

FORM - A**Annual Audit Report**

1	Name of Company	SARDA PLYWOOD INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31 st March, 2014
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A

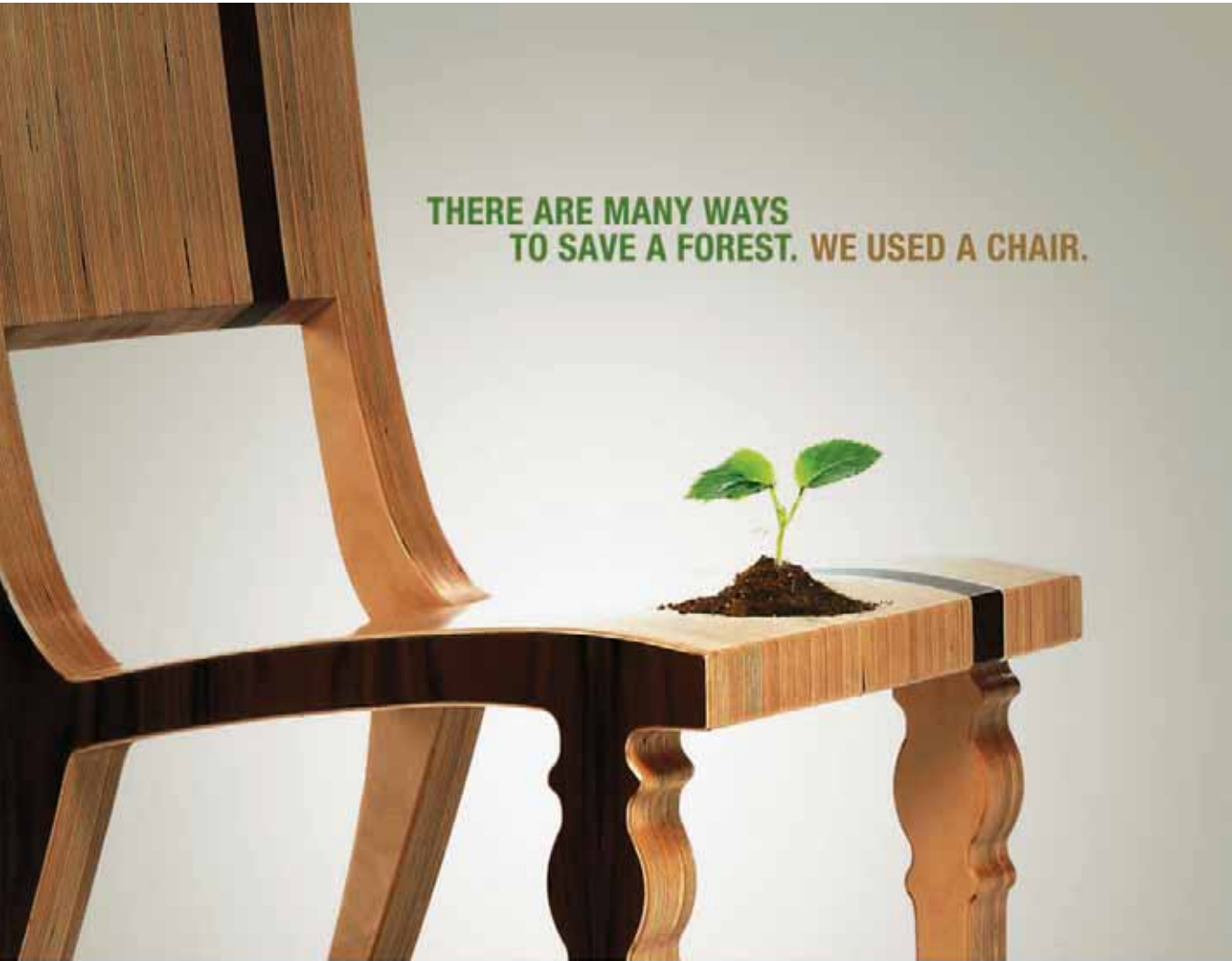
for Sarda Plywood Industries Limited


Company Secretary

57th ANNUAL REPORT 2013 - 14

Sarda Plywood Industries Ltd.

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



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

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



OUR BRANDS

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DURO PUMAPLY
ALL WEATHER PROOF PLYWOOD

DURO NATURE SIGNATURE
PREMIUM VENEERS & PLYWOOD

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DUROFLEX
PREMIUM FLEXIBLE PLYWOOD

Durebord
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DURO TECHPLY
PLYWOOD + BLOCKBOARD
Made from 100% EUROPEAN BEECH HARDWOOD (FSC)

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Sarda Plywood Industries Ltd.

Toll Free No. 1800-345-3876 (Duro) 10am - 6pm Monday-Friday. Email: corp@sardaplywood.com
www.sardaplywood.in



Sarda Plywood Industries Limited

Board of Directors

Shri Sujit Chakravorti
Dr. Kali Kumar Chaudhuri
Shri Ratan Lal Gaggar
Shri Naresh Pachisia
Shri Probir Roy

Shri Sohan Lal Yadav
Whole-time Director

Shri Sudeep Chitlangia
Managing Director

Chief Financial Officer

Ms. Jaya Sengupta

Company Secretary

Shri Ravi Kumar Murarka

Bankers

United Bank of India
State Bank of India

Auditors

G.P. Agrawal & Co.
Chartered Accountants

Registered Office

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

Corporate Office

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

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SARDA PLYWOOD INDUSTRIES LIMITED

CIN : L20211WB1957PLC023493

Regd. Office : 9, Parsee Church Street, Kolkata – 700001, West Bengal

Phone : (033) 2265 2274, Fax : (033) 2249 3675, E-mail : corp@sardaplywood.com

Website : www.sardaplywood.com

Notice

NOTICE is hereby given that the 57th Annual General Meeting of SARDA PLYWOOD INDUSTRIES LIMITED will be held at The Far Pavilion, Tollygunge Club Limited, 120, Deshapran Sasmal Road, Kolkata- 700 033 on Thursday, the 25th September 2014 at 11.00 A.M to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the financial year ended 31st March, 2014 and Balance Sheet as at that date, together with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Sohan Lal Yadav who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Sudeep Chitlangia who retires by rotation and, being eligible, offers himself for re-appointment.
4. To re-appoint the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the fourth consecutive Annual General Meeting and fix their remuneration and, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Section 139 and Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and pursuant to the recommendations of the Audit Committee of the Board of Directors, Messrs G. P. Agrawal & Co., Chartered Accountants (Firm Registration No.302082E), be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the fourth consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the Audit Committee in consultation with the Auditors, and that such remuneration may be paid on a progressive billing basis to be agreed upon between the Auditors and the Board of Directors of the Company."

5. To appoint Branch Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, Messrs Grover Dinesh & Associates, Chartered Accountants (Firm Registration No 012455N) be and are hereby re-appointed as Branch Auditors of the Company for auditing the books of accounts maintained by the Delhi Branch of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Sujit Chakravorti (DIN 00066344), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Sujit Chakravorti as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Ratan Lal Gaggar (DIN 00322904), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Ratan Lal Gaggar as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Naresh Pachisia (DIN 00233768), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Naresh Pachisia as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation."

9. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Kali Kumar Chaudhuri (DIN 00206157), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Kali Kumar Chaudhuri as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation."

Notice (Contd.)

10. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder read with Schedule IV to the Companies Act, 2013, Shri Probir Roy (DIN 00033045), Director of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Shri Probir Roy as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office up to 31st March, 2019, not liable to retire by rotation.”

11. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203, Schedule - V and any other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded for reappointment of Shri. Sudeep Chitlangia (DIN 00093908), as Managing Director of the Company, who is liable to retire by rotation, for a period of three years effective from 1st April 2014, on the terms and conditions as specified in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to this Notice and on the remuneration, which is as follows:

- (a) Salary of ₹ 275000/- per month which may be revised, within the limits laid down in Section II of Part II of Schedule V of the Companies Act, 2013, by the Remuneration Committee at any time during the tenure of his appointment.

- (b) Perquisites:

PART – A

- (i) Medical Benefits: Reimbursement of medical expenses (including medical insurance) for himself and his family subject normally to a ceiling of one month's salary in a year or three months' salary over a period of three years, provided that any additional expenditure incurred for medical treatment over and above the above ceiling for himself and his family may be reimbursed on actual basis subject to approval by the Nomination and Remuneration Committee.
- (ii) Leave Travel Concession: For self and family as per Company's Rules once in a year.
- (iii) Personal Accident Insurance: Premium not to exceed Rs.5000/- per annum.
- (iv) Club Fees: Fees of Clubs subject to a maximum of two Clubs excluding the admission fee.

PART – B

- (v) Company's contribution towards Provident/Pension Fund: Subject to a ceiling of 12% of the salary or such other rate as may be prescribed under the Employees' Provident Fund and Miscellaneous Scheme, 1952.
- (vi) Company's contribution towards Superannuation Fund: Such contribution together with contribution to the Provident/Pension Fund shall not exceed 27% of the salary or such other rate as may be laid down in the Income Tax Rules, 1962 from time to time.
- (vii) Gratuity: Not exceeding 15 days' salary for each completed year of service.
- (viii) Encashment of leave at the end of the tenure.

PART – C

- (ix) Car on Company's business: Provision of cars for use on Company's business will not be considered as perquisite.
- (x) Telephone/fax: Provision for telephones/fax at residence and provision for cellphones will not be considered as perquisites.

“RESOLVED FURTHER that the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limit specified in Schedule – V of the Companies Act, 2013.”

“RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid resolution.”

12. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that in supersession of the Ordinary Resolution passed by the members at the Extra Ordinary General Meeting of the Company held on 14th February, 1995 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution) to borrow from time to time in one or more tranches, any sum or sums of money which, together with the moneys already borrowed by the Company (apart from temporary loans obtained / to be obtained from the Bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves provided that the total amount so borrowed shall not at any time exceed ₹ 100 Crores.”



Notice (Contd.)

“RESOLVED FURTHER that the Board be and is hereby authorised to do or cause to be done all such acts, matters, deeds and other things as it may in its absolute discretion deem fit, or considered necessary or incidental thereto, for giving effect to the aforesaid resolution.”

13. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the Ordinary Resolution passed by the members at the Extra Ordinary General Meeting of the Company held on 14th February, 1995 and pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors including any Committee thereof (hereinafter referred to as “the Board”) to lease, mortgage or to create charge, mortgage and/or hypothecate the whole or substantially the whole of the undertaking(s) of the Company, where undertaking (both present and future) shall have the meaning as stated in explanation to Clause (a) of Sub-Section (1) of Section 180 of the Companies Act, 2013, at such time and on such terms and conditions as the Board may deem fit, in the best interest of the affairs of the Company, provided that the total amount for which such charge / mortgage / hypothecations are being created to secure the borrowings shall not at any time exceed ₹ 100 Crores over and above the paid up capital of the Company and its free reserves.”

By Order of the Board

Registered Office:
9, Parsee Church Street
Kolkata - 700 001
26th May, 2014

Ravi Kumar Murarka
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORM MUST REACH THE COMPANY'S REGISTERED OFFICE AT LEAST 48 HOURS PRIOR TO THE TIME OF HOLDING THE MEETING.
2. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE PAID UP CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE PAID UP CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER
3. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
4. Pursuant to Section 91 of the Companies Act, 2013, Register of the Members and the Share Transfer Books of the Company will remain closed from 17th September 2014 to 25th September 2014 (both days inclusive).
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
6. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
7. Members are requested to intimate change in their addresses, if any, to the Registrar and Share Transfer Agent in respect of equity shares held in physical mode and to their Depository Participant(s) in respect of shares held in dematerialised form.
8. Members, who are desirous of receiving communications from the Company over email instead of physical documents, are requested to kindly register their email address with their depository participants, if the shares are held in dematerialised form and with the Registrar and Share Transfer Agent, if the shares are held in physical form.
9. Copies of Annual Report 2014 are being sent by electronic mode only to the members whose email addresses are registered with the Company/ Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2014 will be available on the Company's website, www.sardaplywood.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.
11. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting is furnished and forms a part of the Notice. The Directors have furnished the requisite consents/ declarations for their appointment/re-appointment.
12. The Securities Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form shall submit their PAN details to the Registrar and Share Transfer Agent of the Company.
13. All documents referred in this Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of Annual General Meeting.

Notice (Contd.)

14. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring with them their copy of the Annual Report at the Annual General Meeting.
15. Members/Proxies are requested to bring the attendance slips with them duly filled in and hand over the same at the entrance of the meeting hall. Members/Proxies are also requested to carry photo identity card and to produce the same on demand.
16. Members/Proxies are requested to reach the venue well in advance and to complete registration formalities before the time fixed for start of the meeting.
17. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed in this Annual General Meeting. The Board of Directors of the Company has appointed Shri A. K. Labh, Practicing Company Secretary (FCS-4848) as the Scrutinizer for this purpose.

18. The procedure with respect to e-voting are as follows :

In case of members receiving e-mail:

- a. Log on to the e-voting website www.evotingindia.com
- b. Click on "Shareholders" tab.
- c. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- d. Now Enter your User ID
 - i) For CDSL: 16 digits beneficiary ID,
 - ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. – Sequence number is communicated in the Attendance Slip/Covering Letter.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- h. After entering these details appropriately, click on "SUBMIT" tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- k. Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- l. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- m. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- n. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.



Notice (Contd.)

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer (Email id - scrutinizeraklabh@gmail.com) to verify the same.

In case of members receiving the physical copy:

General Instructions :

Please follow all steps from sl. no. (a) to sl. no. (p) above to cast vote.

1. The voting period begins on Wednesday the 17th September, 2014 at 9.00 A.M. and ends on Friday the 19th September, 2014 at 6.00 P.M. during this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) on Thursday the 14th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to jelpdesk.evoting@cdslindia.com.
3. The Board of Directors of the Company has appointed Shri A. K. Labh, Practicing Company Secretary (FCS-4848) as the Scrutinizer for this purpose.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 6

Shri Sujit Chakravorti is a Non-Executive Independent Director of the Company. He has joined the Board of Directors of the Company in September, 2002. Shri Chakravorti is Chairman of the Audit Committee and member of Remuneration Committee and Shareholder's / Investors' Grievance Committee of the Board of Directors of the Company.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Chakravorti retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Chakravorti being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years i.e., upto 31st March, 2019. A notice has been received from a member proposing Shri Chakravorti as a candidate for the office of Independent Director of the Company.

The resolution seeks the approval of members for the appointment of Shri Chakravorti as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Shri Chakravorti fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Chakravorti as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Chakravorti as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Chakravorti as an Independent Director, for the approval by the members of the Company.

No Director, Key Managerial Personnel or their relatives, except Shri Chakravorti, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No.6 for the approval of the members.

Item No. 7

Shri Ratan Lal Gaggar is a Non-Executive Independent Director of the Company. He has joined the Board of Directors of the Company in June, 1976. Shri Ratan Lal Gaggar is a member of Audit Committee, Remuneration Committee and the Shareholder's / Investors' Grievance Committee of the Board of Directors of the Company.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Gaggar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Gaggar being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years i.e., upto 31st March, 2019. A notice has been received from a member proposing Shri Gaggar as a candidate for the office of Independent Director of the Company.

The resolution seeks the approval of members for the appointment of Shri Gaggar as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Shri Gaggar fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Gaggar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Ratan Lal Gaggar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Ratan Lal Gaggar as an Independent Director, for the approval by the members of the Company.

No Director, Key Managerial Personnel or their relatives, except Shri Gaggar, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

Notice (Contd.)

The Board recommends the resolution set forth in Item No.7 for the approval of the members.

Item No. 8

Shri Naresh Pachisia is a Non-Executive Independent Director of the Company. He has joined the Board of Directors of the Company in September, 2005.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Pachisia retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Pachisia being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years i.e., upto 31st March, 2019. A notice has been received from a member proposing Shri Pachisia as a candidate for the office of Independent Director of the Company.

The resolution seeks the approval of members for the appointment of Shri Pachisia as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Shri Pachisia fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Pachisia as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Pachisia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Pachisia as an Independent Director, for the approval by the members of the Company.

No Director, Key Managerial Personnel or their relatives, except Shri Pachisia, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No.8 for the approval of the members.

Item No. 9

Shri Kali Kumar Chaudhuri is a Non-Executive Independent Director of the Company. He has joined the Board of Directors of the Company in January, 2006. Shri Chaudhuri is Chairman of the Remuneration Committee and member of the Shareholders' / Investors' Grievance Committee of the Board of Directors of the Company.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Chaudhuri retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Chaudhuri being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years i.e., upto 31st March, 2019. A notice has been received from a member proposing Shri Chaudhuri as a candidate for the office of Independent Director of the Company.

The resolution seeks the approval of members for the appointment of Shri Chaudhuri as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Shri Chaudhuri fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Chaudhuri as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Chaudhuri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Chaudhuri as an Independent Director, for the approval by the members of the Company.

No Director, Key Managerial Personnel or their relatives, except Shri Chaudhuri, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No.9 for the approval of the members.

Item No. 10

Shri Probir Roy is a Non-Executive Independent Director of the Company. He has joined the Board of Directors of the Company in May, 2011. Shri Roy is member of Audit Committee of the Board of Directors of the Company.

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Roy retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and any other applicable provisions, if any, of the Companies Act, 2013, Shri Roy being eligible and seeking re-appointment, is proposed to be appointed as an Independent Director for a term of five consecutive years i.e., upto 31st March, 2019. A notice has been received from a member proposing Shri Roy as a candidate for the office of Independent Director of the Company.

The resolution seeks the approval of members for the appointment of Shri Roy as an Independent Director of the Company up to March 31, 2019 pursuant to Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and the Rule made thereunder. He is not liable to retire by rotation.

In the opinion of the Board, Shri Roy fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Roy as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered



Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Roy as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Roy as an Independent Director, for the approval by the members of the Company.

No Director, Key Managerial Personnel or their relatives, except Shri Roy, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

The Board recommends the resolution set forth in Item No.10 for the approval of the members.

Item No. 11

The Board of Directors have re-appointed Shri Sudeep Chitlangia as Managing Director of the Company for the period from 1st April 2014 to 31st March 2017 on the remuneration and other terms and conditions as contained in the resolution. The payment of remuneration, as per details given in the resolution, to Shri Sudeep Chitlangia has also been approved by the Remuneration Committee of the Company.

Shri Sudeep Chitlangia is working with the Company since last 26 years and is having valuable experience in plywood and tea businesses. Your Directors are of the opinion that his continued association with the Company and his rich experience will be beneficial to the Company. The Resolution set out in Item No. 11 of the Notice convening the meeting has to be considered accordingly and the Board recommends the same.

The resolution seeks approval of the members in terms of Sections 196 and 197 read with Schedule – V and other applicable provisions, if any, of the Companies Act, 2013, and Rules made thereunder for the appointment of Shri Sudeep Chitlangia as a Managing Director for a period of three years commencing from 1st April, 2014.

No Director, Key Managerial Personnel or their relatives, except Shri Sudeep Chitlangia, to whom the resolution relates, is interested or concerned, financially or otherwise, in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No.12 & 13

The members of the Company at their Extra Ordinary General Meeting held on February 14, 1995 had approved by way of an Ordinary Resolution under Section 293(1)(d) read with Section 293 (1)(a) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of 100 Crores (Rupees One Hundred crores) and for creation of mortgages/charge/hypothecation on all assets of the Company in favour of lenders upto a limit of 100 crores (Rupees One Hundred crores).

Section 180 of the Companies Act, 2013 effective from September 12, 2013 requires that consent of the company accorded by way of a special resolution is required to borrow money in excess of the company's paid up share capital and free reserves.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) read with Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as set out at Item No. 12 & 13 of the Notice. The Board recommends these resolutions for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 12 and 13.

By Order of the Board

Registered Office:

9, Parsee Church Street

Kolkata - 700 001

26th May, 2014

Ravi Kumar Murarka

Company Secretary

Details of Directors Seeking appointment/ Re-appointment at the Annual General Meeting							
Particulars	Shri Sudeep Chitlangia	Shri Sujit Chakravorti	Shri Kali Kumar Chaudhuri	Shri Ratan Lal Gagar	Shri Naresh Paschisia	Shri. Probir Roy	Shri Sohan Lal Yadav
Date of Birth	14.05.1966	13.09.1943	18.09.1945	01.12.1932	26.09.1962	19.04.1944	04.12.1947
Qualification	B.Com	M.Com., F.C.A., F.I.C.W.A., F.I.C.A.	M.Sc. Phd.	B.A(Hon's) LLB	B.Com., C.F.P.	M.Sc., MBA	I.A.
Experience	26	43	51	58	32	43	49
Directorship held in other Companies	a. Aishani Infotech Pvt. Ltd b. Girish Rolled Products & Alloys Ltd c. Quick Electronics & Engineering Company Ltd d. Chipperi Farm Pvt. Ltd	a. WEBFIL Ltd b. Parcon (India) Pvt. Ltd c. Deepak Industries Ltd d. The Infusion (India) Ltd e. Durgapur Chemicals Ltd f. Durgapur Projects Ltd	Manaksia Ltd	a. Somany Ceramics Ltd b. TIL Ltd c. The Peria Karamalai Tea & Produce Co Ltd d. Paharpur Cooling Towers Ltd e. International Combustion (India) Ltd f. SPML Infra Ltd g. Machine Plastics Ltd h. Sumedha Fiscals Services Ltd i. Machine Polymer Ltd j. Shree Cement Ltd k. Subhas Kabini Power Corporation Ltd	a. SKP Securities Ltd b. SKP Commodities Ltd c. SKP Insurance Brokers & Advisors Pvt. Ltd d. Murlidhar Ratanlal Exports Ltd e. Linc Pen & Plastics Ltd f. Mallcom (India) Ltd g. Gillanders Arbuthnot & Co. Ltd h. Electrosteel Steels Ltd i. Orbit Regency Maintenance Co. Pvt. Ltd j. Diana Tea Co. Ltd	a. East India Pharmaceutical Works Ltd b. Keventor Agro Ltd c. Shalimar Wires Ltd	Nil
Memberships/ Chairmanships of Committees of other Companies	Nil	a. WEBFIL Ltd. – Audit Committee b. Deepak Industries Ltd. – Audit Committee & Shareholder's Grievance Committee c. Durgapur Chemicals Ltd. – Audit Committee d. Durgapur Projects Ltd. – Audit Committee	Manaksia Ltd. – Audit Committee – Remuneration & Selection Committee.	a. Somany Ceramics Ltd. – Audit Committee – Shareholders/Investors / Grievance Committee. – Remuneration Committee. b. TIL Ltd. – – Audit Committee – Share Transfer Committee. – Remuneration Committee. c. Shree Cement Ltd. – Audit Committee – Shareholders/Investors / Grievance Committee. – Remuneration Committee. d. Selection Committee e. Palahpur Cooling Towers Ltd. – Audit Committee f. International Combustion (India) Ltd. – Audit Committee – Remuneration Committee.	a. SKP Securities Ltd. – Audit Committee – Shareholders/ Investors/ Grievance Committee. – Remuneration Committee. b. Linc Pen & Plastics Ltd c. Diana Tea Company Ltd – Audit Committee – Share Transfer Committee. d. Electrosteel Steel Ltd. – Audit Committee – Share Transfer & Investor Grievance Committee. – Remuneration Committee. e. Gillanders Arbuthnot & Co. Ltd. – Audit Committee	Nil	Nil
Number of Shares held in the Company	358350	Nil	Nil	Nil	Nil	Nil	Nil



Directors' Report to the Members

Your Directors have pleasure in submitting their 57th Annual Report together with the Audited Accounts for the year ended 31st March 2014.

	(₹ in lacs)	
FINANCIAL RESULTS	Year ended 31.03.2014	Year ended 31.03.2013
Gross Loss	874.90	114.16
Add : Depreciation and amortization expenses	161.53	157.14
Loss before Taxation	1036.43	271.30
Add : Provision for deferred tax	(390.13)	(84.44)
Add : Taxation for earlier years	1.03	0.03
Net Loss	647.33	186.89

OPERATIONS

During the year under review, the Company has achieved a gross turnover of ₹ 200.58 Crores as against ₹204.07 Crores in the preceding financial year, a decrease of 2% and has incurred a net loss of ₹ 7.17 Crores as against a net loss of ₹1.87 Crores in the preceding year.

Due to constant stagnation of Indian market, more elaborately, poor performance of real estate industry along with steady fall of Indian Currency against Dollar price over the globe during the year 2013-14 resulting into lower than expected growth in the demand for the Company's products. Higher inputs costs and higher rate of interest gravely affects the profitability of the Plywood and Tea Divisions of the Company. Random change in climatic conditions and non availability of sufficient green leaf causes to lower production in the Tea Division.

DIVIDEND

In view of loss incurred by the Company, the Directors regret their inability to recommend any dividend for the year ended 31st March 2014.

DIRECTORS

Shri Sudeep Chitlangia and Shri Sohan Lal Yadav retire by rotation and being eligible, offer themselves for re-appointment.

The Companies Act, 2013 provides of appointment of Independent Directors. Sub-section (10) of Section 149 of the Companies Act, 2013 (effective from April 1, 2014) provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company.

Sub-section (11) states that no Independent Director shall be eligible for more than two consecutive terms of five years. Sub-section (13) states that the provisions of retirement by rotation as defined in Sub-section (6) and (7) of Section 152 of the Act shall not apply to such Independent Directors.

Shri Sujit Chakravorti, Dr. Kali Kumar Chaudhuri, Shri Ratan Lal Gaggar, Shri Naresh Pachisia and Shri Probir Roy, Directors of the Company, are being appointed as Independent Directors for five consecutive years upto 31st March 2019 as per provisions of Section 149 and other applicable provisions, if any, of the Companies Act, 2013.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

The particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are set out in Annexure-I forming part of this Report.

Directors' Report (Contd.)

EMPLOYEES

No employee of the Company is covered under Section 217(2A) of the Companies Act, 1956.

CORPORATE GOVERNANCE

A Management Discussion and Analysis Report and a Report on Corporate Governance along with the certificate of the Auditors, Messrs G.P. Agrawal & Co., confirming compliance of the conditions of corporate governance, as stipulated under Clause 49 of the Listing Agreement are annexed.

STOCK EXCHANGE LISTING

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company confirms payment of listing fee to the Bombay Stock Exchange Limited for the year 2014-2015.

AUDITORS

Messrs G.P. Agrawal & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment for a term of three years from conclusion of this Annual General Meeting to conclusion of the fourth Annual General Meeting of the Company.

Messrs Grover Dinesh & Associates, Chartered Accountants, Branch Auditors for Delhi Branch of the Company, retire at the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' responsibility statement, it is hereby confirmed:

- (i) That in the preparation of the accounts for the year ended 31st March 2014, the applicable accounting standards have been followed;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (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, 1956 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 2014 on a 'going concern' basis.

ACKNOWLEDGEMENT

Your Directors record their appreciation for the assistance and continued support extended to the Company by the Financial Institutions, Banks, Customers, Suppliers, various Government authorities and shareholders. Your Directors also place on record their appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director

SUDEEP CHITLANGIA
Managing Director

Registered Office:
9, Parsee Church Street,
Kolkata – 700001
Dated: 26th May 2014

ANNEXURE - I TO DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 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 operations is enclosed.

(B) TECHNOLOGY ABSORPTION

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

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

- (d) **Efforts:** The Company has not exported any of its products during the year.
- (e) **Earnings and Outgo :** (₹ in Lacs)
- | | | |
|------|--|---------|
| (i) | Foreign exchange earnings | NIL |
| (ii) | Foreign exchange outgo (imports and other expenditure in foreign currency) | 6464.73 |

FORM - A

(See rule 2)

(For Bought Leaf Tea Processing Factory)

Disclosure of particulars with respect to conservation of energy

A. POWER AND FUEL CONSUMPTION		<u>2013-2014</u>	<u>2012-2013</u>
1. Electricity			
(a) Purchased			
Unit	Kwh	324840	509360
Total amount	₹	3560868	4583758
Rate/unit	₹/Kwh	10.96	9.00
(b) Own generation			
(i) (Through gas generator)			
Unit	Kwh	1101380	1047400
Unit per SCUM of natural gas	Kwh/SCUM	2.24	2.29
Cost/unit	₹/Kwh	5.86	4.71
(ii) (Through Diesel Generator)			
Unit	Kwh	12890	Nil
Unit per Litre of Diesel Oil	Kwh/ltr.	2.79	Nil
Cost/unit	₹/Kwh	19.14	Nil
2. Natural Gas			
Quantity	SCUM	766497	947451
Total cost	₹	9576414	9533462
Rate	₹/SCUM	12.49	10.06

Directors' Report (Contd.)**B. CONSUMPTION PER UNIT OF PRODUCTION**

Electricity	Kwh/Kg.	0.77	0.78
Natural Gas	SCUM/Kg.	0.41	0.47

FORM - B

(See rule 2)

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 and cost optimization.
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 five years : Nil

Registered Office:
9, Parsee Church Street,
Kolkata – 700001
Dated: 26th May 2014

For and on behalf of the Board
SUJIT CHAKRAVORTI
Director

SUDEEP CHITLANGIA
Managing Director



Management Discussion and Analysis Report

Sarda Plywood Industries Limited is one of the oldest Plywood manufacturers in India. 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. Its 'DURO' range of products has strong predominance in the market for its supreme quality and command premium in the market. The Company also owns a bought leaf CTC tea processing factory in Assam.

Plywood

During the year 2013-14, segment revenue increased from ₹ 158.41 crore to ₹ 162.20 crore. The Company has incurred segment loss of ₹1.90 Crore as against segment profit before tax and interest of ₹ 1.10 Crore in the preceding financial year.

The Plywood Industry has been severely hit by the slump in the real estate sector, which is a significant source of demand for plywood. The industry is also having a hard time holding its own against cheap imports from China. Moreover, high input cost due to depreciation of Indian Currency against the US Dollar affects the profitability of the Company during the year under reference.

However, sign of growth and development is expected with a stable Government at Centre and its emphasis on infrastructure development, falling inflation and interest rates is expected to provide momentum to growth in the Indian economy.

The Company is trying hard to achieve its desired growth level in the coming years as the demands for branded products will continue to grow at a healthy rate.

But higher import costs as timber import from Burma (Myanmar) has been stopped with effect from 1st April, 2014 and forex volatility with rising input and other costs continue to be matter of concerns. The management is taking all rationale steps for alleviating such risk.

Tea

During the year under review, Tea Division of your Company, has incurred loss due to unavailability of green leaves. Segment revenue during the year was decreased from ₹ 20.67 crore as against of ₹ 25.83 crore in the preceding year. Segment loss before tax and interest is ₹ 0.12 crore as against Profit before tax and Interest of ₹1.58 crore in the preceding financial year.

Random change in climatic condition and lower availability and excessive value of raw materials are the primary matter of concern. However, overall outlook of the tea industry looks positive in the near future.

Internal control systems and their adequacy

The Company maintains adequate internal control systems, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets.

The internal audit function has been done by professionally qualified Chartered Accountants who reviews the quality of planning and execution of all contracts to ensure that management controls are adequate.

The Company has Audit Committee, which reviews internal reports and provides suggestions for improvement. The Committee also meets the Company's Statutory Auditors frequently to ascertain, inter-alia, their views on the adequacy of Internal Control Systems in the Company and keeps Board of Directors informed time to time.

Financial Performance

During the year under review, the gross turnover of the Company has marginally decreased from ₹ 204.07 Crore to ₹ 200.57 Crore during the preceding financial year registering a de-growth of 2%. The Company has incurred a net loss of ₹ 6.47 Crore as against a net loss of ₹ 1.87 Crore in the preceding year. In view of loss incurred by the Company, the Board of Directors did not recommend any dividend.

Human Resources

The Company recognizes human capital's importance to pursue organizational goals and objectives. Key areas of focus of the Company's human resource management initiatives includes: employee development and training, health and safety, fair treatment and opportunity, talent management. The management and the employees are dedicated to achieve the mission corporate object and goals for the organization. The Company continues to maintain harmonious and cordial relationship with its employees. The total manpower strength as on 31st March 2014 was 961.

CAUTIONARY STATEMENT

Statement in the "Management Discussion and Analysis" section describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, feedstock availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and other factors such as any litigation and/or labour negotiations.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's Governance philosophy 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
- Five Non-Executive Independent Directors
- One Executive Director

None of the Directors are related to any other Director of the Company.

b) Board Meetings held during the year ended 31st March 2014

During the year under review four Board Meetings were held on 29th May 2013, 13th August 2013, 11th November 2013 and 11th February 2014.

c) Attendance at Board Meetings and at the last AGM

Name of Director	Category of Directorship	Number of Board Meetings		Attendance at last AGM
		Held	Attended	
Dr. Kali Kumar Chaudhuri	Non-Executive & Independent	4	4	Yes
Shri Sujit Chakravorti	Non-Executive & Independent	4	4	Yes
Shri Sudeep Chitlangia	Managing Director	4	4	Yes
Shri Ratan Lal Gaggar	Non-Executive & Independent	4	3	Yes
Shri Naresh Pachisia	Non-Executive & Independent	4	None	No
Shri Probir Roy	Non-Executive & Independent	4	4	Yes
Shri Sohan Lal Yadav	Wholtime Director	4	2	No

d) Number of other Directorships or Board Committees of which Director is a Member / Chairman

Name	No. of Directorship(s) in other Public Limited Companies	No. of Membership(s) in other Board Committees #	No. of Chairmanship(s) in other Board Committees #
Dr. Kali Kumar Chaudhuri	1	1	None
Shri Sujit Chakravorti	5	5	3
Shri Sudeep Chitlangia	2	None	None
Shri Ratan Lal Gaggar	11	7	None
Shri Naresh Pachisia	8	7	1
Shri Probir Roy	3	None	None
Shri Sohan Lal Yadav	None	None	None

Only membership of Audit Committee and Shareholders Grievance Committee have been considered while calculating the number of membership / chairmanship in other Board Committees.

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.

Report on Corporate Governance (Contd.)

b) Audit Committee Meetings held during the year ended 31st March 2014

During the year under review, four Audit Committee Meetings were held on 29th May 2013, 13th August 2013, 11th November 2013 and 11th February 2014.

c) Attendance at the Audit Committee Meetings

Name of Director	No. of Meetings held	No. of Meetings attended
Shri Sujit Chakravorti	4	4
Shri Ratan Lal Gaggar	4	3
Shri Probir Roy	4	4

Terms of Reference

The terms of reference of Audit Committee are as laid out in Clause 49 of Listing Agreement.

4. REMUNERATION COMMITTEE

a) Composition of the Committee

The 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) Remuneration Committee Meeting held during the year ended 31st March 2014

During the year under review, one Remuneration Committee Meeting was held on 10th January 2014.

c) Attendance at the 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

Terms of Reference:

The terms of reference of Remuneration Committee are to recommend/review the remuneration package of the Managing/Whole-time Directors, based on performance.

Details of remuneration to Directors

Name	Salary & Perks ₹	Sitting Fees ₹	Total ₹
Dr. Kali Kumar Chaudhuri	-	48500	48500
Shri Sujit Chakravorti	-	76000	76000
Shri Sudeep Chitlangia	2985288	-	2985288
Shri Ratan Lal Gaggar	-	61000	61000
Shri Sohan Lal Yadav	2941290	-	2941290
Shri Naresh Pachisia	-	-	-
Shri Probir Roy	-	70000	70000

Notes:

- (a)
 - (i) Appointment of Shri Sudeep Chitlangia is for the period 1st April 2014 to 31st March 2017.
 - (ii) Appointment of Shri Sohan Lal Yadav is for the period 1st April 2012 to 31st March 2015.
- (b) The Company does not have any scheme for grant of stock options to its Directors or employees.
- (c) The Company does not pay any commission or performance linked incentives to any of its Directors.

Shareholding of Non-Executive Directors

None of the Non-Executive Directors hold any shares in the Company.

Report on Corporate Governance (Contd.)

5. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

a) Composition of the Committee

The Shareholders' / Investors' Grievance 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) Shareholders' / Investors' Grievance Committee Meetings held during the year ended 31st March 2014

During the year under review, one Shareholders' / Investors' Grievance Committee Meeting was held on 14th March 2014.

c) Attendance at the Shareholders'/Invertors' Grievance Committee Meeting

Name of Director	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	1	1
Shri Sudeep Chitlangia	1	1
Shri Ratan Lal Gaggar	1	1

Compliance Officer

Shri Ravi Kumar Murarka, Company Secretary is the Compliance Officer with effect from 1st April 2014. Shri B.L. Mundhra, Chief Financial Officer & Company Secretary was the Compliance Officer upto 31st March 2014.

Shareholders' Complaints

During the year ended 31st March 2014, the Company received two complaints and it was replied/resolved to the satisfaction of the shareholder. 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
2010-2011	The Far Pavilion, Tollygunge Club Limited , 120, Deshapran Sasmal Road, Kolkata - 700 033	23.09.2011	11.00 A.M.	Nil
2011-2012	-do-	28.09.2012	11.00 A.M.	One
2012-2013	-do-	27.09.2013	11.00 A.M.	None

Notes:

- No special resolution was passed through postal ballot during the year 2013-14.
- No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

7. DISCLOSURES

- The Company has entered into a few transactions with the related parties, the details whereof have been given in notes to the accounts and which have been reviewed by the Audit Committee of the Company. However, these are not prejudicial to the interest of the Company.
- There were no instances of non-compliance nor have any penalties or strictures been imposed by any Stock Exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- The Company has not adopted any whistle blower policy. No personnel were denied access to the Audit Committee.

Report on Corporate Governance (Contd.)

- d) Management Discussion & Analysis, which has been reviewed by the Audit Committee of the Company, is a part of the Annual Report.
- e) The Board has adopted a code of conduct for Directors and Senior Management of the Company and the same has been posted on the Company's website. The declaration signed by the Managing Director to the effect that all Board members and Senior Management personnel have affirmed compliance with the code forms part of the Annual Report.
- f) The Managing Director and the Chief Financial Officer have submitted a certificate to the Board of Directors of the Company in connection with the matters specified in sub-clause V of clause 49 of the Listing Agreement.
- g) The Company has fulfilled the following non mandatory requirements as prescribed in Annexure 1D of Clause 49 of the Listing Agreement :
 - i) The Company has set up a Remuneration Committee, details whereof have been given in para 4 of this report.
 - ii) Financial statements of the Company are unqualified.

8. MEANS OF COMMUNICATION

- a) Quarterly results are normally published in the Financial Express in English and Kalantar/News Bangla in Bengali.
- b) Latest quarterly financial results are displayed on its website www.sardaplywood.in.
- c) No presentations were made to institutional investors or analysts.

9. GENERAL SHAREHOLDER INFORMATION

- I. Annual General Meeting
 - Date and Time : 25th September 2014 at 11.00 A.M.
 - Venue : The Far Pavilion, Tollygunge Club Limited
120, Deshapran Sasmal Road, Kolkata- 700033
- II. Financial Calendar for the year 2014-2015
 - Results for the first quarter - Second week of August
 - Results for the second quarter - Second week of November
 - Results for the third quarter - Second week of February
 - Annual Audited Results - Last week of May
- III. Book Closure Date : 17th September 2014 to 25th September 2014 (both days inclusive).
- IV. Dividend Payment Date : Not Applicable
- V. Listing on Stock Exchanges : Bombay Stock Exchange Ltd.
- VI. Scrip Code : 516003
- VII. Market Price Data

Month	Stock Prices on BSE		SENSEX	
	High	Low	High	Low
April 2013	17.20	14.10	19622.68	18144.22
May 2013	21.90	15.75	20443.62	19451.26
June 2013	26.00	21.70	19860.19	18467.16
July 2013	25.80	25.80	20351.06	19126.82
August 2013	24.55	22.20	19569.20	17448.71
September 2013	23.00	21.90	20739.69	18166.17
October 2013	20.85	18.00	21205.44	19264.72
November 2013	18.90	16.00	21321.53	20137.67
December 2013	17.20	14.20	21483.74	20568.70
January 2014	19.50	14.55	21409.66	20343.78
February 2014	18.35	14.55	21140.51	19963.12
March 2014	14.69	12.98	22467.21	20920.98

Report on Corporate Governance (Contd.)

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, 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 Shareholders'/Investors' Grievance Committee.

IX. Distribution of Shareholding as on 31st March 2014

No. of shares of ₹10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6519	95.73	842129	18.64
501-1000	164	2.41	127649	2.83
1001-5000	88	1.29	181026	4.01
5001-10000	12	0.18	86464	1.91
10001-100000	20	0.29	980896	21.71
100001 & above	7	0.10	2299721	50.90
TOTAL	6810	100.00	4517885	100.00

X. Categories of Shareholding as on 31st March 2014

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	2131301	47.18
Banks and Mutual Funds	10900	0.24
Bodies Corporates	578003	12.79
Individuals	1797681	39.79
Total	4517885	100.00

- XI. Dematerialisation of shares and liquidity : The Company's shares are available for dematerialisation with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31st March 2014, 78.89% 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
Shapur - 360002, Veraval
Dist. Rajkot, Gujarat
(Under License Agreement)



Report on Corporate Governance (Contd.)

- XIV. Address for Correspondence : Maheshwari Datamatics Pvt. Ltd.
6 Mangoe Lane, Kolkata – 700001
Phone: (033) 2243 5029/2243 5809
Fax : (033) 2248 4787
E-mail: mdpl@cal.vsnl.net.in
- XV. E-mail id for investor grievances : investors@sardaplywood.com

For and on behalf of the Board

SUJIT CHAKRAVORTI
Director

SUDEEP CHITLANGIA
Managing Director

Registered Office:
9, Parsee Church Street,
Kolkata – 700001
Dated: 26th May 2014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF SARDA PLYWOOD INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Sarda Plywood Industries Limited for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained, there were no investor's grievances remaining unattended/pending for more than 30 days as at 31st March, 2014 except those under litigation, disputes or court orders.

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

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

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 26th May 2014

CA. AJAY AGRAWAL
(Membership No. 17643)
Partner

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 2014.

Kolkata
26th May 2014

[SUDEEP CHITLANGIA]
Managing Director

Independent Auditor's Report To The Members

Report on the financial statements

We have audited the attached Balance Sheet of SARDA PLYWOOD INDUSTRIES LIMITED as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date (in which are incorporated the accounts of Company's branch at Delhi audited by other Auditors) and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For G.P. AGRAWAL & CO.

Chartered Accountants

F.R. No. 302082E

(CA. AJAY AGRAWAL)

Partner

Membership No.17643

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 26th May 2014

Independent Auditor's Report (Contd.)

ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in our report of even date to the members of SARDA PLYWOOD INDUSTRIES LIMITED on the financial statements for the year ended 31st March, 2014.

- (i)
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of its fixed assets.
 - b) The fixed assets have been physically verified by the Management during the year. To the best of our knowledge, no material discrepancies were noticed on such verification.
 - c) The Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- (ii)
 - a) The inventories (excluding stocks with third parties) have been physically verified during the year by the Management at reasonable intervals. In respect of inventories lying with third parties confirmation has been obtained from them.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) On the basis of our examination, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii)
 - a) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - b) As the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in register maintained under section 301 of the Act, clauses (iii)(b) to (iii)(d) of paragraph 4 of the said order are not applicable to the Company.
 - c) The Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of Act.
 - d) As the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act, clauses (iii)(f) to (iii)(g) of paragraph 4 of the said order are not applicable to the Company.
- (iv) On the basis of information and explanation given to us, we are of the opinion that the Company has an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanation given to us, we have neither come across nor have we been informed of any instances of major weaknesses in the aforesaid internal control systems.
- v)
 - a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section 301.
 - b) In our opinion and according to information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit within the meaning of section 58A, 58AA or any other relevant provisions of the Act and the Rules framed thereunder.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size of Company and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government, the maintenance of cost records has been prescribed under section 209(1)(d) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We, however, as not required, have not made a detailed examination of such records.
- (ix)
 - a) According to the records, the Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Wealth Tax, Service Tax, Sales Tax, Custom Duty, Excise Duty, Cess and other statutory dues with appropriate authorities. According to the information and explanations given to us, no undisputed

Independent Auditor's Report (Contd.)

amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.

- b) The disputed statutory dues aggregating to ₹ 668.68 lacs that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relate	Forum where the dispute is pending
1.	Delhi Sales Tax Act, 1975	Sales Tax	77,86,548	1990-91	Addl. Commissioner of Sales Tax
2.	Central Sales Tax Act, 1956	Sales Tax	47,51,800	1990-91	Addl. Commissioner of Sales Tax
3.	Central Sales Tax Act, 1956	Sales Tax	45,07,370	2008-09	Chairman Board of revenue (Govt. of Assam)
4.	Central Sales Tax Act, 1956	Sales Tax	11,25,516	2009-10	Chairman Board of revenue (Govt. of Assam)
5.	Income Tax Act, 1961	Income Tax	87,429	1985-86	Income Tax Appellate Tribunal
6.	Central Excise Act, 1944	Excise Duty	4,86,09,103	April' 10 to Dec' 13	Asst. Commissioner of Central Excise.
	TOTAL		6,68,67,766		

- (x) The Company does not have accumulated losses but has incurred cash loss during the year covered by our audit and in the immediate preceding financial year.
- (xi) The Company has not defaulted in payment of dues to a financial institution or bank. Debentures have not been issued by the Company.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and similar securities.
- (xiii) The provisions of any special statue applicable to Chit Fund, Nidhi or Mutual Benefit Society are not applicable to this Company.
- (xiv) The Company is not dealing or trading in shares, securities, debentures or other investments. However, the investments made by the Company in shares and other securities have been held by the Company in its own name.
- (xv) According to the records of the Company and the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) On the basis of our examination and according to the information and explanation given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on the short term basis have not been used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The Company has not issued any secured debentures.
- (xx) The Company has not raised any moneys by public issue during the period covered by our audit report.
- (xxi) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements materially misstated.

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

(CA. AJAY AGRAWAL)
Partner
Membership No. 17643

7A, Kiran Shankar Ray Road
Kolkata - 700 001
The 26th May 2014



BALANCE SHEET as at 31st March, 2014

Particulars	Note No.	₹	As at 31.03.2014 ₹	₹	As at 31.03.2013 ₹
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	45,206,975		45,206,975	
(b) Reserves and surplus	3	156,334,423	201,541,398	220,278,660	265,485,635
(2) Non - current liabilities					
(a) Long - term borrowings	4	48,492,396		72,813,023	
(b) Long - term provisions	5	5,355,415	53,847,811	4,157,904	76,970,927
(3) Current liabilities					
(a) Short - term borrowings	6	436,245,226		332,147,759	
(b) Trade payables		461,829,020		521,632,605	
(c) Other current liabilities	7	67,434,905		53,755,600	
(d) Short - term provisions	8	605,068	966,114,219	1,197,200	908,733,164
TOTAL			1,221,503,428		1,251,189,726
II. ASSETS					
(1) Non - current assets					
(a) Fixed assets					
(i) Tangible assets	9	144,778,476		149,810,020	
(ii) Intangible assets		3,650,178		4,566,301	
(iii) Capital work-in-progress		996,315		2,641,780	
		149,424,969		157,018,101	
(b) Non - current investments	10	80,661,228		80,730,353	
(c) Deferred Tax Assets (Net)	11	68,175,035		29,161,321	
(d) Long - term loans and advances	12	8,219,165		7,883,248	
(e) Other non - current assets	13	60,000	306,540,397	10,000	274,803,023
(2) Current assets					
(a) Inventories	14	550,275,590		584,883,184	
(b) Trade receivables	15	272,391,438		300,548,949	
(c) Cash and bank balances	16	20,871,492		21,282,377	
(d) Short - term loans and advances	17	69,116,662		67,036,186	
(e) Other current assets	18	2,307,849	914,963,031	2,636,007	976,386,703
TOTAL			1,221,503,428		1,251,189,726
Significant accounting policies	1				
Other Disclosures	28				

The accompanying notes 1 to 28 are an integral part of the Financial Statements.
As per our report of even date attached.

On behalf of the Board

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

SUJIT CHAKRAVORTI
Director

CA. AJAY AGRAWAL
(Membership No.17643)
Partner

RAVI KUMAR MURARKA
Company Secretary

SUDEEP CHITLANGIA
Managing Director

Kolkata : 26th May 2014

STATEMENT OF PROFIT AND LOSS for the year ended 31st March, 2014

	Note No.	Year ended 31.03.2014 ₹	Year ended 31.03.2013 ₹
I. Revenue from operations			
Sale of goods (Gross)	19	2,005,767,696	2,040,701,015
Less: Excise duty (Inclusive of Tea Cess)		<u>172,746,668</u>	<u>168,466,939</u>
Net sale of goods		1,833,021,028	1,872,234,076
Other operating income	20	<u>390,305</u>	<u>3,601,145</u>
Total revenue from operations		1,833,411,333	1,875,835,221
II. Other income	21	558,978	3,291,815
III. Total revenue (I+II)		<u>1,833,970,311</u>	<u>1,879,127,036</u>
IV. Expenses			
Cost of materials consumed	22	1,124,932,024	1,139,687,653
Purchases of stock-in-trade	23	57,721,700	119,844,878
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,300,711)	(42,120,848)
Employee benefits expense	25	156,989,706	146,082,246
Finance costs	26	66,687,560	52,229,979
Depreciation and amortization expense		16,152,884	15,714,205
Other expenses	27	516,430,197	474,818,487
Total expenses		<u>1,937,613,360</u>	<u>1,906,256,600</u>
V. Profit/ (loss) before tax (III - IV)		(103,643,049)	(27,129,564)
VI. Tax expense			
Deferred tax		(39,013,714)	(8,443,589)
Income tax for earlier years		<u>103,059</u>	<u>3,350</u>
VII.Profit/ (Loss) for the year (V - VI)		<u>(64,732,394)</u>	<u>(18,689,325)</u>
Earnings per equity share of ₹ 10/- each (Refer Note No. 28.5)			
Basic		(14.33)	(4.30)
Diluted		(14.33)	(4.14)
Significant accounting policies	1		
Other Disclosures	28		

The accompanying notes 1 to 28 are an integral part of the Financial Statements.
As per our report of even date attached.

On behalf of the Board

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

SUJIT CHAKRAVORTI
Director

CA. AJAY AGRAWAL
(Membership No.17643)
Partner

SUDEEP CHITLANGIA
Managing Director

Kolkata : 26th May 2014

RAVI KUMAR MURARKA
Company Secretary


CASH FLOW STATEMENT for the year ended 31st March, 2014

	Year ended 31.03.2014	Year ended 31.03.2013
A. Cash Flow from Operating Activities	₹	₹
Net Profit/(Loss) before tax	(103,643,049)	(27,129,564)
Adjustments for:		
Depreciation and Amortisation expenses	16,152,884	15,714,205
(Profit)/Loss on Sale of Tangible Fixed Assets	439,274	(2,397,420)
Loss on Sale of Non Current Investments	-	35,935
Provision for diminution in value of Investments	69,125	(52,500)
Interest Income	(247,368)	(268,583)
Finance Costs	66,687,560	52,229,979
Dividend Income	(70,799)	(59,768)
Operating Profit/(Loss) before Working Capital Changes	(20,612,373)	38,072,284
Increase/(Decrease) in Long Term Provisions	1,197,511	(82,949)
Increase/(Decrease) in Short Term Provisions	(592,132)	(60,777)
Increase/(Decrease) in Other Current Liabilities	8,557,214	4,073,794
Increase/(Decrease) in Trade Payables	(59,803,585)	46,923,633
Decrease/(Increase) in Long Term Loans & Advances	(335,917)	(1,259,750)
Decrease/(Increase) in Short Term Loans & Advances	(2,139,446)	7,370,512
Decrease/(Increase) in Non Current Assets	(50,000)	50,000
Decrease/(Increase) in Other Current Assets	681,205	(269,335)
Decrease/(Increase) in Inventories	34,607,594	(113,041,736)
Decrease/(Increase) in Trade Receivables	28,157,511	(46,427,761)
Cash generated from Operating activities	(10,332,418)	(64,652,085)
Direct Taxes Paid / Refund	(44,088)	(63,299)
Net Cash Flow from/(used in) Operating Activities	(10,376,506)	(64,715,384)
B. Cash Flow from Investing Activities		
Additions to Tangible Fixed Assets	(9,393,650)	(15,976,572)
Additions to Intangible Fixed Assets	(470,510)	(773,374)
Sale of Tangible Fixed Assets	653,291	4,001,377
Sale of Long Term Investments	-	4,850,000
Capital Subsidy	1,000,000	475,649
Interest Income	134,289	226,861
Dividend Income	70,799	59,768
Net Cash flow from/(used in) Investing activities	(8,005,781)	(7,136,291)
C. Cash Flow from Financing Activities		
Proceeds from Equity Shares	-	5,832,000
Proceeds from Working Capital Loan	3,346,176	68,315,902
Repayment of Buyers Credit	42,251,291	(28,084,971)
Proceeds from Other Short Term Borrowings	58,500,000	49,500,000
Proceeds from Term Loan	774,000	53,177,000
Repayment of Term Loan	(19,972,537)	(13,877,892)
Interest Expenses	(63,569,606)	(50,154,968)
Other Borrowing Costs	(3,117,954)	(2,075,011)
Net Cash Flow from/(Used in) Financing Activities	18,211,370	82,632,060
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(170,917)	10,780,385
Opening Cash and Cash Equivalents	21,042,409	10,262,024
Closing Cash and Cash Equivalents as per Note No. 16	20,871,492	21,042,409

- Note:** 1) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on Cash Flow Statement notified in the Companies (Accounting Standards) Rules, 2006.
2) Figures in brackets represent cash outflow.
3) Cash equivalents does not include any amount which is not available for use.

As per our report of even date attached.

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

CA. AJAY AGRAWAL
(Membership No.17643)
Partner
Kolkata : 26th May 2014

RAVI KUMAR MURARKA
Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI
Director

SUDEEP CHITLANGIA
Managing Director

Notes to accounts

Note No. 1

Significant accounting policies

1. (a) The accounts of the Company have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 1956.
- (b) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT .
- (c) Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.
- (d) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
- (e) All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.
2. (a) Fixed assets have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation. Wherever these assets have been revalued, the amounts stated are inclusive of enhanced value on account of revaluation.
- (b) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under "Capital Work-in-Progress". Capital Work-in-Progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.
- (c) Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.
3. Depreciation on Fixed Assets has been provided for on straight line method as per the rates prescribed in Schedule XIV to the Companies Act, 1956 as amended. Computer Software (Acquired) are amortised over a period of five years. Amortisation is done on straight line basis.
4. Inventories are valued at lower of cost or net realisable value. The cost of inventories is computed on weighted average/FIFO basis. The cost of Finished Goods includes cost of conversion and cost incurred in bringing the inventories to their present location and condition.
5. Long term investments have been stated at cost less provision for other than temporary diminution in the value of investments.
6. (a) Transactions in Foreign currency are initially recorded at the exchange rate at which the transaction is carried out.
- (b) Monetary Assets and Liabilities related to foreign currency transactions remaining outstanding at the year end are translated at the year end rate.
- (c) In case of items which are covered by forward exchange contracts, the premium or discount on forward exchange contracts is amortised over the period of the respective contract.
- (d) Any income or expense on account of exchange difference either on settlement or on translation at the year end is recognised in the Statement of Profit and Loss.
7. (a) Government grants of the nature of project subsidy are credited to Capital Reserves.
- (b) Other Government grants of revenue nature are credited to Statement of Profit and Loss under the heading 'Other Operating Revenue'.
8. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.
9. Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.
10. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which the asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there is a change in the estimate of recoverable amount.
11. Provisions are recognised in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are shown by way of Notes to the Accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognised in the Accounts.

Notes to accounts (contd.)
Note No : 2
Share capital

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of shares	Amount ₹	No. of shares	Amount ₹
(a) Authorised:				
Equity shares of ₹ 10/- each	25,000,000	<u>250,000,000</u>	25,000,000	<u>250,000,000</u>
(b) Issued:				
Equity shares of ₹ 10/- each	4,697,810	<u>46,978,100</u>	4,697,810	<u>46,978,100</u>
(c) Subscribed and Paid up:				
Equity shares of ₹ 10/- each fully paid up	4,517,885	45,178,850	4,517,885	45,178,850
Forfeited Equity Shares of ₹ 10 each	5,625	28,125	5,625	28,125
(Amount originally paid up)		<u>45,206,975</u>		<u>45,206,975</u>
(d) Reconciliation of number and amount of equity shares outstanding :				
At the beginning of the year	4,517,885	45,178,850	4,292,885	42,928,850
Add: Issued during the year	-	-	225,000	2,250,000
At the end of the year	4,517,885	45,178,850	4,517,885	45,178,850
(e) The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares are entitled to receive dividends as declared from time to time. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
(f) Shareholders holding more than 5 % of the equity shares in the Company :				

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.	440000	9.74	440000	9.74
ii) Abhinandan Fintex (P) Ltd.	435000	9.63	435000	9.63
iii) Sheela Chitlangia	358350	7.93	363450	8.04
iv) Sudeep Chitlangia	344300	7.62	358350	7.93
v) Jaydeep Chitlangia	271650	6.01	344300	7.62
vi) Hemant Kumar Motihar	226306	5.01	226306	5.01
TOTAL	<u>2075606</u>	<u>45.94</u>	<u>2167406</u>	<u>47.97</u>

Note No : 3
Reserves and surplus

Particulars	As at 31.03.2014		As at 31.03.2013	
	₹	₹	₹	₹
(a) Capital Reserve				
Balance as per last account	9,618,140		9,142,491	
Add: Received during the year	<u>1,000,000</u>	10,618,140	<u>475,649</u>	9,618,140
(b) Securities premium account				
Balance as per last account	69,574,000		64,048,000	
Add: Received during the year	<u>-</u>	69,574,000	<u>5,526,000</u>	69,574,000
(c) Revaluation reserve				
Balance as per last account	3,148,398		3,360,242	
Less: Depreciation	<u>211,843</u>	2,936,555	<u>211,844</u>	3,148,398
(d) General reserve *				
Balance as per last account		124,485,632		124,485,632
(e) Surplus				
Balance as per last account	13,452,490		32,141,815	
Add : Profit / (Loss) for the Year	<u>(64,732,394)</u>		<u>(18,689,325)</u>	
Balance at the end of the year		<u>(51,279,904)</u>		13,452,490
		<u>156,334,423)</u>		<u>220,278,660</u>

* General reserve is primarily created to comply with the requirements of section 205 (2A) of Companies Act, 1956. This is a free reserve and can be utilised for any general purpose.

Notes to accounts (contd.)

Note No : 4

Long - term borrowings

Term Loans

As at
31.03.2014
₹

As at
31.03.2013
₹

Secured

From entities other than banks 47,650,000 71,000,000

Unsecured

From banks 153,408 1,024,266

From entities other than banks 688,988 788,757

48,492,396 **72,813,023**

(a) Nature of securities

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

(b) Terms of repayment

Particulars	Amount outstanding as on Balance Sheet date		Period of maturity w.r.t. Balance Sheet date	Number of instalments Outstanding as on 31.03.2014	Amount of instalment
	Non-Current	Current			
	₹	₹			₹
Secured Loans from entities other than Banks	6,250,000 (22,500,000)	15,000,000 (14,100,000)	1 Yr 5 Months	17	1,250,000
Secured Loans from entities other than Banks	41,400,000 (48,500,000)	6,600,000 (1,500,000)	5 Yrs 5 Months	8	500,000
				12	650,000
				12	800,000
				12	1,000,000
				8	1,200,000
				4	1,250,000
Unsecured Loans from Banks	- (-)	- (22,475)	-	-	-
	153,408 (1,024,266)	870,858 (791,514)	1 Yr 2 Months	14	77,623 *
Unsecured Loans from entities other than Banks	- (-)	- (2,04,471)	-	-	-
	- (58,339)	58,339 (661,971)	1 Month	1	58,853 *
	- (124,847)	124,847 (348,763)	4 Months	4	31,920 *
	- (135,583)	135,584 (300,839)	5 Months	5	27,880 *
	211,838 (469,988)	258,150 (232,869)	1 Yr 9 Months	21	24,565 *
	477,150 (-)	237,215 (-)	2 Yrs 9 Months	33	24,885 *
Total	48,492,396 (72,813,023)	23,284,993 (18,162,902)			

Figures in the brackets pertain to previous year.

* Includes Interest


Notes to accounts (contd.)

	As at 31.03.2014	As at 31.03.2013
Note No : 5		
Long - term provisions	₹	₹
Provision for employee benefits	5,355,415	4,157,904
	<u>5,355,415</u>	<u>4,157,904</u>

Note No : 6
Short - term borrowings
Other loans and advances
Secured
From banks

Buyers Credit	63,319,644	21,068,353
Working Capital Loan	<u>232,425,582</u>	<u>229,079,406</u>
	295,745,226	250,147,759

Unsecured

From entities other than banks	<u>140,500,000</u>	<u>82,000,000</u>
	<u>436,245,226</u>	<u>332,147,759</u>

Nature of securities:

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

Note No : 7
Other current liabilities

Current maturities of long - term debt	23,284,993	18,162,902
(Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)		
Interest accrued but not due on borrowings	112,900	104,714
Unpaid dividends *	-	189,968
Other payables		
Advances from customers and others	10,312,541	3,395,894
Security deposits	7,172,158	6,143,296
Statutory liabilities	11,852,181	10,116,008
Unpaid salaries and other payroll dues	14,622,662	15,616,098
Others	<u>77,470</u>	<u>26,720</u>
	<u>44,037,012</u>	<u>35,298,016</u>
	<u>67,434,905</u>	<u>53,755,600</u>

* There is no amount due and outstanding to be credited to Investor Education & Protection Fund.

Note No : 8
Short-term provisions

Provision for employee benefits	605,068	1,197,200
	<u>605,068</u>	<u>1,197,200</u>

Notes to accounts (contd.)

Note No : 9

FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2013	Additions	Deductions	As at 31.03.2014	Upto 31.03.2013	for the Year	Sales/ Adjustment	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
TANGIBLE ASSETS										
Freehold Land	3,165,248	-	-	3,165,248	-	-	-	-	3,165,248	3,165,248
Buildings	75,262,954	-	-	75,262,954	31,144,225	2,132,879	-	33,277,104	41,985,850	44,118,729
Plant and Equipments	213,450,490	8,461,253	3,174,720	218,737,023	134,357,087	9,802,865	3,022,734	141,137,218	77,599,805	79,093,403
Motor Vehicles	21,605,497	940,094	1,402,444	21,143,147	10,148,546	1,395,172	754,477	10,789,241	10,353,906	11,456,951
Furniture and Fixtures	13,609,996	132,876	-	13,742,872	8,223,961	458,070	-	8,682,031	5,060,841	5,386,035
Office Equipments & Computer	20,006,820	1,504,892	391,626	21,120,086	13,417,166	1,189,108	99,014	14,507,260	6,612,826	6,589,654
Sub - total	347,101,005	11,039,115	4,968,790	353,171,330	197,290,985	14,978,094	3,876,225	208,392,854	144,778,476	149,810,020
INTANGIBLE ASSETS										
Computer Softwares (Acquired)	6,678,672	470,510	-	7,149,182	2,112,371	1,386,633	-	3,499,004	3,650,178	4,566,301
Sub - total	6,678,672	470,510	-	7,149,182	2,112,371	1,386,633	-	3,499,004	3,650,178	4,566,301
Capital Work in Progress									996,315	2,641,780
TOTAL	353,779,677	11,509,625	4,968,790	360,320,512	199,403,356	16,364,727	3,876,225	211,891,858	149,424,969	157,018,101
Previous Year	344,273,685	14,285,880	4,779,888	353,779,677	186,653,237	15,926,049	3,175,930	199,403,356	157,018,101	

Notes :

- Land, Building and Plant & Machinery were revalued on 30th June 1985 as per valuation report of M/S. Consolidated Enterprises on the basis of net replacement value and appreciation on revaluation aggregating to ₹ 1,63,77,041/- was credited to Capital Reserve.
- Intangible Assets
The unamortised amount of Computer Software (Acquired) ₹ 71,49,182 (Previous year ₹ 45,66,301/-) is to be amortised at the rate of 20% per annum over a period of 1 - 5 years as the case may be.

Note No : 10

Non-current investments

Particulars	Face value ₹	Number of shares	As at 31.03.2014 ₹	Number of shares	As at 31.03.2013
Long term (At cost less provision for other than temporary diminution)					
Investments in Equity Shares					
Trade Investments					
Unquoted, Fully Paid up					
Associate Company					
P. S. Plywood Products Private Ltd.	10	5,950,000	80,508,750	5,950,000	80,508,750
Other Companies					
Orissa Tea Plantations Ltd.	10	100	-	100	-
The Albion Plywood Ltd.	10	300	-	300	-
			<u>80,508,750</u>		<u>80,508,750</u>

Other Investments

a) Quoted, Fully paid up

Assam Petro-Chemicals Ltd.	10	200	1,572	200	1,572
Reliance Industries Ltd.	10	98	32,842	98	32,842
Radico Khaitan Ltd.	2	1,180	7,080	1,180	7,080
Rampur Fertilizers Ltd.	10	61	-	61	-
SMIFS Capital Markets Ltd.	10	3,500	81,900	3,500	151,025
Simplex Infrastructures Ltd.	2	1,000	20,052	1,000	20,052
United Credit Ltd.	10	1,000	9,032	1,000	9,032
			<u>152,478</u>		<u>221,603</u>



Notes to accounts (contd.)

Note No : 10 (Contd.)	Face value	Number of shares	As at 31.03.2014	Number of shares	As at 31.03.2013
Particulars	₹		₹		₹
b) Unquoted					
i) Fully paid up					
Pro Sports Management Ltd.	1,000	100	-	100	-
ii) Partly paid up					
(₹ 60/- called and paid up)					
The Purbanchal Bank Limited	100	200	-	200	-
			<u>-</u>		<u>-</u>
			<u>80,661,228</u>		<u>80,730,353</u>
Aggregate amount of quoted investments			<u>1,105,389</u>		<u>1,105,389</u>
Aggregate amount of unquoted investments			<u>80,622,202</u>		<u>80,622,202</u>
Aggregate provision for diminution in value of investments			<u>1,066,363</u>		<u>997,238</u>
Aggregate market value of quoted investments			<u>478,708</u>		<u>503,934</u>
Besides above, the Company holds following shares in relation to the shares already sold by it :					
a) J K Tyre & Industries Ltd.			33		33
b) Rampur Fertilizers Ltd.			16		16
c) Bengal & Assam Company Ltd.			2		2
Note No : 11					
Deferred tax Assets (Net)					
(a) Deferred tax assets					
Expenses allowable for tax purposes when paid			<u>1,104,827</u>		<u>1,646,884</u>
Carry Forward Loss			<u>76,715,423</u>		<u>37,898,218</u>
			<u>77,820,250</u>		<u>39,545,102</u>
(b) Deferred tax liabilities					
Depreciation			<u>9,645,215</u>		<u>10,383,781</u>
			<u>9,645,215</u>		<u>10,383,781</u>
Deferred tax Assets (Net) *			<u>68,175,035</u>		<u>29,161,321</u>
Carried forward losses have been recognised as deferred tax assets as there is virtual certainty that such deferred tax asset can be realised against future taxable profits in the forthcoming financial years.					
* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.					
Note No : 12					
Long term loans and advances					
(Unsecured, considered good)					
Security deposits			<u>8,219,165</u>		<u>7,883,248</u>
			<u>8,219,165</u>		<u>7,883,248</u>
Note No : 13					
Other non-current assets					
(Unsecured, considered good)					
Fixed deposits with banks					
(Non current portion with original maturity period of more than 12 months)					
Pledged with Government Authorities			<u>10,000</u>		<u>10,000</u>
Others			<u>50,000</u>		<u>-</u>
			<u>60,000</u>		<u>10,000</u>
Note No : 14					
Inventories					
(At lower of cost and net realizable value, unless stated otherwise)					
Raw Materials			<u>164,883,908</u>		<u>171,682,109</u>
Raw Materials in Transit			<u>82,734,636</u>		<u>106,980,747</u>
Stores & Spares and Chemicals			<u>17,918,469</u>		<u>20,180,857</u>
Stores & Spares and Chemicals in Transit			<u>2,887,616</u>		<u>152,648</u>
Work-in-Progress			<u>61,621,206</u>		<u>66,111,393</u>
Finished Goods			<u>163,498,537</u>		<u>144,884,654</u>
Finished Goods in Transit			<u>10,119,967</u>		<u>9,547,443</u>
Stock in Trade			<u>46,298,958</u>		<u>60,023,088</u>
Stock in Trade in Transit			<u>312,293</u>		<u>5,320,245</u>
			<u>550,275,590</u>		<u>584,883,184</u>

Notes to accounts (contd.)

		As at 31.03.2014		As at 31.03.2013
	₹	₹	₹	₹
Note No : 15				
Trade receivables				
(Unsecured, considered good)				
Trade receivables outstanding for a period exceeding six months from due date *		26,941,192		25,073,584
Other trade receivables		<u>245,450,246</u>		<u>275,475,365</u>
		<u>272,391,438</u>		<u>300,548,949</u>
* includes ₹ 56,53,124/- (Previous year ₹ 59,07,544/-) under litigation.				
Note No :16				
Cash and bank balances				
Cash and cash equivalents				
Balances with banks				
In current accounts	625,807		3,318,341	
Cheques, drafts on hand	15,006,155		16,604,955	
Cash on hand	<u>5,239,530</u>	20,871,492	<u>1,119,113</u>	21,042,409
Other bank balances				
Fixed deposits with banks	-		50,000	
(Current portion with original maturity period of less than 12 months)				
Earmarked balances				
Unpaid dividend accounts	-	-	189,968	239,968
		<u>20,871,492</u>		<u>21,282,377</u>
Note No : 17				
Short - term loans and advances				
(Unsecured, considered good)				
Capital advances		413,409		428,039
Security deposits		10,682,034		5,096,205
Other loans and advances				
Advance to suppliers and others		37,771,772		43,461,151
Cenvat, Vat and other taxes / duties		5,444,049		5,413,445
Advance tax (net)		2,121,443		2,180,414
MAT credit entitlement		7,702,204		7,702,204
Prepaid expenses		4,981,751		2,754,728
		<u>69,116,662</u>		<u>67,036,186</u>
Note No : 18				
Other current assets				
Interest accrued but not due		396,106		284,221
Taxes and duties refundable		1,911,743		2,351,786
		<u>2,307,849</u>		<u>2,636,007</u>
Note No : 19		Year ended		Year ended
Revenue from operations		31.03.2014		31.03.2013
Sale of goods (Gross)	₹	₹	₹	₹
A. Finished Goods				
i) Plywood	1,588,420,690		1,543,524,691	
ii) Tea	207,534,825		255,929,737	
iii) Veneers	<u>99,180,397</u>	1,895,135,912	<u>63,129,959</u>	1,862,584,387
B. Stock-in-trade				
i) Plywood	105,304,953		143,668,472	
ii) Furniture	<u>4,252,680</u>	109,557,633	<u>32,495,627</u>	176,164,099
C. Others		1,074,151		1,952,529
		<u>2,005,767,696</u>		<u>2,040,701,015</u>
Note No : 20				
Other operating revenues				
Insurance Claims	390,305		688,938	
Subsidies	-	390,305	2,912,207	3,601,145
		<u>390,305</u>		<u>3,601,145</u>



Notes to accounts (contd.)

	Year ended 31.03.2014		Year ended 31.03.2013	
	₹	₹	₹	₹
Note No : 21				
Other income				
Interest income (Gross)				
Fixed deposits with banks	6,989		6,623	
Others	240,379	247,368	261,960	268,583
Dividend income				
Long term investment		70,799		59,768
Other non-operating income				
Profit on sale of Fixed Assets		-		2,397,420
Rent		6,000		6,000
Unspent liabilities / balances written back		-		291,488
Provision for diminution in value of Investments written back		-		52,500
Miscellaneous income		234,811		216,056
		<u>558,978</u>		<u>3,291,815</u>
Note No : 22				
Cost of materials consumed				
Timber	421,691,508			412,016,337
Veneer	319,483,130			280,012,415
Planks & Beams	153,355,494			173,418,654
Green Leaf	146,240,188			177,863,068
Others	84,161,704			96,377,179
	<u>1,124,932,024</u>			<u>1,139,687,653</u>
Note No : 23				
Purchases of stock-in-trade				
Plywood	55,233,803			104,409,732
Furniture	2,127,796			14,525,146
Others	360,101			910,000
	<u>57,721,700</u>			<u>119,844,878</u>
Note No : 24				
Changes in inventories of finished goods, work-in-progress and stock-in-trade				
A. Finished Goods				
Opening Stock				
i) Plywood	133,384,560		105,050,268	
ii) Tea	2,949,525		8,212,092	
iii) Veneer	18,098,012		14,630,383	
	<u>154,432,097</u>		<u>127,892,743</u>	
Closing Stock				
i) Plywood	137,177,624		133,384,560	
ii) Tea	3,432,928		2,949,525	
iii) Veneer	33,007,952		18,098,012	
	<u>173,618,504</u>	(19,186,407)	<u>154,432,097</u>	(26,539,354)
B. Stock-in-Trade				
Opening Stock				
i) Plywood	53,080,927		55,693,572	
ii) Furniture	6,942,161		9,547,847	
	<u>60,023,088</u>		<u>65,241,419</u>	
Closing Stock				
i) Plywood	41,070,767		53,080,927	
ii) Furniture	5,540,484		6,942,161	
	<u>46,611,251</u>	13,411,837	<u>60,023,088</u>	5,218,331
C. Work-in-Progress				
Opening Stock				
Plywood	66,111,393		45,314,097	
Closing Stock				
Plywood	61,621,206	4,490,187	66,111,393	(20,797,296)
(INCREASE) / DECREASE IN STOCKS		<u>(1,284,383)</u>		<u>(42,118,319)</u>
Add: Excise Duty & Cess on Stocks *		<u>(16,328)</u>		<u>(2,529)</u>
NET (INCREASE) / DECREASE IN STOCKS		<u><u>(1,300,711)</u></u>		<u><u>(42,120,848)</u></u>

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

Notes to accounts (contd.)

	Year ended 31.03.2014		Year ended 31.03.2013	
	₹	₹	₹	₹
Note No : 25				
Employee benefits expense				
Salaries and wages		144,906,344		131,783,619
Contribution to provident and other funds		9,857,679		11,910,021
Staff welfare expense		2,225,683		2,388,606
		<u>156,989,706</u>		<u>146,082,246</u>
Note No : 26				
Finance costs				
Interest expense				
On long term borrowings	11,205,251		7,302,206	
On short term borrowings	50,748,169		41,623,799	
On others	<u>1,616,186</u>	63,569,606	<u>1,228,963</u>	50,154,968
Other borrowing costs		<u>3,117,954</u>		<u>2,075,011</u>
		<u>66,687,560</u>		<u>52,229,979</u>
Note No : 27				
Other expenses				
Chemicals Consumption		101,696,887		85,788,361
Consumption of stores and spare parts		17,891,503		17,680,512
Consumption of packing materials		8,333,550		9,610,828
Power and fuel		68,971,614		71,165,227
Repairs				
Buildings	1,504,387		7,205,881	
Machinery	11,004,560		12,499,284	
Others	<u>2,316,681</u>	14,825,628	<u>6,027,065</u>	25,732,230
Job Charges		<u>17,870,212</u>		<u>16,609,675</u>
Rent		14,234,804		13,969,585
Electricity		2,476,386		2,257,824
License Fees		43,890,242		43,448,703
Rates & Taxes (excluding taxes on income)		1,575,831		1,448,782
Watch and Ward Expenses		1,887,506		1,873,578
Insurance		3,593,947		3,204,280
Communication Expenses		5,033,140		5,503,382
Travelling & Conveyance		18,002,833		16,919,036
Vehicle Maintenance		8,114,878		7,275,835
Printing & Stationery		1,646,591		1,586,298
Legal and Professional Charges		17,333,820		15,565,623
Human Resource Development Expenses		968,069		935,758
Miscellaneous Expenses		7,899,187		2,157,757
Statutory Auditors' Remuneration				
Audit Fee	150,000		146,000	
Tax Audit Fee	30,000		30,000	
Certification & Consultation Fee	<u>74,500</u>	254,500	<u>86,501</u>	262,501
Charity & Donations		<u>638,160</u>		<u>66,000</u>
Bank charges		1,905,191		2,103,879
Forwarding, Freight, Octroi and Delivery Expenses		56,497,828		55,916,581
Sales Tax		466,476		82,505
Commission on Sales		13,061,862		15,181,458
Brokerage on Sales		1,956,652		2,096,988
Provision for diminution in value of Investments		69,125		-
Net loss on foreign currency transactions and translations (Including forward premium amortized)		47,771,448		14,352,833
Advertisement, Publicity & Sales Promotion		35,951,424		41,905,352
Loss on Sale / Discard of Fixed Assets		439,274		-
Loss on Sale of Long term Investments		-		35,935
Bad Debts & Sundry Balances Written Off		1,160,982		-
Prior period expenses *		<u>10,607</u>		<u>81,181</u>
		<u>516,430,197</u>		<u>474,818,487</u>

*Details of Prior period expenses



Notes to accounts (contd.)

Note No : 27 (Contd.)

	Year ended 31.03.2014	Year ended 31.03.2013
₹	₹	₹
Expenses		
Repairs	-	700
Rates & Taxes (excluding taxes on income)	3,700	-
Legal & Professional	-	37,500
Travelling & Conveyance	-	14,421
Advertisement Publicity & Sales Promotion	-	28,560
Vehicles Maintenance	6,907	-
	10,607	81,181

Note No. : 28

Other disclosures

	As at 31.03.2014	As at 31.03.2013
₹	₹	₹
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	4,732,508	2,070,999
2. Contingent Liabilities not provided for in respect of		
a) Uncalled Capital against partly paid-up shares held as investment	8,000	8,000
b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company.	68,318,082	52,828,103
Amount Paid against above	1,450,316	1,499,078

3. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2014 as micro or small or medium enterprises. Consequently the amount due to micro and small enterprises as per section 22 of the abovesaid Act is ₹ Nil (Previous year ₹ Nil).

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

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

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

c) Information about Primary Business Segments	Plywood ₹	Tea ₹	Others ₹	Unallocated ₹	Total ₹
Segment Revenue	1,622,038,669	206,739,032	4,633,632	-	1,833,411,333
	(1,584,108,365)	(258,303,030)	(33,423,826)	-	(1,875,835,221)
Segment Results	-19,042,742	-1,157,541	-8,586,537	-	-28,786,820
	(10,996,666)	(15,846,405)	(4,127,423)	-	(30,970,494)
Less : Finance Cost					66,687,560
					(52,229,979)
Other unallocable expenditure net of unallocable income					8,168,669
					(5,870,079)
Total Profit / (Loss) before tax					-103,643,049
					(-27,129,564)
Other Information					
Segment Assets	983,550,782	67,392,940	11,503,690	159,056,016	1,221,503,428
	(1,046,746,875)	(65,555,703)	(18,638,667)	(120,248,481)	(1,251,189,726)
Segment Liabilities	497,996,793	11,175,674	2,699,123	508,090,440	1,019,962,030
	(551,223,318)	(10,488,250)	(611,045)	(423,381,478)	(985,704,091)
Capital Expenditure	3,307,786	6,556,374	-	-	9,864,160
	(13,007,983)	(3,734,925)	(7,037)	(-)	(16,749,945)
Depreciation & Amortisation	12,304,894	3,757,896	90,094	-	16,152,884
	(12,440,204)	(3,180,475)	(93,526)	(-)	(15,714,205)
Non-cash expense other than depreciation & amortisation	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)

Notes to accounts (contd.)

Note No. : 28 (Contd.)

Notes :

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

	Year ended 31.03.2014 ₹	Year ended 31.03.2013 ₹
5. In calculating Earnings per share		
a) Numerator used :		
Profit / (Loss) after tax	(64,732,394)	(18,689,325)
b) Denominator used in computing Basic Earning per Share		
Weighted Average Number of Equity Shares	4,517,885	4,347,748
c) Denominator used in computing Diluted Earning per Share		
Weighted Average Number of Equity Shares		
including potential Equity Shares	4,517,885	4,517,885
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic Earnings per share (a/b) (₹)	(14.33)	(4.30)
f) Diluted Earnings per share (a/c) (₹)	(14.33)	(4.14)

6. Related Party Disclosures

Particulars of transactions during the year ended 31st March 2014

Nature of Transactions	Associates/Enterprises over which KMP and his relatives have significant influence		Key Management Personnel	
	₹		₹	Total ₹
Sales	8,366		-	8,366
	(928,200)		(-)	(928,200)
Rent Received	6,000		-	6,000
	(6,000)		(-)	(6,000)
Directors Remuneration	-		5,926,578	5,926,578
	(-)		(6,270,116)	(6,270,116)
Interest Paid	1,400,000		-	1,400,000
	(1,119,657)		(-)	(1,119,657)
Licence fee Paid	42,000,000		-	42,000,000
	(42,000,000)		(-)	(42,000,000)
Rent Paid	12,000		-	12,000
	(412,000)		(-)	(412,000)
Allotment of Equity Shares (Amount paid upon exercise of option)	-		-	-
	(5,832,000)		(-)	(5,832,000)
Refund of Security Deposit	1,800,000		-	1,800,000
	(-)		(-)	(-)
Loan Received	-		-	-
	(10,000,000)		(-)	(10,000,000)
Guarantees Obtained	-		-	-
	(-)		(152,300,000)	(152,300,000)
Outstanding against Guarantees Obtained	-		655,948,259	655,948,259
	(-)		(627,508,395)	(627,508,395)
Balance Outstanding at the Balance Sheet Date	10,000,000 Cr		-	10,000,000 Cr
	(8,200,000 Cr)		(-)	(8,200,000 Cr)

Notes:

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



Notes to accounts (contd.)

Note No. : 28 (Contd.)

	Year Ended 31.03.2014	Year Ended 31.03.2013
Disclosure of Material Transactions with Related Parties		
Sales	₹	₹
P.S Plywood Products Private Ltd.	-	928,200
Madhya Bharat Papers Ltd.	8,366	-
Rent Received		
Madhya Bharat Papers Ltd.	6,000	6,000
Directors Remuneration		
Shri Sudeep Chitlangia	2,985,288	3,380,036
Shri Sohan Lal Yadav	2,941,290	2,890,080
Interest Paid		
Abhinandan Fintex Pvt. Ltd.	-	164,589
P.S Plywood Products Private Ltd.	1,400,000	955,068
License Fee Paid		
P.S Plywood Products Private Ltd.	42,000,000	42,000,000
Rent Paid		
Calcutta Technicians & Advisers Ltd.	-	240,000
J S M & Company	-	160,000
Madhya Bharat Papers Ltd.	12,000	12,000
Allotment of Equity Shares (Amount paid upon exercise of option)		
Abhinandan Fintex Pvt. Ltd.	-	5,832,000
Refund of Security Deposit		
Calcutta Technicians & Advisers Ltd.	1,800,000	-
Loan Received		
P.S Plywood Products Private Ltd.	-	10,000,000
Guarantees Obtained		
Sudeep Chitlangia	-	156,700,000
Outstanding against Guarantees Obtained		
Sudeep Chitlangia	655,948,259	627,508,395
Net Balance Receivable/(Payable)		
Calcutta Technicians & Advisers Ltd.	-	1,800,000
P.S Plywood Products Private Ltd.	(10,000,000)	(10,000,000)

Names of related parties & description of relationship

Associates:

Enterprises over which KMP and his relatives have significant influence:

P S Plywood Products Pvt. Ltd.

Abhinandan Fintex Pvt. Ltd.

Calcutta Technicians & Advisers Ltd.

Madhya Bharat Papers Ltd.

J S M & Company

Key Management Personnel :

Shri Sudeep Chitlangia

Shri Sohan Lal Yadav

7. Disclosure under clause 32 of the Listing Agreement:

There are no transactions (except related party transactions) which are required to be disclosed under Clause 32 of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed.

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

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

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

Defined Contribution Plan:

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

	2013-14	2012-13
	₹	₹
Employers' Contribution to Provident Fund & Pension Fund	8,420,546	7,414,622
Employers' Contribution to Superannuation Fund	1,530	963,718

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

Notes to accounts (contd.)

Note No. : 28 (Contd.)

balance sheet represent the present value of the obligation as adjusted for unrecognized past service cost, and as reduced by the fair value of plan assets.

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

		2013-14			2012-13		
		Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹
I.	Components of Employer Expense						
1	Current Service Cost	1,541,517	125,283	1,631,950	1,465,329	55,142	564,492
2	Past Service Cost	-	-	-	-	-	-
3	Interest Cost	1,658,902	28,506	316,603	1,212,343	27,311	295,214
4	Expected Return on Plan Asset	1,648,068	-	-	1,205,257	-	-
5	Curtailment Cost	-	-	-	-	-	-
6	Settlement Cost	-	-	-	-	-	-
7	Actuarial gain / (loss) recognized in the year	891,056	95,015	(1,004,840)	(1,378,545)	107,115	(638,972)
8	Net Expense Recognised in Statement of Profit and Loss	661,295	58,774	2,953,393	2,850,960	(24,662)	1,498,679
II.	Change in Present Value of Defined Benefit Obligation						
1	Present Value of Defined Benefit Obligation at the Beginning of the year	18,895,225	316,728	4,429,630	15,748,366	341,390	4,449,404
2	Acquisition Adjustment	-	-	-	-	-	-
3	Interest Cost	1,658,902	28,506	316,603	1,212,343	27,311	295,214
4	Past Service Cost	-	-	-	-	-	-
5	Current Service Cost	1,541,517	125,283	1,631,950	1,465,329	55,142	564,492
6	Curtailment Cost	-	-	-	-	-	-
7	Settlement Cost	-	-	-	-	-	-
8	Benefits Paid	925,961	-	1,823,627	1,188,147	-	1,518,453
9	Actuarial Gain (Losses)	906,112	95,015	(1,004,840)	(1,657,334)	107,115	(638,972)
10	Present Value of Obligation at the End of the year	20,263,571	375,502	5,559,396	18,895,225	316,728	4,429,630
III.	Change in Fair Value of Plan Assets						
1	Plan Assets at the Beginning of the year	18,311,864	NA	NA	15,065,715	NA	NA
2	Acquisition Adjustment	-	NA	NA	-	NA	NA
3	Settlement	-	NA	NA	-	NA	NA
4	Expected Return on Plan Assets	1,648,068	NA	NA	1,205,257	NA	NA
5	Actual Company Contribution	3,604,261	NA	NA	2,950,250	NA	NA
6	Actual Benefits Paid	925,961	NA	NA	1,188,147	NA	NA
7	Actuarial Gains/(Losses)	(15,056)	NA	NA	278,789	NA	NA
8	Plan Assets at the End of the year	22,623,176	NA	NA	18,311,864	NA	NA
IV.	Net Asset/(Liability) recognized in the Balance Sheet						
1	Present value of Defined Benefit Obligation	20,263,571	375,502	5,559,396	18,895,225	316,728	4,429,630
2	Fair Value on Plan Assets	22,623,176	NA	NA	18,311,864	NA	NA
3	Funded Status (Surplus/(deficit))	2,359,605	NA	NA	(583,361)	NA	NA
4	Unrecognised past service cost	-	-	-	-	-	-
5	Net Asset/(Liability) recognized in Balance Sheet	2,359,605	(375,502)	(5,559,396)	(583,361)	(316,728)	(4,429,630)
V.	Actuarial Assumptions						
1	Discount Rate (per annum)	9.00%	9.00%	9.00%	8.00%	8.00%	8.00%
2	Expected rate of return on plan assets (per annum)	9.00%	NA	NA	8.00%	NA	NA
3	Salary Increases	5.50%	5.50%	5.50%	5.00%	5.00%	5.00%
4	Retirement/ Superannuation Age	60	60	60	60	60	60
5	Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08	LICI 1994 - 96	LICI 1994 - 96	LICI 1994 - 96



Notes to accounts (contd.)

Note No. : 28 (Contd.)

	2013-14			2012-13		
	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹
VI. Major Category of Plan Assets as a % of the Total Plan Assets Administered by Life Insurance Corporation of India	100%	NA	NA	100%	NA	NA
VII. Expected Employer's Contribution for the next year						
Expected Employer's Contribution for the next year	3,000,000	NA	NA	3,850,000	NA	NA
VIII. Basis used to determine the Expected Rate of Return on Plan Assets	The expected rate of return on plan assets is determined considering several applicable factors, mainly the composition of plan assets held, assessed risks, historical results of return on plan assets and the Company's policy for plan assets management.					
IX. Basis of estimates of rate of escalation in salary	The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.					
X. Disclosure related to previous years	2011-12			2010-11		
1 Present value of Defined Benefit Obligation	15,748,366	341,390	4,449,404	13,306,624	228,378	3,618,021
2 Fair Value on Plan Assets	15,065,715	NA	NA	14,805,559	NA	NA
3 Funded Status (Surplus/(deficit))	(682,651)	NA	NA	1,498,935	NA	NA
	2009-10					
1 Present value of Defined Benefit Obligation	11,593,225	178,754	2,822,206			
2 Fair Value on Plan Assets	12,148,868	NA	NA			
3 Funded Status (Surplus/(deficit))	555,643	NA	NA			
XI. Other disclosures	The Gratuity Expenses have been recognized in "Contribution to Provident, Pension & Other Funds" and provision for Sick Leave and Earned Leave Encashment in "Salaries and Wages" under Note No. 25.					
	Year ended 31.03.2014			Year ended 31.03.2013		
10. Value of Imports on C.I.F. basis	₹			₹		
Raw Materials	595,278,937			631,360,234		
Trading Goods	1,488,880			34,542,213		
Machinery & Spares	172,804			1,371,890		
11. Expenditure in Foreign Currency						
Interest	595,679			1,136,444		
Net loss on foreign currency transactions and translations (Including forward premium amortized)	47,771,488			14,352,833		
Travelling	981,349			1,547,955		
Others	190,677			100,092		
12. Value of Raw Materials Consumed						
Indigeneous	38%	427,020,370		46%	519,728,957	
Imported	62%	697,911,654		54%	619,958,696	
	100%	1,124,932,024		100%	1,139,687,653	
13. Value of Stores & Spare Parts and Chemicals Consumed						
Indigeneous	92.76%	110,931,371		99.54%	102,993,879	
Imported	7.24%	8,657,019		0.46%	474,994	
	100.00%	119,588,390		100.00%	103,468,873	
14. The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.						

As per our report of even date attached.

For G.P. AGRAWAL & CO.

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

CA. AJAY AGRAWAL
(Membership No.17643)
Partner
Kolkata : 26th May 2014

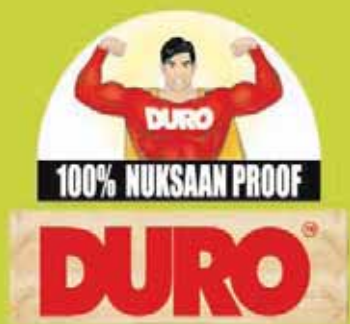
RAVI KUMAR KURARKA
Company Secretary

On behalf of the Board

SUJIT CHAKRAVORTI
Director

SUDEEP CHITLANGIA
Managing Director





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