014.04	4,314.64
	5,189.08	5,014.04	4,314.64

Note No : 22

Other Financial Liabilities

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Current maturities of long - term debt	**208.20**	217.32	125.61
Derivative Liabilities	**1.70**	43.48	17.18
Interest accrued and due on borrowings	**0.04**	-	1.01
Interest accrued but not due on borrowings	**4.56**	4.08	1.55
Unpaid salaries and other payroll dues	**323.92**	290.35	227.77
Security deposits	**109.04**	72.79	69.55
	647.46	628.02	442.67

Note No : 23

Other current liabilities

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
Advances from Agents and Customers	**197.54**		177.31		61.67	
Statutory liabilities	**151.52**		156.90		132.50	
Others	**1.76**	**350.82**	2.81	337.02	3.13	197.30
		350.82		337.02		197.30

Note No :24

Provisions

	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for employee benefits	**22.38**	15.10	20.48
	22.38	15.10	20.48

Notes to Consolidated Financial Statements (Contd.)

Note No : 25 — ₹ in Lakhs

	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Revenue from operations				
Sale of goods (Gross)				
A. Manufactured Goods				
i) Plywood	16,678.09		18,079.15	
ii) Tea	2,130.59		2,313.36	
iii) Veneers	1,034.91	19,843.59	833.18	21,225.69
B. Stock-in-trade				
i) Plywood	2,124.96		1,261.61	
ii) Furniture	0.21	2,125.17	-	1,261.61
C. Others		56.50		4.61
		22,025.26		22,491.91

Note No : 26

Other operating revenues				
Sales Tax Subsidy		106.62		105.05
Insurance Claims		5.28		20.67
		111.90		125.72

Note No : 27

Other income				
Interest income (Gross)				
Fixed deposits with banks	1.74		0.07	
Others	3.57	5.31	8.18	8.25
Dividend income		0.80		0.79
Government Grant		12.85		10.02
Profit on Fair Value of Quoted Investments		0.44		0.62
Profit on Sale of Investments		0.67		-
Rent		2.24		0.66
Unspent liabilities / balances written back		1.42		6.48
Miscellaneous income		0.45		0.37
Foreign Exchange Fluctuations		43.14		37.13
		67.32		64.32

Note No : 28

Cost of materials consumed				
Timber		2,624.72		3,048.56
Veneer		4,761.63		4,821.68
Planks & Beams		1,183.96		1,386.75
Green Leaf		1,430.59		1,442.18
Others		1,653.60		828.95
		11,654.50		11,528.12

Notes to Consolidated Financial Statements (Contd.)

Note No : 29

₹ in Lakhs

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Purchases of stock-in-trade				
Plywood		**1,766.48**		935.78
		1,766.48		935.78

Note No : 30

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

A. Finished Goods				
Opening Stock				
i) Plywood	**1,504.48**		1,404.91	
ii) Tea	**74.04**		181.38	
iii) Veneer	**508.16**		130.48	
	2,086.68		1,716.77	
Closing Stock				
i) Plywood	**1,737.55**		1,504.48	
ii) Tea	**93.11**		74.04	
iii) Veneer	**700.11**		508.16	
	2,530.77	**(444.09)**	2,086.68	(369.91)
B. Stock-in-Trade				
Opening Stock				
i) Plywood	**297.86**		272.31	
ii) Furniture	**51.66**		51.66	
	349.52		323.97	
Less:- Capitalised				
i) Furniture	**3.26**		-	
Closing Stock				
i) Plywood	**381.09**		297.86	
ii) Furniture	**47.87**		51.66	
	428.96	**(82.70)**	349.52	(25.55)
C. Work-in-Progress				
Opening Stock				
i) Plywood	**650.15**		549.98	
Closing Stock				
i) Plywood	**858.30**	**(208.15)**	650.15	(100.17)
(INCREASE) / DECREASE IN STOCKS		**(734.94)**		(495.63)
Add: Excise Duty & Cess on Stocks *		**-**		0.98
NET (INCREASE) / DECREASE IN STOCKS		**(734.94)**		(494.65)

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

Note No : 31

Employee benefits expense		
Salaries and wages	**2,807.08**	2,521.07
Contribution to provident and other funds	**227.11**	201.78
Staff welfare expense	**50.71**	30.57
	3,084.90	2,753.42

Notes to Consolidated Financial Statements (Contd.)

Note No : 32 ₹ in Lakhs

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Finance costs				
Interest expense				
On long term borrowings	**95.13**		117.52	
On short term borrowings	**518.31**		523.37	
On others	**28.44**	**641.88**	18.16	659.05
Exchange difference regarded as an adjustment to borrowing Costs		**37.66**		5.34
Other borrowing costs		**39.91**		51.00
		719.45		715.39

Note No : 33

Other expenses

		Year Ended 31st March, 2018		Year Ended 31st March, 2017
Chemicals Consumption		**1,057.71**		1,129.84
Consumption of stores and spare parts		**203.58**		200.71
Consumption of packing materials		**90.12**		102.25
Power and fuel		**776.41**		801.57
Repairs				
Buildings	**10.42**		7.03	
Machinery	**49.43**		83.26	
Others	**12.64**	**72.49**	18.22	108.51
Job Charges		**545.95**		552.30
Rent		**175.81**		144.85
Electricity		**26.96**		33.22
License Fees		**57.92**		76.39
Rates & Taxes (excluding taxes on income)		**26.55**		30.19
Watch and Ward Expenses		**18.63**		26.16
Insurance		**40.48**		40.98
Communication Expenses		**55.58**		57.09
Travelling & Conveyance		**235.35**		237.07
Vehicles Maintenance		**80.49**		77.02
Printing & Stationery		**16.49**		18.52
Legal and Professional Charges		**307.30**		363.83
Miscellaneous Expenses		**146.77**		165.66
Statutory Auditors' Remuneration				
Audit Fee	**2.10**		1.92	
Tax Audit Fee	**0.50**		0.71	
Certification Fee	**0.78**	**3.38**	0.83	3.46
Charity & Donations		**0.72**		0.70
Bank charges		**23.07**		20.27
Forwarding,Freight,Octroi and Delivery Expenses		**803.34**		631.02
Commission on Sales		**179.20**		190.52
Brokerage on Sales		**18.77**		24.03
Forward Premium amortized		**56.56**		70.81
Advertisement, Publicity & Sales Promotion		**592.17**		630.80
Loss on Sale / Discard of Property, Plant and Equipment		**1.24**		4.39
Bad Debts		**1.60**		-
Provision for Doubtful Debts		**2.41**		10.51
Royalty Paid		**9.00**		-
		5,626.05		5,752.67

Notes to Consolidated Financial Statements (Contd.)

Note No. : 34

Other disclosures

1. Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out have been applied in preparing the financial statements for the year ended 31st March, 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet as at 1st April, 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accountig standards notified under Companies (Accounting Standards) Rules, 2006 (amended) and other relevant provisions of the Act. An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Fair Valuation of property, plant and equipment and intangible assets

The Company have considered fair value for property, viz land situated in india, in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the retained earnings. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

A.1.2 Fair value of investments in associates

The Company have considered fair value for investments in associated in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the retained earnings.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

As per para 14 of Ind AS 101, an entity's estimates. In accordance with lnd AS at the date of transition to lnd AS at the end of the comparative period presented in the entity's first lnd AS financial statements, as the case may be, should be consistent with estimates made for the same date ln accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accountings policies. As per para 16 of the standard, where application of lnd AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition or at the end of the comparative Period. The Company's estimates under lnd AS are consistent with the above requirement. Key estimates considered in preparation of the financial statement that were not required under the previous GAAP are listed below:

- Fair Valuation of financial instruments carried at FVTPL and/ or FVOCI.
- Impairment of financial assets based on the 'expected credit loss model'
- Determination of the discounted value for financial instruments carried at amortized cost.

A.2.2 Classification and measurement of financial assets

Para 88 - 88C of lnd AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable, Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively.

A.2.3 Impairment of financial assets

The company has applied impairment requirements of Ind AS 109 restrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date.

B. Reconciliations between previous GAAP and Ind AS

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101

"First Time Adoption of Indian Accounting Standards."

(i) Reconciliation of total equity as at 1st April, 2016 and 31st March, 2017.

(ii) Reconciliation of total comprehensive income for the year ended 31st March, 2017.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

Notes to Consolidated Financial Statements (Contd.)

(i) Reconciliation of Equity as at 1st April 2016 and 31st March 2017:-

₹ in Lakhs

Particulars	31st March 2017	1st April 2016
Total equity (shareholder's funds) as per previous GAAP	1,134.56	1,362.97
Adjustments:		
Fair Valuation of Investments in Equity Instruments (Unquoted)- P S Plywood Products (P) Ltd.	3,569.01	3,569.01
Revaluation reserve transferred to Retained Earnings	24.95	24.95
Revaluation reserve transferred to Retained Earnings	-	(24.95)
Capital Investment Subsidy transferred to Retained Earnings	99.86	99.86
Capital Investment Subsidy transferred to Retained Earnings	(99.86)	(99.86)
Capital Investment Subsidy transferred to Government Grant	(6.32)	(6.32)
MTM Loss on Forward Contracts	(43.48)	(17.18)
Actuarial Loss transferred to OCI Reserve - Mar 2016	-	50.57
Actuarial Loss transferred to OCI Reserve - Mar 2016	-	(50.57)
Actuarial Loss transferred to OCI Reserve - Mar 2017	54.80	-
Actuarial Loss transferred to OCI Reserve - Mar 2017	(54.80)	-
Deferred Government Grant	0.27	-
Depreciation	(0.34)	
Provisions for Trade Receivables- ECL Model	(10.51)	(10.00)
Amortization of Processing Fees	4.46	6.91
Fair valuation of Non Current investment - Quoted	0.04	0.02
Fair Valuation of Free Hold Land	148.28	148.28
Total adjustments	**3,686.36**	**3,690.72**
Total equity as per Ind AS	**4,820.92**	**5,053.69**

(ii) Reconciliation of total comprehensive income for the year ended 31st March 2017: ₹ in Lakhs

Particulars	**31st March 2017**
Profit after tax as per previous GAAP	(203.45)
Adjustments:	
Gain on Fair Valuation of Quoted Equity Shares	0.02
Government Grant	0.27
Amortization of Processing Fees	(2.46)
MTM Loss on Currency Hedging	(26.30)
Actuarial loss transferred to OCI Reserve	54.80
Provisions for Trade Receivables- ECL Model	(10.51)
Depriciation	(0.34)
Total adjustments	**15.48**
Profit after tax as per Ind AS	(187.97)
Other comprehensive income	(54.80)
Total comprehensive income as per Ind AS	**(242.77)**

Notes to Consolidated Financial Statements (Contd.)

Explanations to the material adjustments made in the process of IND AS transition from previous GAAP

a. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction cost are included in initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

b. Property, plant and equipment

The Company has elected to considered fair value for property, viz land situated in india, in accordance with stipulatons of Ind AS 101 with the resultant impact being accounted for in the reserves. For rest of the property, plant and equipment company had elected to continue with the carrying value of all of its plant and equipment and intangible assets as recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c. Fair value of investments

Under the lndian GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under lnd AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31st March, 2017 and 31st March, 2018. Fair value changes with respect to investments in quoted equity instruments, unquoted equity instruments and mutual funds designated as at FVTPL have been recognised in retained earning at the date of transition and subsequently in the profit and loss account for the year ended 31st March, 2017 and 31st March, 2018.

d. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. The entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

e. Other comprehensive income

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and “other comprehensive income” includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

f. Expected credit loss model

lnd-AS 109 requires to recognize loss allowances on trade receivable and other financial assets of the Company, at an amount equal to the lifetime expected credit loss or the 12 month expected credit loss based on the increase in the credit risk.

g. Re-Classifications

The Company has done the following reclassifications as per the requirements of lnd-AS:

(i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.

(ii) Remeasurement gain/loss on long term employee defined benefit plans are re-classified from statement of profit and loss to OCl.

(iii) The Company has re-classified fixed deposits with banks under lien from cash and cash equivalents to other bank balances.

(iv) Excise duty on sales was earlier netted off with sales, has now been presented separately.

h. Derivative Contract

Under IND AS mark to market gain/loss on restatement of forward contract as at the reporting date has been recognized in the statement of profit & loss.

Notes to Consolidated Financial Statements (Contd.)

Note No. 34 (Contd.)

		As at 31st March, 2018 ₹ in Lakhs	As at 31st March, 2017 ₹ in Lakhs
2.	Estimated amount of contract remaining to be executed on Capital Account and not provided for	**41.74**	11.45
3.	Contingent Liabilities not provided for in respect of :		
	a) Uncalled Capital against partly paid-up shares held as investment	**0.08**	0.08
	b) Demand raised by Govt.authorities in respect of Taxes and Duties and contested by the Company	**1,340.06**	1,115.04
	Amount Paid against above	**0.75**	19.85

4. 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 31st March 2018 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).

5. Leases

Finance lease commitments - Company as lessee

The Company has also entered into finance leases on Vehicle and Equipment purchase with lease terms of 3 years.The Company has paid ₹ 10.50 Lakhs (31st March, 2017 ₹ 14.52 Lakhs) during the year towards minimum lease payment.

Operating lease commitments - Company as lessee

The Company has entered into operating lease agreement for office space and godowns. The total charge to the Statement of Profit and Loss for the year on account of operating lease is ₹ 175.81 Lakhs (31st March, 2017 ₹ 144.85 Lakhs)

The minimum rentals payable under operating leases for non cancellable agreements are as follows:

₹ in Lakhs

Particulars	**2017-18**	2016-17
Within one year	**144.69**	175.81
After one year but not more than five years	**217.12**	531.58
More than five years	**5.77**	11.81

6. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company net debt includes interest bearing loans and borrowings, trade payables, less cash and cash equivalents.

₹ in Lakhs

Particulars	**31st March, 2018**	31st March, 2017	1st April, 2016
Borrowings (Note - 17 and 20)	**5,554.64**	5,553.58	5,241.92
Trade payables (Note-21)	**5,189.08**	5,014.04	4,314.64
Less: Cash and cash equivalents (Note-10)	**17.65**	30.14	35.66
Net debt	**10,726.07**	10,537.48	9,520.90
Equity	**4,339.53**	4,833.54	5,070.80
Capital and net debt			
Gearing ratio	**2.47**	2.18	1.88

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2018 and 31st March, 2017.

7. **Financial instruments by category**

(a) **Fair value of financial assets and liabilities measured at amortised cost** ₹ in Lakhs

Particulars	31st March, 2018		31st March, 2017		1st April, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Non current financial assets						
(i) Investments	0.44	4,404.85	0.62	4,397.83	3,569.01	823.31
(ii) Other non current financial assets		82.87		77.71		76.39
Current financial assets						
(i) Trade receivables		2,136.27		1,996.21		2,132.95
(ii) Cash and cash equivalents		17.65		30.14		35.66
(iii) Bank Balance other than above		47.42		0.59		0.50
(iv) Other current fiancial assets		39.05		41.04		28.78
Total Financial assets	**0.44**	**6,728.11**	**0.62**	**6,543.52**	**3,569.01**	**3,097.59**
Non Current financial Liabilities						
(i) Borrowings		382.96		548.63		760.41
(ii) Other non current financial liabilities		132.73		145.58		6.33
Current financial liabilities						
(i) Borrowings		4,963.48		4,787.63		4,355.91
(ii) Trade payable		5,189.08		5,014.04		4,314.64
(iii) Other current financial liabilities	1.70	645.76	43.48	584.54	17.18	425.49
Total financial liabilities	**1.70**	**11,314.01**	**43.48**	**11,080.42**	**17.18**	**9,862.78**

The carrying amount of financial assets and financial liabilities measured at amortisd cost in the financial statements are a reasonable approximation of their fair value since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(b) **Fair value hierarchy**

The following table provides the fair value measurement hierarchy of the Company's asets ₹ in Lakhs

Particulars	Fair value measurement using		
	Quoted price in active markets (Level 1)	Significant obserable inputs (Level 2)	Significant unobserable inputs (Level 3)
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2018			
Assets measured at fair value			
Investments	0.44		
Liabilites measured at fair value			
Derivative Liabilities		1.70	
Quantitative disclosures fair value measurement hierarchy for assets as at 31st March, 2017			
Assets measured at fair value			
Investments	0.62		
Liabilites measured at fair value			
Derivative Liabilities		43.48	
Quantitative disclosures fair value measurement hierarchy for assets as at 1st April, 2016			
Assets measured at fair value			
Investments		3,569.01	
Liabilites measured at fair value			
Derivative Liabilities		17.18	

Notes to Consolidated Financial Statements (Contd.)

8. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. This financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks. Financial instruments affected by market risk include Trade payables and borrowings in foreign currencies.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates. The Company is carryg its borrowings primarily at variable rate. The Company expects the variable rate to decline, accordingly the Company is currently carrying its loans at variable and Fixed interest rates.

₹ in Lakhs

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Variable rate borrowings	**2,947.74**	2,910.52	2,605.96
Fixed rate borrowings	**2,606.90**	2,643.06	2,635.97

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

Descriptions	Effect on Profit before tax		
	31st March, 2018	31st March, 2017	1st April, 2016
Increase by 50 basis points	**(14.74)**	(14.55)	(13.03)
Decrease by 50 basis points	**14.74**	14.55	13.03

b) Foreign currency risks

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in foreign currency is in purchase of raw material through letter of credits. The Company is not resricting its exposure of risk in change in exchange rates. The Company expects the Indian Rupee to strengthen and accordingly the Company is carrying the risk of change in exchange rates.

Unhedged foreign currency exposure In Lakhs

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Trade creditors			
Rs.	**1,485.60**	1,000.52	1,574.45
USD	**18.60**	14.25	19.80
EUR	**3.43**	1.10	3.42

Notes to Consolidated Financial Statements (Contd.)

Derivated outstanding

In Lakhs

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Hedge of import trade payables			
USD	**7.61**	27.15	12.72
EUR	**-**	0.86	2.77
Rs.	**496.42**	1,886.20	1,066.78

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonably possible change in USD/EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

₹ in Lakhs

Descriptions	Effect on Profit before tax		
	31st March, 2018	31st March, 2017	1st April, 2016
USD/EURO Sensitivity			
Increase by 5% (31 March, 2016 - 5%)	**74.28**	50.03	78.72
Decrease by 5% (31 March, 2016 - 5%)	**(74.28)**	(50.03)	(78.72)

B) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

(i) Trade receivables

Customer credit risk is managed by each business location subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with the assessment both in terms of number of days and amount. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addtion, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company does not hold collateral as security.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Company's maximum exposure to credit risk for the components of the balance sheet at 31st March, 2018 and 31st March, 2017 is the carrying amount as illustrated in Note 34(7).

₹ in Lakhs

Gross carrying amount of trade receivables

Descriptions	31st March, 2018	31st March, 2017
Ageing		
Not due	**1,392.50**	1,089.44
0-30 days past due	**240.61**	394.58
31-60 days past due	**85.41**	119.99
61-90 days past due	**35.94**	55.76
91-180 days past due	**43.69**	65.11
181-365 days past due	**97.67**	42.25
more than 365 days	**263.37**	249.59

Notes to Consolidated Financial Statements (Contd.)

(C) Liquidity risk

The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, cash credit facilities and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturity within 12 months can be rolled over with existing lenders. The Company had access to the following undrawn borrowing facilities at the end of the reporting periods -

₹ in Lakhs

Descriptions	31st March, 2018	31st March, 2017	1st April, 2016
Floating rate			
a) Expiring within one year (Bank overdraft and other facilities)			
Secured			
- Current maturities of long term debt	**208.20**	217.32	125.61
-Working capital loan	**2,947.74**	2,910.52	2,605.96
-Buyer's credit	**918.74**	854.74	493.95
Unsecured			
-Short term loans	**1,097.00**	1,022.37	1,256.00
b) Expiring beyond one year (Bank loans)			
Secured			
-Rupees term loan from banks	**-**	14.24	34.00
-Rupees term loan from financial institutions	**352.46**	528.85	721.84
Unsecured			
-Term loan from banks	**30.50**	5.54	1.76
-Term loan from financial institutions	**-**	-	2.82

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments -

₹ in Lakhs

Descriptions	Less than 3 months	3 to 6 months	6 to 12 months	1 to 2 years	2 to 5 years
Year ended 31st March, 2018					
Contractual maturities of borrowings	703.16	341.58	65.61	98.00	253.44
Contractual maturities of finance lease obligations	4.19	4.57	9.46	14.09	15.50
Contractual maturities of trade payables	644.32	418.96	-	-	-
Descriptions	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Year ended 31st March, 2017					
Contractual maturities of borrowings	354.11	600.64	109.50	191.61	350.35
Contractual maturities of finance lease obligations	3.57	2.48	3.54	5.54	-
Contractual maturities of trade payables	1,239.05	774.84	-	-	-
Descriptions	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 2 years**	**2 to 5 years**
Year ended 1st April, 2016					
Contractual maturities of borrowings	275.59	272.36	67.00	209.50	545.79
Contractual maturities of finance lease obligations	3.07	3.16	5.84	4.61	-
Contractual maturities of trade payables	1,063.02	1,085.18	-	-	-

9. Disclosure pursuant to IND AS - 19 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:

	2017-18 ₹ **in Lakhs**	2016-17 ₹ in Lakhs
Employers' Contribution to Provident Fund & Pension Fund	**164.19**	145.85
Employers' Contribution to Superannuation Fund	**9.15**	6.72

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 amounts recognised in the Profit & Loss Statement and Balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Gratuity and other post-employment benefit plans

₹ in Lakhs

Descriptions	**31st March, 2018**	31st March, 2017
Gratuity Plan	**76.23**	68.49
Sick Leave	**6.84**	6.19
Leave Encashment	**111.16**	104.60
Total	**194.23**	179.28

Changes in defined benefit obligation ₹ in Lakhs

Descriptions	**31st March, 2018**			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the start of the year	**353.97**	**6.19**	**104.60**	278.61	4.54	80.85
Interest cost	**25.32**	**0.46**	**6.58**	19.64	0.34	5.15
Current service cost	**34.72**	**1.18**	**13.79**	33.80	1.00	15.00
Benefits paid	**32.67**	**-**	**33.83**	33.64	-	24.33
Actuarial loss/(gain) on obligations	**11.74**	**(0.99)**	**20.02**	55.56	0.31	27.93
Present value obligation as at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60

Change in fair value of plan assets ₹ in Lakhs

Descriptions	**31st March, 2018**			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Fair value of plan assets as at the start of the year	**285.49**	**NA**	**NA**	262.14	NA	NA
Return on plan assets	**21.41**	**NA**	**NA**	19.66	NA	NA
Actuarial loss/(gain)	**0.14**	**NA**	**NA**	(0.76)	NA	NA
Contribution	**42.76**	**NA**	**NA**	36.57	NA	NA
Benefits paid	**32.67**	**NA**	**NA**	33.64	NA	NA
Fair value of plan assets as at the end of the year	**316.85**			285.49	-	

Notes to Consolidated Financial Statements (Contd.)

Breakup of Actuarial gain/loss: ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Actuarial (gain)/loss on arising from change in financial assumption	**-**	**-**	**-**	24.65	-	-
Actuarial (gain)/loss on arising from experience adjustment	**11.74**	**(0.99)**	**20.02**	30.91	0.31	27.93
Return on plan assets (greater)/less than discount rate	**-**	**-**	**-**	-	-	-

Reconciliation of present value of defined benefit obligation and the fair value of plan assets ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Present value obligation as at the end of the year	**393.08**	**6.84**	**111.16**	353.96	6.19	104.60
Fair value of plan assets as at the end of the year	**316.85**	**-**	**-**	285.49	-	-
Net asset/(obligation) recognized in balance sheet	**76.23**	**6.84**	**111.16**	68.48	6.19	104.60

Amount recognized in the statement of profit and loss ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Current service cost	**34.72**	**1.18**	**13.79**	33.80	1.00	15.00
Interest cost	**25.32**	**0.46**	**6.58**	19.63	0.34	5.15
Expected Return on the Plan Assets	**21.41**	**NA**	**NA**	19.66	NA	NA
Actuarial gain/ (loss) recognized in the year	**11.88**	**(0.99)**	**20.02**	54.80	0.31	27.93
(Income)/Expense recognised in the statement of profit and loss	**38.63**	**0.65**	**40.39**	90.10	1.65	48.08

Amount recognised in the statement of Other Comprehensive Income ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Actuarial Gain/(Loss) for the year on PBO	**(11.74)**	**-**	**-**	(55.56)	-	-
Actuarial Gain/(Loss) for the year on Asset	**(0.14)**	**-**	**-**	0.76	-	-
Unrecognised actuarial Gain/(Loss) at the end of the year	**(11.88)**	**-**	**-**	(54.80)	-	-

Actuarial assumptions

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Discount rate	**7.50%**	**7.50%**	**7.50%**	7.50%	7.50%	7.50%
Future salary increase	**5.00%**	**5.00%**	**5.00%**	5.00%	5.00%	5.00%

Notes to Consolidated Financial Statements (Contd.)

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year-end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

Sensitivity analysis ₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Impact of the change in discount rate						
Present value of obligation at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60
a) Impact due to increase of 0.50 %	**375.03**	**6.44**	**104.85**	337.23	-	-
b) Impact due to decrease of 0.50 %	**412.59**	**7.28**	**118.06**	372.06	-	-
Impact of the change in salary increase						
Present value of obligation at the end of the year	**393.08**	**6.84**	**111.16**	353.97	6.19	104.60
a) Impact due to increase of 0.50 %	**412.86**	**7.28**	**118.15**	372.30	-	-
b) Impact due to decrease of 0.50 %	**374.64**	**6.44**	**104.72**	336.86	-	-

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

₹ in Lakhs

Descriptions	31st March, 2018			31st March, 2017		
	Gratuity	**Sick Leave**	**Leave Encashment**	Gratuity	Sick Leave	Leave Encashment
Within next 12 months	**127.72**	**-**	**-**	120.07	-	-

10. Segment information as per IND AS - 108 on 'Segment Reporting' :

The Company has identified two business segments viz. Plywood and Tea. Segments have been identified on the basis of the products of the company. Operating segment disclosed are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM).

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".

Notes to Consolidated Financial Statements (Contd.)

c) Information about Primary Business Segments : ₹ in Lakhs

	Plywood	Tea	Others	Unallocated	Total
Segment Revenue	**20,004.90**	**2,132.05**	**0.21**	**-**	**22,137.16**
	(20,303.45)	(2,314.18)	-	-	(22,617.63)
Segment Results	**253.08**	**29.94**	**-2.45**	**-**	**280.57**
	(174.08)	(31.68)	(-6.48)	-	(199.28)
Less : Finance Cost					**719.45**
					(715.39)
Other unallocable expenditure net of unallocable income					**-49.67**
					(-43.43)
Total Profit / (Loss) before exceptional item and tax					**-488.55**
					(-55954)
Exceptional Items					**-**
					(371.57)
Total Profit / (Loss) before tax					**-488.55**
					(-187.97)
Other Information					
Segment Assets	**14,087.96**	**790.09**	**102.45**	**1,190.75**	**16,171.25**
	(9,957.03)	(816.71)	(111.74)	(5,565.64)	(16,451.12)
	{8626.41}	{938.53}	{115.00}	{5562.87}	{15242.81}
Segment Liabilities	**6,114.53**	**186.64**	**0.39**	**5,559.20**	**11,860.76**
	(5,896.82)	(185.71)	(-)	(5,557.67)	(11,640.20)
	{4669.46}	{266.19}	{-}	{5243.48}	{10179.12}
Capital Expenditure	**179.37**	**12.29**	**-**	**-**	**191.66**
	(255.80)	(40.59)	(-)	(-)	(296.59)
Depreciation & Amortisation	**150.36**	**43.51**	**1.25**		**195.12**
	(137.08)	(42.26)	(1.27)	(-)	(180.61)

Notes :

a) There are no transactions between segments . Common costs are apportioned on a reasonable basis.
b) Since the Company's activities / operations are primarily within the country, there is only one geographical segment.
c) Figures in the brackets ( ) pertain to previous year.
d) Figures in the brackets { } pertain to 1st April, 2016.

11. In calculating Earnings per share

	Year ended 31st March, 2018	Year ended 31st March, 2017
a) Numerator used :		
Profit / (Loss) after tax (₹ in Lakhs)	**(488.55)**	(187.97)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	**45,17,885**	45,17,885
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	**45,17,885**	45,17,885
d) Nominal value of equity shares (₹)	**10.00**	10.00
e) Basic Earnings per share (a/b) (₹)	**(10.81)**	(4.16)
f) Diluted Earnings per share (a/c) (₹)	**(10.81)**	(4.16)

Notes to Consolidated Financial Statements (Contd.)

12. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under "Non Current Investments" under Note No. 4.

13. Related Party Disclosures

Particulars of transactions during the year ended 31st March, 2018 ₹ in Lakhs

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
Rent Received	**2.01**	**-**	**2.01**
	(0.66)	-	(0.66)
Remuneration to KMP	**-**	**102.02**	**102.02**
	-	(92.20)	(92.20)
Sales	**20.96**	**-**	**20.96**
	(-)	-	(-)
Interest Paid	**30.43**	**-**	**30.43**
	(33.39)	-	(33.39)
Licence fee Paid	**48.00**	**-**	**48.00**
	(66.62)	-	(66.62)
Rent Paid	**4.92**	**-**	**4.92**
	(4.92)	-	(4.92)
Royalty Paid	**9.0**	**-**	**9.00**
	-	-	-
Loan Taken	**45.63**	**-**	**45.63**
	(332.00)	-	(332.00)
Refund of Loan	**51.00**	**-**	**51.00**
	(300.63)	-	(300.63)
Guarantees Obtained	**-**	**-**	**-**
	-	(500.00)	(500.00)
Outstanding against Guarantees Obtained	**-**	**5,472.82**	**5,472.82**
	-	(6,125.41)	(6,125.41)
Balance Outstanding at the Balance Sheet Date	**263.73 Cr**	**-**	**263.73 Cr**
	(263.73 Cr)	(-)	(263.73 Cr)

Notes :

a) Figures in the brackets pertain to previous year.

b) The Company has neither written off nor written back any amount recoverable / payable from / to any related party during the year.

c) 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 Consolidated Financial Statements (Contd.)

Disclosure of Material Transactions with Related Parties ₹ in Lakhs

	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
Rent Received				
Madhya Bharat Papers Ltd.		**0.66**		0.66
J S M & Company		**1.35**		-
Remuneration to KMP				
Shri Sudeep Chitlangia (Managing Director)		**54.05**		45.65
Short term employee benefit	48.29		40.79	
Post employment benefit	5.76		4.86	
Shri Sohan Lal Yadav (Whole Time Director)				
Short term employee benefit		**30.00**		30.00
Shri Ravi Kumar Murarka (CFO & Company Secretary)		**17.97**		16.55
Short term employee benefit	16.93		15.55	
Post employment benefit	1.04		1.00	
Sales				
Madhya Bharat Papers Ltd.		**15.96**		-
Aishani Infotech Pvt. Ltd.		**5.00**		-
Interest Paid				
P.S Plywood Products Private Ltd.		**30.43**		20.86
Chitperi Farm Private Ltd.		**-**		12.53
License Fee Paid				
P.S Plywood Products Private Ltd.		**48.00**		66.62
Rent Paid				
J S M & Company		**4.80**		4.80
Madhya Bharat Papers Ltd.		**0.12**		0.12
Royalty Paid				
Chitperi Farm Private Ltd.		**9.00**		-
Loan Taken				
P.S Plywood Products Private Ltd.		**45.63**		282.00
Chitperi Farm Private Ltd.		**-**		50.00
Refund of Loan				
P.S Plywood Products Private Ltd.		**51.00**		100.63
Chitperi Farm Private Ltd.		**-**		200.00
Guarantees Obtained				
Sudeep Chitlangia		**-**		200.00
Outstanding against Guarantees Obtained				
Sudeep Chitlangia		**5,472.82**		6,534.44
Net Balance Receivable/(Payable)				
Madhya Bharat Papers Ltd.		**10.46**		-
P.S Plywood Products Private Ltd.		**(254.00)**		(259.37)
Shri Sudeep Chitlangia		**(2.46)**		(2.64)
Shri Sohan Lal Yadav		**(1.42)**		(1.71)
Shri Ravi Kumar Murarka		**(1.21)**		(1.19)

Notes to Consolidated Financial Statements (Contd.)

Names of related parties & description of relationship

Associates:	P.S Plywood Products Private Ltd.
Enterprises over which KMP and his relatives have significant influence:	Abhinandan Fintex Pvt. Ltd. Aishani Infotech Pvt. Ltd. Calcutta Technicians & Advisers Ltd. Chitperi Farm Pvt. Ltd. Madhya Bharat Papers Ltd. J S M & Company Sujay Management Services LLP
Key Management Personnel :	Shri Sudeep Chitlangia (Managing Director) Shri Sohan Lal Yadav (Whole Time Director) Shri Ravi Kumar Murarka (CFO & Company Secretary) Smt. Sheela Chitlangia (Non Executive Director) Shri Sujit Chakravorty (Independent Director) Dr. Kali Kumar Chaudhuri (Independent Director) Shri Ratan Lal Gaggar (Independent Director) Shri Probir Roy (Independent Director)

14. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclousre Requirments) Regulations, 2015 :

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

15. The Associated Company considered in the financial statements is as follows: -

Name	Country of Incorporation	% Voting power as on 31st March, 2018	% Voting power as on 31st March, 2017	% Voting power as on 31st March, 2016
P.S Plywood Products Private Ltd.	India	**46.67%**	46.67%	46.67%

16. Additional Information persuant to Schedule III of Companies Act 2013

Name of the Company	Net Assets (Total Assets minus Total Liabilities)		Share in Profit & Loss		Share in Other Comprehansive Income		Share in Total Comprehansive Income	
	2017-18		2017-18		2017-18		2017-18	
	As % of Consolidated Net Assets	Amount (Rs in Lakhs)	As % of Consolidated Profit or Loss	Amount (Rs in Lakhs)	As % of Consolidated Other Comprehansive Invoice	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehansive Invoice	Amount (₹ in Lakhs)
Parent Company								
Sarda Plywood Industries Limited	100%	4,339.54	101.33%	(488.55)	-	-	101.33%	(488.55)
Associates (Indian)								
P.S Plywood Products Private Ltd.	-	-	-1.33%	6.42	-	-	-1.33%	6.42
TOTAL	**100%**	**4,339.54**	**100.00%**	**(482.13)**	**-**	**-**	**100.00%**	**(482.13)**

17. The Boards of Directors in its meeting held 16th September, 2016 had approved the scheme of amalgamation (the scheme) of P S Plywood Products Private Limited, an associate of the Company, into the Company with effect from 1st April, 2016. The petition for merger has been filed with The Hon'ble National Company Law Tribunal, Kolkata Bench upon obtaining the approval from the Bombay Stock Exchange. Pending requisite approvals, merger has not been accounted in the financial statements.

18. 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 **S.K. Agrawal & Co**
Chartered Accountants
(F.R. NO. 306033E)

CA VIVEK AGARWAL
(Membership No. 301571)
Partner
Place : Kolkata
Date : 28th May, 2018

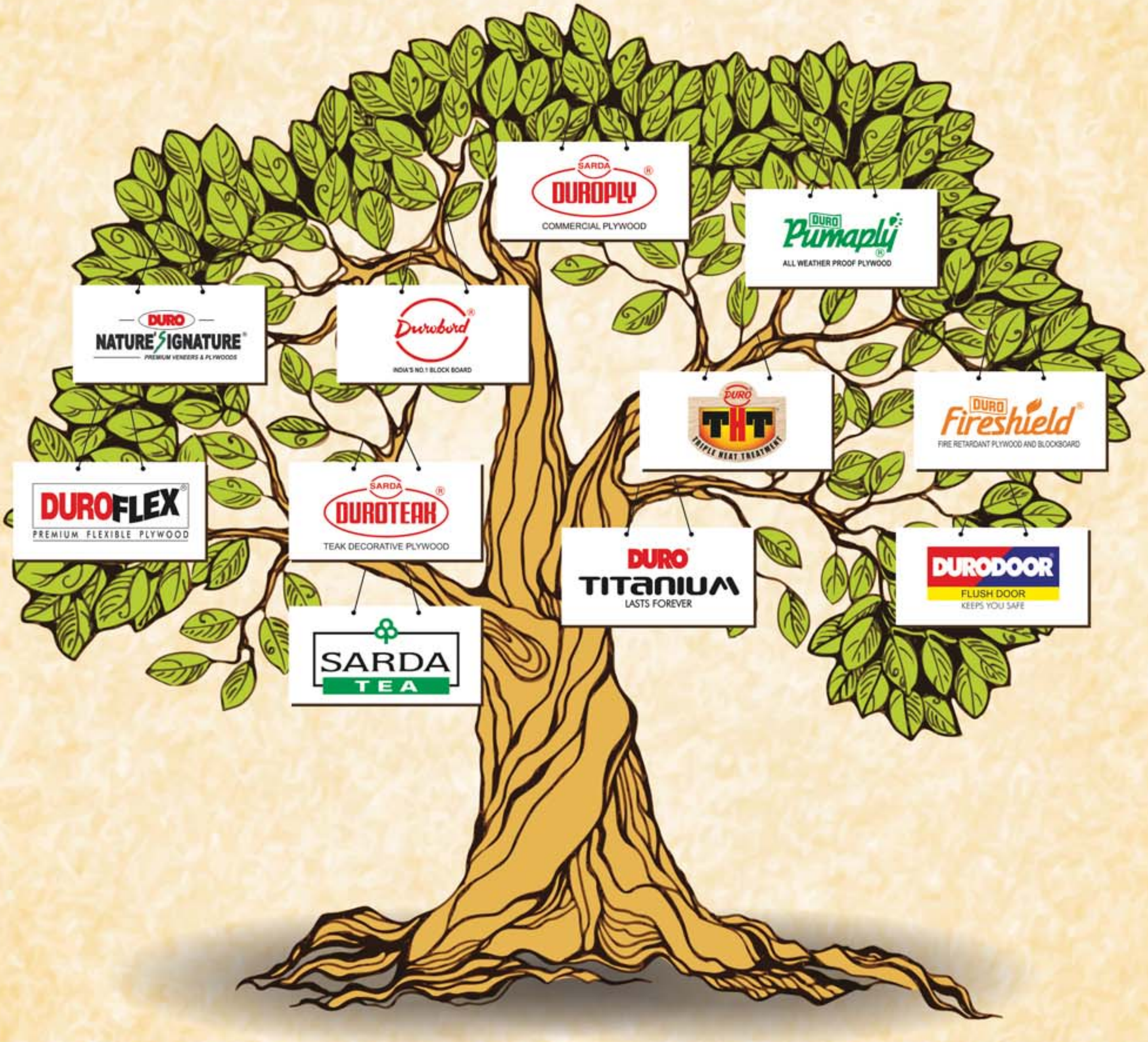
On behalf of the Board
SUJIT CHAKRAVORTI
Director
DIN. 00066344

RAVI KUMAR MURARKA
Chief Financial Officer &
Company Secretary

SUDEEP CHITLANGIA
Managing Director
DIN. 00093908

The Forest Friendly Company

our other brands



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The Forest Friendly Company

Sarda Plywood Industries Ltd.

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Toll Free: 1800-345-3876 (DURO) | **E-Mail:** corp@sardaplywood.com | **Website:** www.sardaplywood.in
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