



# SARDA PLYWOOD INDUSTRIES LIMITED

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CIN : L20211WB1957PLC023493

## **NOTICE OF 58TH ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 58th 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 Tuesday, the 29th September 2015 at 11.00 A.M to transact the following businesses :

### **ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint, a Director in place of Shri Sohan Lal Yadav (DIN: 00207333) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and for this purpose, 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 Section 139 and Section 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, the appointment of Statutory Auditors of the Company Messrs G. P. Agrawal & Co., Chartered Accountants (Firm Registration No.302082E) approved in the 57th Annual General Meeting until 60th Annual General Meeting is hereby ratified by the Members of the Company in this Annual General Meeting till conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the Company.”

4. To appoint Branch Auditors and fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modification(s) 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**

5. **Re-appointment of Wholetime Director:** To re-appoint Shri Sohan Lal Yadav (DIN: 00207333) as a Wholetime Director and in this regard 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 of the Company be and is hereby accorded to the reappointment of Shri Sohan Lal Yadav (DIN – 00207333) as ‘Wholetime Director’ of the Company, who is liable to retire by rotation at the Annual General Meeting, for a period of three years with effect from 1st April 2015, on a consolidated salary of Rs.250000/- (Rupees Two Lac Fifty Thousand only) per month which may be revised, within the limits laid down in Schedule V, by the Nomination & Remuneration Committee at any time during the tenure of his appointment.”

“RESOLVED FURTHER that the aforesaid remuneration be paid to Shri Sohan Lal Yadav, Wholetime Director, as minimum remuneration notwithstanding no profits or inadequate profits in any financial year”.

6. **Confirmation of appointment of Additional Director:** To confirm the appointment of Smt. Sheela Chitlangia (DIN: 00174354) as Non-Executive Director who was appointed as Additional Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Smt. Sheela Chitlangia (DIN:00174354) who has been appointed as an Additional Director of the Company by the Board of Directors with effect from 6th February 2015 in terms of Section 149, 152 and 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as Non-Executive Director of the Company, who is liable to retire by rotation at the Annual General Meeting.”

7. **Adoption of new set of Articles of Association of the Company containing Articles in conformity with the Companies Act, 2013:** To adopt new set of Articles of Association containing Articles in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force ), the existing Articles of Association of the Company be and is hereby replaced with the new set of Articles of Association and the said new Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in place of, in substitution and to the entire exclusion of the existing Articles of Association of the Company.”

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, proper, expedient, required or incidental thereto, in this regard.”

By Order of the Board  
For SARDA PLYWOOD INDUSTRIES LIMITED

**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 / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 22nd September 2015 to 29th September 2015 (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 of the Company.
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 of the Company.
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 Registrars and Share Transfer Agent, if the shares are held in physical form.
9. Copies of Annual Report 2015 are being sent by electronic mode only to the members whose email address 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 address, physical copies of the Annual Report 2015 are being sent by the permitted mode.
10. Members may also note that the Notice of the Annual General Meeting and the Annual Report 2015 will be available on the Company's website, [www.sardaplywood.in](http://www.sardaplywood.in). 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 all working days (except Saturdays) upto the date of Annual General Meeting of the Company.
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 Slip 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, as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide its Members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 58th Annual General Meeting by the electronic means and the business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The Board of Directors of the Company has appointed Mr. A. K. Labh, Practicing Company Secretary (FCS-4848) as the Scrutinizer for conducting remote e-voting at the Annual General Meeting in a fair and transparent manner.

**The Instructions for Members for Remote E-voting are as under:**

- I. The voting period begins on 26th September, 2015 at 10 a. m and ends on 28th September, 2015 at 5.00 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) of 22nd September, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- II. Members holding shares in physical or demat form as on 22nd September, 2015 shall only be eligible for remote e-voting.
- III. Those persons who become Members of the Company after dispatch of AGM Notice but on or before 22nd September 2015 (Cut-off date) may obtain the login ID and password by sending a request to the Registrar & Share Transfer Agent at [mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) or to the Company at [investors@sardaplywood.com](mailto:investors@sardaplywood.com). However, those persons already registered with CDSL for remote e-voting can use their existing user ID & password for login.
- IV. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- V. Click on "Shareholders"

VI. Now enter your User ID:

- a) For CDSL: 16 digits beneficiary ID,
- b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

VII. Next enter the Image Verification as displayed and Click on Login.

VIII. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

IX. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>• 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.</li><li>• 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.</li></ul>
DOB OR Dividend Bank Details	<p>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, OR</p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (VI)</li></ul>

X. After entering these details appropriately, click on "SUBMIT" tab.

XI. Members holding shares in physical form will then directly reach 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.

XII. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

XIII. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

XIV. 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.

XV. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

XVI. 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.

XVII. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

XVIII. You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.

XIX. If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

XX. Notes for Non-individual Shareholders and Custodians :

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

XXI. 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### Item No. 5: Re-appointment of Wholetime Director

The Board of Directors have re-appointed Shri Sohan Lal Yadav as Wholetime Director of the Company for the period from 1st April 2015 to 31st March 2018 on the remuneration and other terms and conditions as contained in the resolution. The payment of remuneration to Shri Sohan Lal Yadav has also been approved by the Nomination & Remuneration Committee of the Company.

Shri Sohan Lal Yadav is having 50 years of 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. 5 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 there under for the re-appointment of Shri Sohan Lal Yadav as Wholetime Director for a period of three years commencing from 1st April, 2015.

No Director, Key Managerial Personnel or their relatives, except Shri Sohan Lal Yadav, to whom the resolution relates, are 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.

The Board recommends the resolution set forth in Item No.5 for the approval of the members.

**Item No. 6 : Appointment of Additional Director**

Smt. Sheela Chitlangia (DIN: 00174354) was appointed by the Board at its meeting held on 6th February 2015 as an Additional Director. The Board of Directors has received a notice from a member proposing the candidature of Smt Sheela Chitlangia as a Woman Non-Executive Director to be appointed under the provisions of Section 149 and 152 of the Companies Act, 2013.

The Company has received from Smt Sheela Chitlangia (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules 2014 and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Resolution seeks the approval of members for the appointment of Smt Sheela Chitlangia as Woman Non-Executive Director of the Company who is liable to retire by rotation at the Annual General Meeting.

In the opinion of the Board of Directors, Smt Sheela Chitlangia proposed to be appointed, as a Woman Non-Executive Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

Except Shri Sudeep Chitlangia, no other Directors or Key Managerial Personnel of the Company and/ or their relatives & except Smt. Sheela Chitlangia to whom the Resolution relates, are 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.

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

**Item No. 7: Adoption of New Set of Articles of Association**

The existing Articles of Association ("AoA") are based on the Companies Act,1956 and several regulations in the existing AoA contain reference to specific sections of the Companies Act,1956 and some articles in the existing AoA are no longer in conformity with the new Companies Act, 2013. With the enactment of the Companies Act, 2013 and substantive sections of the Act which deal with the general working of the Companies stand notified, several regulations in the existing AoA of the company require alteration and/or deletion.

Given this position it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new set of AoA to be replaced in place of the existing AoA is based on Table F of Schedule I of the Companies Act, 2013 which sets out the model AoA for a company limited by shares and also carry forward certain provisions from the existing AoA suitably rephrased and which are not in conflict with the provisions of the Companies Act, 2013.

The proposed new draft of AoA is available for inspection to the shareholders at the registered office of the company on all working days (except Saturdays) between 11.00 A.M and 1.00 P.M till the date of the meeting.

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

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

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT ENTERED WITH THE STOCK EXCHANGES:**

Name of the Director	:	Shri Sohan Lal Yadav	Smt. Sheela Chitlangia
Date of Birth	:	04.12.1947	04.01.1942
Date of Appointment on the Board	:	27th November 1996	6th February 2015
Qualifications	:	I. A	Graduate
Experience	:	50 Years	40 Years
Directorship held in other Public Companies (excluding foreign, private and Section 8 Companies)	:	Nil	Nil
Chairmanships/ Memberships of Committees across	:	Nil	Nil
Shareholding of Director	:	Nil	271650
Relationship between Directors inter-se	:	Nil	Related with Shri Sudeep Chitlangia, Managing Director

By Order of the Board  
For SARDA PLYWOOD INDUSTRIES LIMITED

Date : 27th May 2015  
Place : Kolkata

RAVI KUMAR MURARKA  
Company Secretary



58th  
ANNUAL REPORT  
2014 - 15

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



**Sarda Plywood Industries Ltd.**

Toll Free No. 1800-345-3876 (Duro) 10am - 6pm Monday-Friday, Email: [Corp@sardaplywood.com](mailto:Corp@sardaplywood.com)  
[www.sardaplywood.in](http://www.sardaplywood.in)



## Sarda Plywood Industries Limited

### **Board of Directors**

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

Shri Sohan Lal Yadav  
*Whole-time Director*

Shri Sudeep Chitlangia  
*Managing Director*

### **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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## **Directors' Report to the Members**

Your Directors have pleasure in presenting their 58<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2015.

### **FINANCIAL RESULTS**

(₹ in Lacs)

Particulars	Year ended on 31.03.2015	Year ended on 31.03.2014
Turnover	20352.01	18334.11
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	672.78	(208.03)
Less: Finance Charges	667.89	666.87
Profit before Depreciation/ Amortization (PBTDA)	4.89	(874.90)
Less: Depreciation	170.47	161.53
Net Profit before Taxation (PBT)	(165.60)	(1036.43)
Provision for taxation	(116.26)	(389.11)
Profit/ (Loss) after Taxation (PAT)	(49.34)	(647.32)
Provision for proposed dividend	—	—
Dividend tax	—	—
Transfer to General Reserve	—	—

### **STATE OF COMPANY'S AFFAIRS**

During the year under review, the Company has achieved a gross turnover of ₹ 203.52 Crore as against ₹ 183.34 Crore in the preceding financial year, an increase of 11% and has incurred a net loss of ₹ 0.49 Crore as against a net loss of ₹ 6.47 Crore in the preceding year.

The Company has achieved the growth during the year in comparison to the preceding financial year but the result are less than expected due to less growth in Indian Economy in the last financial year. Sluggish economic development resultant to slow down of upcoming Housing Project has adversely impacted the performance of the Plywood Division. In spite of adverse operating conditions, the Company has been able to substantially reduce its losses due to effective cost control mechanism and low volatile foreign exchange during the year under consideration. Lower availability, frequent change in climatic condition and high cost of green leaf causes less growth of tea production. However the Tea Division of the Company has been able to achieve operating Profits due to higher realization during the year.

### **CHANGES IN THE NATURE OF BUSINESS, IF ANY**

No Change in the nature of the business of the Company done during the year.

### **DIVIDEND**

In absence of profit, the Directors regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March 2015.

### **RESERVES**

Due to inadequacy of profit, no general reserve is created for the year ended 31<sup>st</sup> March 2015.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2015 was ₹ 4.52 Crores. During the year under review the Company has not issued any shares or any convertible instruments.

### **BORROWINGS**

The total borrowing stood at ₹ 4602.69 Lacs as at 31<sup>st</sup> March, 2015 as against ₹ 5127.77 Lacs as on 31<sup>st</sup> March, 2014, i.e. decrease of ₹ 525.08 Lacs.

### **DEPOSITS**

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

### **CORPORATE SOCIAL RESPONSIBILITY**

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

## Directors' Report (Contd.)

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 49 of the Listing Agreement with Stock Exchanges, the Management Discussion and Analysis Report is attached as "Annexure-1" and forms part of this Report of the Directors.

### DIRECTORS

At the 57<sup>th</sup> Annual General Meeting of the Company held on 25<sup>th</sup> September, 2014 the Company had appointed the existing Independent Directors Shri Sujit Chakravorti (DIN: 00066344), Shri Ratan Lal Gaggar (DIN: 00322904), Shri Kali Kumar Chaudhuri (DIN: 00206157), Shri Probir Roy (DIN: 00033045) as Independent Directors under the Companies Act, 2013 for 5 consecutive years upto 31<sup>st</sup> March 2019.

The Companies Act, 2013 requires that a Woman Director should be member of the Board of Directors and in compliance with that at the Board Meeting held on 6<sup>th</sup> February, 2015, Smt. Sheela Chitlangia (DIN: 00174354) has been appointed as Additional Director of the Company under Section 149, 152 and 161 of the Companies Act, 2013 and Clause 49 of the Listing Agreement to hold office until conclusion of the forthcoming Annual General Meeting. The Company has received a Notice under Section 160 of the Companies Act 2013 from a Member of the Company signifying his intention to propose Smt. Sheela Chitlangia as a candidate for the office of Non Executive Director of the Company, who is liable to retire by rotation.

Sri Naresh Paschisia (DIN: 00233768), who was associated with the Company as Independent Director since 16<sup>th</sup> September 2005, has resigned from the Board of the company with effect from 26<sup>th</sup> September, 2014. Your Company places on record its appreciation for the valuable services rendered by him as Director.

In accordance with the provisions of Companies Act, 2013 Shri Sohan Lal Yadav (DIN: 00207333) Executive Director retires by rotation and being eligible offers himself for re-appointment.

### DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER SECTION 149(6)

All Independent Directors have given the declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of Listing Agreement.

### BOARD MEETINGS

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

### ANNUAL EVALUATION

Pursuant to the provisions of Companies Act, 2013 and clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Relationship Committee.

### MANAGERIAL REMUNERATION

Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) and details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached as "Annexure-2" and forms a part of this Report of the Directors.

### KEY MANAGERIAL PERSONNEL

The following three personnel were formally appointed as Key Managerial Personnel of the Company effective from 1<sup>st</sup> April, 2014 in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Shri Sudeep Chitlangia
- b) Shri Ravi Kumar Murarka
- c) Ms. Jaya Sengupta

Ms. Jaya Sengupta, who was associated with the company as Chief Financial Officer (CFO) since April 2014, has resigned from the Company with effect from 7<sup>th</sup> March, 2015. Your Company places on record its appreciation for the valuable services rendered by her as CFO.

Remuneration and other details of the Key Managerial Personnel for the year ended 31<sup>st</sup> March, 2015 are mentioned in the Extract of Annual Return which is attached as "Annexure-9" and forms a part of this Report of the Directors.



### AUDIT COMMITTEE

The Company has in place the Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchange. The Committee was constituted on 31<sup>st</sup> January 2002. The Members of the Committee are Shri Sujit Chakravorti as Chairman and Shri Ratan Lal Gaggar and Shri Probir Roy as Members, all are Independent Directors. The Company Secretary is the Secretary of this Committee. The Managing Director, Chief Financial Officer and the Statutory Auditors are permanent invitees to the meeting. The details of all related party transactions are placed periodically before the Audit Committee. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

The terms of reference along with details of the number and dates of meetings of this Committee which were held during the year ended 31<sup>st</sup> March, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

### PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The detail of the policy on Related Party Transactions as approved by the Board of Directors and Audit Committee is available on the Company's website [www.sardaplywood.com](http://www.sardaplywood.com).

### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

### PARTUCULARS OF LOANS, GUARANTEES OR INVESTMENTS

It is the Company's policy to not to give loans directly, or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or give any guarantee or provide any security in connection with a loan to any other body corporate or person. The Company also does not make any investment in securities of any other body corporate.

### NOMINATION & REMUNERATION COMMITTEE

The Remuneration Committee was constituted on 30<sup>th</sup> October 2003. To comply with the requirements of the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges, the name of the Committee was changed to Nomination & Remuneration Committee effective from 26<sup>th</sup> May 2014. The Members of the Committee are Dr. Kali Kumar Chaudhuri as Chairman and Shri Ratan Lal Gaggar and Shri Sujit Chakravorti as Member, all are Independent Directors. The Company Secretary is the Secretary of this Committee.

The terms of reference and details of the number and dates of meetings of this Committee which were held during the year ended 31<sup>st</sup> March, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

### REMUNERATION POLICY

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Shareholders' / Investors' Grievance Committee was constituted on 22<sup>nd</sup> December 1986. To comply with the requirements of the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges, the name of the Committee was changed to Stakeholder Relationship Committee effective from 26<sup>th</sup> May 2014. The Members of the Committee are Dr. Kali Kumar

## Directors' Report (Contd.)

Chaudhuri as Chairman and Shri Ratan Lal Gaggar and Shri Sudeep Chitlangia as Members, majority of the members are Independent Directors. The Company Secretary is the Secretary of this Committee.

The Committee has delegated the responsibility for share transfers and other routine share maintenance work to the Company Secretary/ Compliance Officer and to M/s Maheswari Datamatics Private Limited, the Registrars and Share Transfer Agents of the Company. Minutes of the Committee Meetings are circulated to all Directors and discussed at the meetings of the Board of Directors. The Committee also reports to the Board on matters relating to the shareholding patterns, shareholding of major shareholders, insider trading compliances, movement of share prices, redressal of complaints, Reports on SCORES of SEBI and all compliances under the Companies Act, 2013 and the Listing Agreements with the Stock Exchanges.

The terms of reference and details of the number and dates of meetings of this Committee which were held during the year ended 31<sup>st</sup> March, 2015, attendance of the Directors and sitting fees paid to them are given separately in the attached Corporate Governance Report.

### RISK MANAGEMENT POLICY

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

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

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

The detail of the policy as approved by the Board of Directors is available on the Company's website [www.sardaplywood.com](http://www.sardaplywood.com).

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and of the profit of the Company for the year on that date;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the year ended 31<sup>st</sup> March 2015 on a 'going concern' basis.
- (v) That the Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively.
- (vi) That the Directors incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

### CORPORATE GOVERNANCE

The Company has in place the SEBI guidelines pertaining to Corporate Governance. During the year under consideration the Company had a seven member of Board of Directors consisting of four Independent Directors, one non-executive Woman Director and one Whole-time Director and Managing Director.

The Independent Directors received sitting fees for attending the Board and Committee meetings of the Directors. The sitting fees paid to the Directors are within the limits prescribed under the Companies Act, 2013 and Rules thereon.

The Corporate Governance Report giving the details as required under Clause 49 of the Listing Agreement with the Stock Exchange as given separately as "Annexure-4" and forms part of this Report of the Directors.

The Corporate Governance Certificate for the year ended on 31<sup>st</sup> March, 2015 issued by Mr. Ajay Agrawal of Messers G. P. Agrawal & Co., Chartered Accountants, Statutory Auditor of the Company, is also attached as "Annexure-5" and forms a part of this Report of the Directors.



## Directors' Report (Contd.)

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

Shri Sudeep Chitlangia, Managing Director has given their certificate under Clause 49(IX) of the Listing Agreement with the Stock Exchange regarding the annual financial statements for the year ended on 31<sup>st</sup> March, 2015 to the Board of Directors. The Managing Director has given his certificate under Clause 49 (II)(E) of the Listing Agreement with the Stock Exchanges regarding compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2015, which is attached as "Annexure-6" and forms a part of this Report of the Directors.

### **AUDITORS**

#### **STATUTORY AUDITORS**

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

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Messers A. K. Labh & Co, Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Auditor's Report is attached as "Annexure-7" and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Auditors in their Report.

### **INVESTOR EDUCATION & PROTECTION FUND**

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

### **STOCK EXCHANGE LISTING**

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company confirms payment of listing fee to the Bombay Stock Exchange Limited for the year 2015-2016.

### **BUSINESS RESPONSIBILITY REPORTING**

The provisions of Clause 55 of the Listing Agreement with the Stock Exchanges are not applicable to the Company and therefore the Company has not undertaken business Responsibility Reporting.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule-8 of the Companies (Accounts) Rules, 2014 are set out in "Annexure-8" forming part of this Report of the Directors.

### **EXTRACT OF ANNUAL RETURN**

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

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

No material changes and commitments affecting the financial position of the Company occurred during the year ended 31<sup>st</sup> March, 2015.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

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

## Directors' Report (Contd.)

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

The Company has constituted Internal Complaint Committee on 26<sup>th</sup> May, 2014 in compliance with the provisions of Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013. The Members of the Committee are Ms. Jaya Sengupta\* as Presiding Officer and Smt. Deepika Das, Smt. Sharmistha Pal, Shri Ravi Kumar Murarka, Shri Ardhendu Chatterjee and Smt. Madhumita Paul as Members. During the year, the Committee had not received any complaint from any employee or worker of the Company regarding sexual harassment at the workplace.

**\*Ms. Jaya Sengupta has resigned with effect from 7<sup>th</sup> March, 2015**

### SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES

The Company is having two Associate Companies namely; M/s P. S. Plywood Products Private Limited and M/s Pro-Sports Management Limited at the end of the year 31<sup>st</sup> March, 2015.

### ISO CERTIFICATION

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

### ANNEXURES FORMING A PART OF THIS OF THE DIRECTOR'S REPORT

The Annexure referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report of the Directors:

- Annexure – 1 : Management Discussion & Analysis Report
- Annexure – 2 : Particulars of Remuneration
- Annexure – 3 : Remuneration Policy of the Company
- Annexure – 4 : Corporate Governance Report
- Annexure – 5 : Certificate from Statutory Auditors on Corporate Governance
- Annexure – 6 : Managing Directors Certificate under Clause 49 (II)(E) of Listing Agreement on compliance of Code of Conduct
- Annexure – 7 : Secretarial Audit Report
- Annexure – 8 : Prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. Management Discussion & Analysis Report
- Annexure – 9 : Extract of the Annual Return in Form No. MGT-9

### ACKNOWLEDGEMENT

Your Directors record their sincere appreciation for the support and co-operation received from the Financial Institutions, Banks, Dealers, Suppliers, Customers, Shareholders, various Government authorities and other associated with the Company. Your Directors also place on record their appreciation of the dedication and commitment of all employees in achieving and sustaining excellence in all areas of the business.

For and on behalf of the Board

**[SUJIT CHAKRAVORTI]**  
Director  
(DIN: 00066344)

**[SUDEEP CHITLANGIA]**  
Managing Director  
(DIN: 00093908)

Registered Office  
9, Parsee church Street  
Kolkata – 700001

Dated: 27<sup>th</sup> May 2015



### Management Discussion and Analysis Report

#### OVERVIEW

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

#### SEGMENTWISE PERFORMANCE

##### Plywood

The global recession and/or slow down has adversely affected the Indian manufacturing sector. Signs of recovery are not clearly visible and it is expected that growth in the housing and infrastructure sector will not gain momentum in the days ahead. Consequently, the demand for plywood and allied products is not expected to grow quickly. Other than above factors, there is no significant threat to the industry and/or Company from any product and/or sector.

During the year 2014-15, segment revenue increased from ₹ 162.20 Crore to ₹178.05 Crore i.e. a growth of 10%. The Company has earned segment profit before tax and interest of ₹ 5.53 Crore as against segment loss before tax and interest of ₹1.90 Crore in the preceding financial year.

Since the major portion of the raw materials is imported by the Company, volatile foreign exchange rate and availability of Raw Materials is a matter of concern and all possible efforts are taken to minimize these risks.

##### Tea

Tea Industry is doing much better as compared to previous year with revival of demand for CTC tea and increased sales realization leading to higher operating margins.

Segment revenue during the year was ₹ 24.81 crore as against ₹ 20.67 Crore in the preceding financial year representing a growth of 20%. Segment profit before tax and interest increased from ₹ (0.12) Crore loss to ₹ 0.78 Crore profit. Outlook for the tea industry is expected to remain positive in the days ahead.

Tea industry is directly dependent on weather conditions. Although demand for Tea has increased, there is no improvement in raw material availability. Lower availability and high cost of raw materials is a matter of concern.

#### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

#### OPPORTUNITIES & THREATS

##### Opportunities

The opportunities observed are based on the trends noticed in past couple of years, which continues to be relevant. Some of the key ones are as follows:

- Domestic market to get boosted due to Government focus on “Digital India” and “make in India”
- The Company is looking forward to the expansion of the market in the upcoming areas of the country.
- Company has sufficient spare capacity to cater the increase demand of its products (if any).

##### Threats

- **Raw Materials:** Timber is a sensitive product as far as environmental policy is concerned world over, the availability of timber depends on the licenses given by local authorities. Any delay or problem in issuing licenses by the Governments of the countries from where timber is imported may affect the availability of raw material. The availability of raw material i.e. green leaf depends upon the weather conditions and as such it varies every year. Also prices vary depending upon availability of green leafs
- **Forex Risk:** Since a major portion of raw material is imported, fluctuation in forex rate is also a risk to business.
- **Credit Risk:** Company's products are sold on credit and as such credit risk is an inherent risk to the business.
- **Cost of Capital Risk:** the Company has substantial borrowings, both term loan and working capital loan from banks, an increase in interest rates will affect profitability

## Management Discussion and Analysis Report (Contd.)

### BUSINESS RISK MANAGEMENT

Although the company has long been following the principle of risk minimization as is the norm in every industry it has now become a compulsion.

Therefore, in accordance with Clause 49 of the Listing Agreement the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the Company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks *inter alia* are: Regulations, competition, Business risk, Technology obsolescence, Raw Material, Investments, retention of talent and expansion of facilities.

Business risk, *inter-alia*, further includes financial risk, political risk, fidelity risk, legal risk, forex risk, credit risk, insurable risk, cost of capital risk, risk from substitute products.

### FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has increased from ₹ 200.57 Crores to ₹ 222.58 Crore registering a growth of 11%. The Company has incurred a net loss of ₹ 0.49 Crores as against a net loss of ₹ 6.47 Crores in the preceding financial year. In view of loss incurred by the Company, the Board of Directors did not recommend any dividend.

### HUMAN RESOURCES MANAGEMENT & HEALTH, SAFETY AND ENVIRONMENT

The well disciplined workforce which has served the Company for three decades lies at the very foundation of the Company's major achievements and shall well continue for the years to come. The management has always imparted training at periodic intervals. Decisions on recruitment, career development, training, promotion, rewards and other employment related issues are made solely on the ground of individual ability, achievement, expertise and conduct and these principals are operated on a non-discriminatory basis. The permanent manpower strength as on 31<sup>st</sup> March, 2015 was 745

We have made further progress on Health and Safety both in terms of safe working practices and the reporting performance by implementation of standards for vehicles and machine safety, ergonomics initiatives, wearing protective equipments, regular safety audits etc. Also managing environment impact is a matter of priority and therefore continuous care for the environment, responsible disposal of wastes and development of local co-operatives are engaged into.

### 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.*



### Particulars of Remuneration

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

<b>Requirement of Rule 5(1)</b>	<b>Details</b>
(i) The ratio of each Director to the median remuneration of the employees of the Company for the financial year;	<b>Independent Directors</b> Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil Shri Naresh Paschisia* : Nil
	<b>Non Executive Director</b> Smt. Sheela Chitlangia** : N. A
	<b>Executive Directors</b> Shri Sudeep Chitlangia : 16.02 Shri Sohan Lal Yadav : 11.43
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Independent Directors</b> Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil Shri Naresh Paschisia : Nil
	<b>Non Executive Director</b> Smt. Sheela Chitlangia : N. A
	<b>Executive Directors</b> Shri Sudeep Chitlangia : 24.76% Managing Director Shri Sohan Lal Yadav : Nil Wholetime Director
	<b>CS &amp; CFO</b> Shri Ravi Kumar Murarka : 9.46% Company Secretary Ms. Jaya Sengupta*** : Nil Chief Financial Officer
(iii) The percentage increase in the median remuneration of employees in the financial year	: 9.73%
(iv) The number of permanent employees on the rolls of the Company	: 745 permanent employees as on March 31, 2015
(v) The explanation on the relationship between average increase in remuneration and company performance	: Average increase in remuneration of the employees was 13.81% which is based partly on the results of the Company for the year ended March 31, 2015 and partly on the individual employee's performance.
(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	: The increase in the remuneration of Company Secretary is below the increase in median employee's remuneration and sales growth of the Company. Increase in the Managing Directors remuneration is higher due to higher and additional responsibilities taken up by him. Further his remuneration was increased after a gap of three years.

## Particulars of Remuneration (Contd.)

		As on 31.03.2015	As on 31.03.2014	Increase (%)
(vii)	Variation in the market capitalization of the Company, price earning ration as at the closing date of the current financial year and previous financial year and percentage increase over decreases over market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.			
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.			
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company			
(x)	The key parameters for any variable component of remuneration available by the directors			
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;			
(xii)	Affirmation that the remuneration is as per the remuneration policy of the Company			

\* Resigned from the Board with effect from 26<sup>th</sup> September, 2014

\*\* Appointed as Additional Director with effect from 6<sup>th</sup> February, 2015

\*\*\* Appointed as CFO on 1<sup>st</sup> April, 2014 and resigned with effect from 7<sup>th</sup> March 2015

Note: Sitting Fees paid to the Independent Directors is not considered as remuneration paid to the Independent Directors.

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

<b>(A) Person who are in receipt of remuneration aggregating not less than Rs.60,00,000 per annum and employed throughout the financial year:</b>								
Name	Age	No of Shares held	Designation	Gross Remuneration	Qualification	Experience	Date of Commencement of employment	Previous Employment & position held
NIL								
<b>(B) Person who are in receipt of remuneration aggregating not less than Rs.5,00,000 per month and employed for part of the financial year:</b>								
NIL								



### Remuneration Policy

#### a) Remuneration Policy for Non Executive Directors/ Independent Directors

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

Under the Equity Listing Agreement, Clause 49(VIII)(C)(3) requires, every Company to publish its criteria of making payments to NEDs in its Annual Report. Alternatively, this may be put up on the Company's website and reference may be drawn thereto in its Annual Report. Section 197 of the Companies Act, 2013 and Clause 49(II)(C) require the prior approval of the shareholders of a Company for making payment to its NEDs.

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

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

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

#### b) Remuneration Policy for Executive Directors

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

##### Key Principles:

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

##### Elements of the Remuneration structure of Executive Directors

The remuneration to key managerial personnel shall include

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

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

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

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

## **Remuneration Policy (Contd.)**

### **c) Remuneration Policy for Key Managerial Personnel (KMP)**

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

#### **Key Principles**

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

#### **Elements of the Remuneration structure of KMP's**

The remuneration to key managerial personnel shall include

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

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

### **d) Remuneration Policy for Senior Management Personnel and other Executives**

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

Remuneration to Senior Management Personnel shall include

- Fixed Salary
- Perquisites and Allowances
- And other benefits in accordance with the market practice

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



### Report on Corporate Governance

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Company's 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
- Four Non-Executive Independent Directors
- One Non-Executive Woman Director
- One Executive Director

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

##### b) Board Meetings held during the year ended 31<sup>st</sup> March 2015

During the year under review four Board Meetings were held on 26<sup>th</sup> May 2014, 13<sup>th</sup> August 2014, 7<sup>th</sup> November 2014 and 6<sup>th</sup> February 2015.

##### c) Attendance at Board Meetings and at the last AGM

Name of Directors	Category of Directorship	Number of Board Meetings		Attendance at last AGM
		Held	Attended	
Dr.Kali Kumar Chaudhuri	Non-Executive & Independent	4	3	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	No
Shri Naresh Paschisia*	Non-Executive & Independent	4	2	Yes
Shri Probir Roy	Non-Executive Independent	4	4	Yes
Smt. Sheela Chitlangia**	Non-Executive Director	4	Nil	N.A
Shri Sohan Lal Yadav	Whole-time Director	4	1	No

\* Resigned with effect from 26<sup>th</sup> September 2014

\*\* Appointed with effect from 6<sup>th</sup> February 2015

##### 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 Probir Roy	3	None	None
Smt. Sheela Chitlangia	None	None	None
Shri Sohan Lal Yadav	None	None	None

# Only membership of Audit Committee and Stakeholders Relationship 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) Terms of Reference

The terms of reference of the Committee are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, reappointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management the annual financial statements before submission to the Board for approval;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the report submitted by the monitoring agency and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors, any significant findings and follow up there-on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularly or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To review, check and approve the transaction with Related Party
- Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors; and
- To review the functioning of the Whistle Blower mechanism.

### c) Audit Committee Meetings held during the year ended 31<sup>st</sup> March 2015

During the year under review, four Audit Committee Meetings were held on 26<sup>th</sup> May 2014, 13<sup>th</sup> August 2014, 7<sup>th</sup> November 2014 and 6<sup>th</sup> February 2015.

### d) 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

## 4. NOMINATION & REMUNERATION COMMITTEE (formerly known as Remuneration Committee)

### a) Composition of the Committee

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

### b) Terms of Reference

The terms of reference of the Committee are as follows:

- To ensure fit and proper credentials of proposed/existing Directors;
- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- To fill the vacancy of the Board
- To formulate criteria for evaluation of Independent Directors and the Board



**Report on Corporate Governance (Contd.)**

- To devise a policy on Board diversity;
- To determine on behalf of the Board and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Executive Directors including pension right and compensation payment;
- To determine the revenue matrix, salary and bonus to be paid to Whole-time Director(s) or Managing Director of the Company;
- To determine the sitting fee to be paid to the members of the Board
- To recommend to the Board the revenue matrix, salary and bonus to be paid to the Key Managerial Personnel of the Company;
- To identify, appoint and review the performance of Key Managerial Personnel of the Company;
- To make recommendations to the Board with respect to the compensation to be paid to the Executive Directors of the Company;
- To determine the criteria for grant of options or shares under the Stock Option or Stock Purchase Scheme;

**c) Nomination & Remuneration Committee Meeting held during the year ended 31<sup>st</sup> March 2015**

During the year under review, one Nomination & Remuneration Committee Meeting was held on 17<sup>th</sup> April 2014.

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

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

**Details of remuneration to Directors**

Name	Salary & Perks ₹	Sitting Fees ₹	Total ₹
Dr. Kali Kumar Chaudhuri		38500	38500
Shri Sujit Chakravorti		76000	76000
Shri Sudeep Chitlangia	3724488	-	3724488
Shri Ratan Lal Gaggar		61000	61000
Shri Sohan Lal Yadav	2939290	-	2939290
Shri Naresh Pachisia*		20000	20000
Shri Probir Roy		70000	70000
Smt. Sheela Chitlangia**		NIL	NIL

\* Resigned with effect from 26<sup>th</sup> September 2014

\*\* Appointed with effect from 6<sup>th</sup> February 2015

**Notes:**

- (a) (i) Appointment of Shri Sudeep Chitlangia is for the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2017.
- (ii) Appointment of Shri Sohan Lal Yadav is for the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2018.
- (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**

Except Smt. Sheela Chitlangia none of the Non-Executive Directors hold any shares in the Company. Smt. Sheela Chitlangia holds 271650 Equity Shares of the Company as on 31<sup>st</sup> March, 2015.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE (formerly known as Shareholders'/ Investors' Grievance Committee)**

**a) Composition of the Committee**

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

## Report on Corporate Governance (Contd.)

### b) Terms of Reference

The Committee performs amongst others the role/functions as are set out in Clause 49 of the Listing Agreement with Stock Exchanges and includes:

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

### c) Stakeholders Relationship Committee Meetings held during the year ended 31<sup>st</sup> March 2015

During the year under review, one Stakeholder Relationship Committee Meeting was held on 30<sup>th</sup> January 2015.

### d) Attendance at Stakeholders Relationship 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 of the Company.

### Shareholders' Complaints

During the year ended 31<sup>st</sup> March 2015, the Company had not received any complaints from its 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
2011-2012	The Far Pavilion, Tollygunge Club Limited , 120, Deshapran Sasnal Road, Kolkata - 700 033	28.09.2012	11.00 A.M.	One
2012-2013	-do-	27.09.2013	11.00 A.M	None
2013-2014	-do-	25.09.2014	11.00 A.M	Two

### Notes:

- (i) No special resolution was passed through postal ballot during the year 2014-15.
- (ii) No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

## 7. DISCLOSURES

- a) 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.
- b) 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.
- c) The Company has adopted whistle blower policy. No personnel were denied access to the Audit Committee.
- d) Management Discussion & Analysis, which has been reviewed by the Audit Committee of the Company, is a part of the Annual Report.



**Report on Corporate Governance (Contd.)**

- 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 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 Nomination & 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](http://www.sardaplywood.in).
- c) No presentations were made to institutional investors or analysts.

**9. GENERAL SHAREHOLDER INFORMATION**

**I. Annual General Meeting**

- Date and Time : 29<sup>th</sup> September 2015 at 11.00 A.M.
- Venue : The Far Pavilion, Tollygunge Club Limited  
120, Deshapran Sasmal Road, Kolkata- 700033

**II. Financial Calendar for the year 2015-2016**

- 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** : 22<sup>nd</sup> September 2015 to 29<sup>th</sup> September 2015  
(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 Date**

Month	Stock Prices on BSE		SENSEX	
	High	Low	High	Low
April 2014	14.36	12.41	22939.31	22197.51
May 2014	17.49	14.00	25375.63	22277.04
June 2014	18.85	16.05	25725.12	24270.20
July 2014	27.50	19.75	26300.17	24892.00
August 2014	28.30	24.70	26674.38	25232.82
September 2014	28.35	22.35	27354.99	26220.49
October 2014	29.90	25.50	27894.32	25910.77
November 2014	30.00	23.40	28822.37	27739.56
December 2014	33.00	23.00	28809.64	26469.42
January 2015	51.55	33.50	29844.16	26776.12
February 2015	42.15	27.10	29560.32	28044.49
March 2015	50.50	26.60	30024.74	27248.45

**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

## Report on Corporate Governance (Contd.)

transfer requests on regular basis and accordingly all valid transfers are effected within a fortnight. Details of approved share transfers are submitted to the Stakeholders Relationship Committee.

### IX. Distribution of Shareholding as on 31<sup>st</sup> March 2015

No. of shares of ₹ 10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6421	95.61	814572	18.03
501-1000	158	2.35	125560	2.78
1001-5000	93	1.38	195546	4.33
5001-10000	18	0.27	126738	2.81
10001-100000	19	0.28	955748	21.15
100001 & above	7	0.11	2299721	50.90
TOTAL	6716	100.00	4517885	100.00

### X. Categories of Shareholding as on 31<sup>st</sup> March 2015

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	2133451	47.22
Banks and Mutual Funds	10900	0.24
Bodies Corporates	593415	13.14
Individuals	1780119	39.40
Total	4517885	100.00

XI. Dematerialisation of shares : The Company's shares are available for Dematerialisation and liquidity with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31<sup>st</sup> March 2015, 88.90% of the Share Capital has been dematerialised.

XII. Outstanding GDR/ADR/Warrants : Not Applicable

XIII. Plant locations : 1. Tea Unit  
P.O. Jeypore - 786614  
Dist. Dibrugarh, Assam  
2. Plywood Units  
(a) P.O. Jeypore - 786614  
Dist. Dibrugarh, Assam  
(b) Rajkot Gondal Highway  
Shapar - 360002, Veraval  
Dist. Rajkot, Gujarat  
(Under License Agreement)

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

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

Registered Office  
9, Parsee church Street  
Kolkata – 700001

Dated: 27<sup>th</sup> May 2015

For and on behalf of the Board

**[SUJIT CHAKRAVORTI]**  
Director  
(DIN: 00066344)

**[SUDEEP CHITLANGIA]**  
Managing Director  
(DIN: 00093908)



## Annexure-5

### **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 2015, 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, 2015 except those under litigation, disputes or court orders.

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

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

**CA RAKESH KUMAR SINGH**  
(Membership No.66421)  
Partner

7A, Kiran Shankar Ray Road  
Kolkata - 700 001  
The 27<sup>th</sup> May 2015

## Annexure-6

### **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 2015.

Place: Kolkata  
Date: 27<sup>th</sup> May 2015

**[SUDEEP CHITLANGIA]**  
(DIN: 00093908)  
Managing Director

**Secretarial Audit Report  
For The Financial Year Ended 31<sup>st</sup> March, 2015**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation ,1992;
  - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other laws, inter alia, as in general applicable to the Company :
  - (1) Food Safety and Standards Act, 2006;
  - (2) The Indian Forest Act, 1927;
  - (3) Tea Waste Control Order, 1959;
  - (4) Tea (Marketing) Control Order, 2003;
  - (5) Tea (Distribution & Export) Control Order, 2005;
  - (6) Plant Protection Code (formulated by Tea Board of India);

to the extent of their applicability to the Company during the financial year ended 31.03.2015 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.



## Secretarial Audit Report (Contd.)

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchanges.

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

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

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India.

### We further report that :

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

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

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

Place : Kolkata

Dated : 27<sup>th</sup> May, 2015

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

**(A) CONSERVATION OF ENERGY**

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

**(B) TECHNOLOGY ABSORPTION**

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

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

- e) **Earnings and Outgo:** (₹ Lacs)

  - (i) Foreign Exchange earnings NIL
  - (ii) Foreign exchange outgo (imports and other expenditure in foreign currency) 5256.23

**FORM – A**

(See rule 2)

(For Bought Leaf Tea Processing Factory)

**Disclosure of particulars with respect to conservation of energy**

<b>A. POWER AND FUEL CONSUMPTION</b>	<b>2014-2015</b>	<b>2013-2014</b>
--------------------------------------	------------------	------------------

**1. Electricity**

(a) Purchased			
Unit	Kwh	277160	324840
Total amount	₹	3465715	3560868
Rate/Unit	₹/Kwh	12.50	10.96

(b) Own generation

(i) (Through gas generator)			
Unit	Kwh	1204306	1101380
Unit per SCUM of natural gas	Kwh/SCUM	2.04	2.24
Cost/unit	₹/Kwh	5.84	5.86

(ii) (Through Diesel Generator)

Unit	Kwh	Nil	12890
Unit per Litre of Diesel Oil	Kwh/ltr.	Nil	2.79
Cost/unit	₹/Kwh	Nil	19.14

**2. Natural Gas**

Quantity	SCUM	889739	766497
Total cost	₹	10892525	9576414
Rate	₹/SCUM	12.24	12.49

**B. CONSUMPTION PER UNIT OF PRODUCTION**

Electricity	Kwh/Kg.	0.71	0.77
Natural Gas	SCUM/Kg.	0.42	0.41



**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March 2015**

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

**I. REGISTRATION AND OTHER DETAILS**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Plywood	1621	85.01
2	Veneer	1621	3.30
3	Tea	10791	11.69

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	P.S. Plywood Products Private Limited Rajkot – Gondal Highway, Shapar – 2, Rajkot – 360001, Gujarat	U20291GJ1986PTC009129	Associate	46.67	2(6)
2	Pro-Sports Management Limited, 113, Park Street, North Block, 4 <sup>th</sup> Floor, Kolkata – 700 016	U74999WB1991PLC053359	Associate	20.00	2(6)

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1547059	0	1547059	34.24	1549209	0	1549209	34.29	0.05
b) Central Government									
c) State Government									
d) Bodies Corporate	584242	0	584242	12.93	584242	0	584242	12.93	0
e) Banks / Financial Institutions									
f) Any Other									
<b>Sub-Total (A) (1)</b>	<b>2131301</b>	<b>0</b>	<b>2131301</b>	<b>47.17</b>	<b>2133451</b>	<b>0</b>	<b>2133451</b>	<b>47.22</b>	<b>0.05</b>
(2) Foreign									
NRIs-Individuals									
Other-Individuals									
Bodies Corporate									
Banks / Financial Institutions									
Any Other (Specify)									
<b>Sub-Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)</b>	<b>2131301</b>	<b>0</b>	<b>2131301</b>	<b>47.17</b>	<b>2133451</b>	<b>0</b>	<b>2133451</b>	<b>47.22</b>	<b>0.05</b>
<b>(A) = (A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	0	8600	8600	0.19	0	8600	8600	0.19	0.00
b) Banks / Financial Institutions	200	2100	2300	0.05	200	2100	2300	0.05	0.00
c) Central Government(s)									
d) State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B) (1)</b>	<b>200</b>	<b>10700</b>	<b>10900</b>	<b>0.24</b>	<b>200</b>	<b>10700</b>	<b>10900</b>	<b>0.24</b>	<b>0.00</b>
(2) Non-Institutions									
a) Bodies Corp.	133153	444750	577903	12.79	586050	4650	590700	13.07	0.28
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	680008	498056	1178064	26.08	685115	486732	1171847	25.94	(-) 0.14
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	542825	0	542825	12.02	523019	0	523019	11.58	(-) 0.44
c) Others (specify)									
1. Non Resident Indians	76792	0	76792	1.70	85253	0	85253	1.89	0.19
2. Clearing Member	100	0	100	0.0022	2715	0	2715	0.06	0.06
3. OCB									
4. Trust									
5. Foreign Portfolio Investor									
<b>Sub-total(B) (2)</b>	<b>1432878</b>	<b>942806</b>	<b>2375684</b>	<b>52.58</b>	<b>1882152</b>	<b>491382</b>	<b>2373534</b>	<b>52.54</b>	<b>(-) 0.05</b>
<b>Total Public Shareholding (B)</b>	<b>1433078</b>	<b>953506</b>	<b>2386584</b>	<b>52.83</b>	<b>1882352</b>	<b>502082</b>	<b>2384434</b>	<b>52.78</b>	<b>(-) 0.05</b>
<b>(B) = (B) (1) + (B) (2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>3564379</b>	<b>953506</b>	<b>4517885</b>	<b>100.00</b>	<b>4015803</b>	<b>502082</b>	<b>4517885</b>	<b>100.00</b>	



**ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Sudeep Chitlangia	358350	7.93	0.00	358350	7.93	0.00	0.00
2	Jaydeep Chitlangia	344300	7.62	0.00	344300	7.62	0.00	0.00
3	Sheela Chitlangia	271650	6.01	0.00	271650	6.01	0.00	0.00
4	Nikhilesh Chitlangia	91800	2.03	0.00	91800	2.03	0.00	0.00
5	Sudeep Chitlangia (HUF)	90786	2.01	0.00	90786	2.01	0.00	0.00
6	Purushottam Das Chitlangia (HUF)	90175	2.00	0.00	90175	2.00	0.00	0.00
7	Jaydeep Chitlangia (HUF)	65604	1.45	0.00	65604	1.45	0.00	0.00
8	Akhilesh Chitlangia	55000	1.22	0.00	55000	1.22	0.00	0.00
9	Abhishek Chitlangia	55000	1.22	0.00	55000	1.22	0.00	0.00
10	Archana Chitlangia	52294	1.16	0.00	52294	1.16	0.00	0.00
11	Shreya Chitlangia	50000	1.11	0.00	50000	1.11	0.00	0.00
12	Radheshyam Chitlangia (HUF)	18000	0.39	0.00	18000	0.39	0.00	0.00
13	Sunita Chitlangia	4100	0.09	0.00	6250	0.14	0.00	0.05
14	Madhya Bharat Papers Limited	55100	1.22	0.00	55100	1.22	0.00	0.00
15	Chitlangia Medical Society	72200	1.60	0.00	72200	1.60	0.00	0.00
16	Chitperi Farm Private Limited	21942	0.49	0.00	21942	0.49	0.00	0.00
17	Abhinandan Fintex Private Limited	435000	9.63	0.00	435000	9.63	0.00	0.00
	<b>Total</b>	2131301	47.17	0.00	2133451	47.22	0.00	0.05

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	<b>Chitlangia Medical Society</b>				
	At the beginning of the year	72200	1.60	72200	1.60
	At the end of the year			72200	1.60
2	<b>Chitperi Farm Private Limited</b>				
	At the beginning of the year	21942	0.49	21942	0.49
	At the end of the year			21942	0.49
3	<b>Jaydeep Chitlangia</b>				
	At the beginning of the year	65604	1.45	65604	1.45
	At the end of the year			65604	1.45
4	<b>Abhinandan Fintex Private Limited</b>				
	At the beginning of the year	435000	9.63	435000	9.63
	At the end of the year			435000	9.63
5	<b>Radheyshay Chitlangia (HUF)</b>				
	At the beginning of the year	18000	0.39	18000	0.39
	At the End of the year			18000	0.39
6	<b>Madhya Bharat Papers Limited</b>				
	At the beginning of the year	55100	1.22	55100	1.22
	At the end of the year			55100	1.22
7	<b>Purushottam Das Chitlangia</b>				
	At the beginning of the year	90175	2.00	90175	2.00
	At the end of the year			90175	2.00

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8	<b>Archana Chitlangia</b>				
	At the beginning of the year	52294	1.16	52294	1.16
	At the end of the year			52294	1.16
9	<b>Sudeep Chitlangia (HUF)</b>				
	At the beginning of the year	90786	2.01	90786	2.01
	At the end of the year			90786	2.01
10	<b>Sudeep Chitlangia</b>				
	At the beginning of the year	358350	7.93	358350	7.93
	At the end of the year			358350	7.93
11	<b>Sheela Chitlangia</b>				
	At the beginning of the year	271650	6.01	271650	6.01
	At the end of the year			271650	6.01
12	<b>Sunita Chitlangia</b>				
	At the beginning of the year	4100	0.09	4100	0.09
	As on 19.09.2014 – Transfer			4250	0.09
	As on 05.12.2014 – Transfer			6250	0.14
	At the end of the year			6250	0.14
13	<b>Jaydeep Chitlangia</b>				
	At the beginning of the year	344300	7.62	344300	7.62
	At the end of the year			344300	7.62
14	<b>Akhilesh Chitlangia</b>				
	At the beginning of the year	55000	1.22	55000	1.22
	At the end of the year			55000	1.22
15	<b>Nikhilesh Chitlangia</b>				
	At the beginning of the year	91800	2.03	91800	2.03
	At the end of the year			91800	2.03
16	<b>Shreya Chitlangia</b>				
	At the beginning of the year	50000	1.11	50000	1.11
	At the end of the year			50000	1.11
17	<b>Abhishek Chitlangia</b>				
	At the beginning of the year	55000	1.22	55000	1.22
	At the end of the year			55000	1.22

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Cuckoo Fiscal Services Limited</b>				
	At the beginning of the year	440000	9.7391	440000	9.7391
	At the end of the year			440000	9.7391
2	<b>Master Capital Services Limited</b>				
	At the beginning of the year	375	0.0083	375	0.0083
	As on 11/04/2014 - Transfer			385	0.0085
	As on 18/04/2014 - Transfer			435	0.0096
	As on 25/04/2014 - Transfer			540	0.0120
	As on 02/05/2014 - Transfer			450	0.0100
	As on 30/05/2014 - Transfer			495	0.0110
	As on 06/06/2014 - Transfer			560	0.0124
	As on 11/07/2014 - Transfer			360	0.0080
	As on 25/07/2014 - Transfer			1099	0.0243
	As on 01/08/2014 - Transfer			1047	0.0232
	As on 08/08/2014 - Transfer			1046	0.0232
	As on 14/08/2014 - Transfer			849	0.0188



	As on 05/09/2014 - Transfer		1849	0.0409
	As on 19/09/2014 - Transfer		4070	0.0901
	As on 14/11/2014 - Transfer		4020	0.0890
	As on 21/11/2014 - Transfer		6809	0.1507
	As on 28/11/2014 - Transfer		7120	0.1576
	As on 31/12/2014 - Transfer		8431	0.1866
	As on 02/01/2015 - Transfer		9126	0.2020
	As on 09/01/2015 - Transfer		6034	0.1336
	As on 16/01/2015 - Transfer		6134	0.1358
	As on 30/01/2015 - Transfer		6235	0.1380
	As on 13/02/2015 - Transfer		12235	0.2708
	As on 20/02/2015 - Transfer		12435	0.2752
	As on 20/03/2015 - Transfer		7375	0.1632
	As on 27/03/2015 - Transfer		7275	0.1610
	At the end of the year		7275	0.1610
<b>3</b>	<b>Niraj Investment Company Private Limited</b>			
	At the beginning of the year	67372	1.4912	67372
	At the end of the year		67372	1.4912
<b>4</b>	<b>Aashray Enterprises Private Limited</b>			
	At the beginning of the year	34842	0.7712	34842
	As on 23/01/2015 - Transfer		34500	0.7636
	As on 13/03/2015 - Transfer		29500	0.6530
	At the end of the year		29500	0.6530
<b>5</b>	<b>Arun Kumar Sancheti (HUF)</b>			
	At the beginning of the year	9540	0.2112	9540
	As on 13/02/2015 - Transfer		10885	0.2409
	As on 27/03/2015 - Transfer		13468	0.2981
	At the end of the year		13468	0.2981
<b>6</b>	<b>Arvind Kumar J Sancheti</b>			
	At the beginning of the year	40397	0.8942	40397
	As on 16/01/2015 - Transfer		31628	0.7001
	As on 30/01/2015 - Transfer		25205	0.5579
	As on 06/02/2015 - Transfer		24751	0.5478
	At the end of the year		24751	0.5478
<b>7</b>	<b>Praveen Kumar Garg</b>			
	At the beginning of the year	12650	0.2800	12650
	As on 25/04/2014 - Transfer		12850	0.2844
	As on 30/05/2014 - Transfer		13050	0.2889
	As on 04/07/2014 - Transfer		12850	0.2844
	As on 11/07/2014 - Transfer		10752	0.2380
	As on 18/07/2014 - Transfer		10352	0.2291
	As on 08/08/2014 - Transfer		10552	0.2336
	As on 14/08/2014 - Transfer		10777	0.2385
	As on 05/09/2014 - Transfer		10877	0.2408
	As on 19/09/2014 - Transfer		11077	0.2452
	As on 30/09/2014 - Transfer		11777	0.2607
	As on 17/10/2014 - Transfer		11772	0.2606
	As on 07/11/2014 - Transfer		12472	0.2761
	As on 14/11/2014 - Transfer		13702	0.3033
	As on 28/11/2014 - Transfer		14248	0.3154
	As on 05/12/2014 - Transfer		14702	0.3254
	As on 12/12/2014 - Transfer		14707	0.3255
	As on 19/12/2014 - Transfer		14732	0.3261
	As on 31/12/2014 - Transfer		14597	0.3231
	As on 02/01/2015 - Transfer		14230	0.3150
	As on 09/01/2015 - Transfer		12805	0.2834
	As on 16/01/2015 - Transfer		15055	0.3332
	As on 23/01/2015 - Transfer		14371	0.3181
	As on 30/01/2015 - Transfer		12046	0.2666

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	As on 13/02/2015 - Transfer		12646	0.2799
	As on 20/02/2015 - Transfer		12247	0.2711
	As on 06/03/2015 - Transfer		13247	0.2932
	As on 13/03/2015 - Transfer		14246	0.3153
	As on 20/03/2015 - Transfer		11771	0.2605
	As on 27/03/2015 - Transfer		11671	0.2583
	At the end of the year		11671	0.2583
<b>8</b>	<b>Ramit Rajinder Bhardwaj</b>			
	At the beginning of the year	0	0	0
	As on 21/11/2014 - Transfer		300	0.0066
	As on 31/12/2014 - Transfer		2926	0.0648
	As on 09/01/2015 - Transfer		2976	0.0659
	As on 16/01/2015 - Transfer		9369	0.2074
	As on 23/01/2015 - Transfer		13828	0.3061
	As on 30/01/2015 - Transfer		13868	0.3070
	As on 06/02/2015 - Transfer		12668	0.2804
	As on 13/02/2015 - Transfer		358	0.0079
	At the end of the year		122	0.0027
<b>9</b>	<b>Parthiv Rameshchandra Patel</b>			
	At the beginning of the year	2935	0.0650	0.0650
	As on 04/04/2014 - Transfer		3010	0.0666
	As on 18/04/2014 - Transfer		3410	0.0755
	As on 09/05/2014 - Transfer		4745	0.1050
	As on 23/05/2014 - Transfer		5038	0.1115
	As on 30/05/2014 - Transfer		7153	0.1583
	As on 21/11/2014 - Transfer		8409	0.1861
	As on 28/11/2014 - Transfer		10092	0.2234
	As on 05/12/2014 - Transfer		12292	0.2721
	As on 13/02/2015 - Transfer		12592	0.2787
	At the end of the year		12592	0.2787
<b>10</b>	<b>Anita Gupta</b>			
	At the beginning of the year	10615	0.2350	0.2350
	As on 16/01/2015 - Transfer		7615	0.1686
	At the end of the year		7615	0.1686
<b>11</b>	<b>Mamta Sancheti</b>			
	At the beginning of the year	13524	0.2993	0.2993
	As on 09/01/2015 - Transfer		12381	0.2740
	As on 20/03/2015 - Transfer		13305	0.2945
	As on 27/03/2015 - Transfer		21787	0.4822
	At the end of the year		21787	0.4822
<b>12</b>	<b>Hemant Kumar Motihar</b>			
	At the beginning of the year	226306	5.0091	5.0091
	At the end of the year		226306	5.0091
<b>13</b>	<b>Madan Bhagchand Melwani</b>			
	At the beginning of the year	68377	1.5135	1.5135
	At the end of the year		68377	1.5135
<b>14</b>	<b>Shabnam Motihar</b>			
	At the beginning of the year	224145	4.9613	4.9613
	As on 21/11/2014 - Transfer		224115	4.9606
	At the end of the year		224115	4.9606
<b>15</b>	<b>Arvind Kumar Sancheti</b>			
	At the beginning of the year	17574	0.3890	0.3890
	As on 21/11/2014 - Transfer		16074	0.3558
	As on 31/12/2014 - Transfer		13127	0.2906
	As on 06/02/2015 - Transfer		12252	0.2712
	As on 20/03/2015 - Transfer		8872	0.1964
	At the end of the year		8872	0.1964



**v) Shareholding of Directors and Key Managerial Personnel**

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

\*Ms. Jaya Sengupta has resigned with effect from March 7, 2015

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**V. INDEBTEDNESS**

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

(₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3649.96	1430.27	Nil	5080.23
ii) Interest due but not paid	–	46.88	Nil	46.88
iii) Interest accrued but not due	0.46	0.20	Nil	0.66
<b>Total (i + ii + iii)</b>	<b>3650.42</b>	<b>1477.35</b>	<b>Nil</b>	<b>5127.77</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	25.08	1198.42	Nil	1223.50
Reduction	562.45	1186.13	Nil	1748.58
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3112.33	1411.77	Nil	4524.10
ii) Interest due but not paid	-	77.69	Nil	77.69
iii) Interest accrued but not due	0.72	0.18	Nil	0.90
<b>Total (i + ii + iii)</b>	<b>3113.05</b>	<b>1489.64</b>	<b>Nil</b>	<b>4602.69</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Sudeep Chitlangia, Managing Director	Shri Sohan Lal Yadav, Whole-time Director	
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3300000	2454800	5754800
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	411000	478240	889240
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	0	0	0
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify (Club Membership)	Nil	Nil	Nil
5.	Others, please specify – Club membership	13488	6250	19738
	<b>Total* (A)</b>	<b>3724488</b>	<b>2939290</b>	<b>6663778</b>
	<b>Ceiling as per the Act</b>	<b>4200000</b>	<b>4200000</b>	<b>8400000</b>

\*As per Cost to the Company



**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Sujit Chakravorti	Dr. Kali Kumar Chaudhuri	Shri Ratan Lal Gaggar	Shri Probir Roy	Smt. Sheela Chitlangia	
1.	Independent Directors Fee for attending Board / Committee meetings	76000	38500	61000	70000	N.A	
	<b>Total (1)</b>	76000	38500	61000	70000	N.A	245500
2.	Other Non-Executive Directors Fee for attending board/ committee meetings, commission others, please specify	N.A	N.A	N.A	N.A	Nil	Nil
	<b>Total (2)</b>	—	—	—	—	—	—
	<b>Total (B) – (1+2)</b>	76000	38500	61000	70000	N.A	245500
	Total Managerial Remuneration	—	—	—	—	—	—
	<b>Overall Ceiling as the Act</b>	100000	100000	100000	100000	N.A	400000

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

Sl. no.	Particulars of Remuneration	Name of KMP		Total Amount
		Ravi Kumar Murarka, Company Secretary	Jaya Sengupta, CFO*	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1244810	1903139	3147949
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	155428	75774	231202
	(c) Profits in lieu of salary under section 17(3) of Income- tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total</b>	1400238	1978913	3379151

\*Ms. Jaya Sengupta, CFO resigned with effect from 7<sup>th</sup> March 2015

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## **Independent Auditors' Report To The Members**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sarda Plywood Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement (in which are incorporated the accounts of Company's branch at Delhi audited by other Auditors), and a summary of significant accounting policies and other explanatory information for the year then ended.

### **Management's responsibility for the financial statements**

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

### **Auditor's responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2015 and its profit and its cash flows for the year ended on that date.

### **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



## Independent Auditors' Report (Contd.)

- iii. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- iv. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors as at 31st March, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as at 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28.2 to the financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There is no amount outstanding in the Investor Education and Protection Fund.

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

Chartered Accountants

Firm's Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**

Partner

Membership No. 66421

Place of Signature: Kolkata

Date: 27<sup>th</sup> May, 2015

## 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 31<sup>st</sup> March, 2015.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (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 procedure of physical verification of stocks followed by the management is 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) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, clauses (iii) (a) and (iii)(b) of paragraph 3 of the said order are not applicable to the Company.
- (iv) On the basis of the 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 explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.

## Annexure to the Auditor's Report (Contd.)

- (v) The Company has not accepted any deposit within the meaning of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. The directives issued by the Reserve Bank of India are not applicable to the Company.
- (vi) 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 148(1) 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.
- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2015 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to ₹ 770.48 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 Excise Act, 1944	Excise Duty	20,71,205	2007- 10	Under Appeal Commissioner, Rajkot
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	6,12,25,380	April' 10 to Sep'14	Asst. Commissioner of Central Excise.
<b>TOTAL</b>			<b>7,70,47,878</b>		

- c) The amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have accumulated losses exceeding 50% of its net worth at the end of the financial year and has not incurred any cash loss during the year covered by our audit but has incurred cash loss in the immediately preceding financial year.
- (ix) The Company has not defaulted in payment of dues to financial institutions or banks. The Company has not issued any debentures.
- (x) On the basis of our examination and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from banks or financial institutions.
- (xi) On the basis of our examination and according to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) In our opinion and according to the information and explanations 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

Firm's Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**

Partner

Membership No. 66421

Place of Signature: Kolkata  
Date: 27<sup>th</sup> May, 2015



**BALANCE SHEET as at 31<sup>st</sup> March, 2015**

Particulars	Note No.	As at 31.03.2015		As at 31.03.2014	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2	<b>45,206,975</b>		<b>45,206,975</b>	
(b) Reserves and surplus	3	<b>148,451,347</b>	<b>193,658,322</b>	<b>156,334,423</b>	<b>201,541,398</b>
<b>(2) Non - current liabilities</b>					
(a) Long - term borrowings	4	<b>34,667,980</b>		<b>48,492,396</b>	
(b) Long - term provisions	5	<b>8,548,760</b>	<b>43,216,740</b>	<b>5,355,415</b>	<b>53,847,811</b>
<b>(3) Current liabilities</b>					
(a) Short - term borrowings	6	<b>401,582,881</b>		<b>436,245,226</b>	
(b) Trade payables		<b>488,331,470</b>		<b>461,829,020</b>	
(c) Other current liabilities	7	<b>59,337,427</b>		<b>67,434,905</b>	
(d) Short - term provisions	8	<b>279,130</b>	<b>949,530,908</b>	<b>605,068</b>	<b>966,114,219</b>
<b>TOTAL</b>			<b>1,186,405,970</b>		<b>1,221,503,428</b>
<b>II. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Fixed assets					
(i) Tangible assets	9	<b>133,353,493</b>		<b>144,778,476</b>	
(ii) Intangible assets		<b>3,391,976</b>		<b>3,650,178</b>	
(iii) Capital work-in-progress		<b>3,753,375</b>		<b>996,315</b>	
		<b>140,498,844</b>		<b>149,424,969</b>	
(b) Non - current investments	10	<b>80,599,154</b>		<b>80,661,228</b>	
(c) Deferred Tax Assets (Net)	11	<b>81,283,398</b>		<b>68,175,035</b>	
(d) Long - term loans and advances	12	<b>18,090,840</b>		<b>18,512,155</b>	
(e) Other non - current assets	13	<b>10,000</b>	<b>320,482,236</b>	<b>60,000</b>	<b>316,833,387</b>
<b>(2) Current assets</b>					
(a) Inventories	14	<b>491,885,561</b>		<b>550,275,590</b>	
(b) Trade receivables	15	<b>297,982,296</b>		<b>272,391,438</b>	
(c) Cash and bank balances	16	<b>9,243,039</b>		<b>20,871,492</b>	
(d) Short - term loans and advances	17	<b>64,546,679</b>		<b>58,823,672</b>	
(e) Other current assets	18	<b>2,266,159</b>	<b>865,923,734</b>	<b>2,307,849</b>	<b>904,670,041</b>
<b>TOTAL</b>			<b>1,186,405,970</b>		<b>1,221,503,428</b>
Significant accounting policies	1				
Other Disclosures	28				

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

As per our report of even date attached.

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

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

**CA. RAKESH KUMAR SINGH**  
(Membership No.66421)

Partner

Place of Signature: Kolkata  
Date : 27th May, 2015

**RAVI KUMAR MURARKA**  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2015**

	Note No.	Year ended 31 <sup>st</sup> March, 2015	Year ended 31 <sup>st</sup> March, 2014
		₹	₹
<b>I. Revenue from operations</b>			
Sale of goods (Gross)	19	2,225,839,081	2,005,767,696
Less: Excise duty (Inclusive of Tea Cess)		<b>192,259,659</b>	<b>172,746,668</b>
Net sale of goods		<b>2,033,579,422</b>	<b>1,833,021,028</b>
Other operating Income	20	<b>1,621,908</b>	<b>390,305</b>
<b>Total Revenue from Operations</b>		<b>2,035,201,330</b>	<b>1,833,411,333</b>
<b>II. Other income</b>			
<b>III. Total revenue ( I+II)</b>			
<b>IV. Expenses:</b>			
Cost of materials consumed	22	<b>1,196,283,343</b>	<b>1,124,932,024</b>
Purchases of stock-in-trade	23	<b>66,949,510</b>	<b>57,721,700</b>
Changes in inventories of finished goods, work -in-progress and stock-in-trade	24	<b>(2,083,024)</b>	<b>(1,300,711)</b>
Employee benefits expense	25	<b>204,403,522</b>	<b>156,989,706</b>
Finance costs	26	<b>66,788,679</b>	<b>66,687,560</b>
Depreciation and amortization expense		<b>17,047,625</b>	<b>16,152,884</b>
Other expenses	27	<b>503,754,020</b>	<b>516,430,197</b>
<b>Total expenses</b>		<b>2,053,143,675</b>	<b>1,937,613,360</b>
<b>V. Profit/ (loss) before tax (III - IV)</b>			
<b>VI. Tax expense :</b>			
Deferred tax		<b>(11,625,649)</b>	<b>(39,013,714)</b>
Income tax for earlier years		<b>–</b>	<b>103,059</b>
<b>Profit/ (Loss) for the year (V - VI)</b>		<b>(4,934,000)</b>	<b>(64,732,394)</b>
<b>Earnings per equity share of ₹ 10/- each (Refer Note No. 28.5)</b>			
Basic		<b>(1.09)</b>	<b>(14.33)</b>
Diluted		<b>(1.09)</b>	<b>(14.33)</b>
Significant accounting policies	1		
Other Disclosures	28		

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

As per our report of even date attached.

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

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

**CA. RAKESH KUMAR SINGH**

(Membership No.66421)

Partner

Place of Signature: Kolkata  
Date : 27th May, 2015

**RAVI KUMAR MURARKA**  
Company Secretary

On behalf of the Board

**SUJIT CHAKRAVORTI**

Director  
DIN. 00066344

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



**CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2015**

	Year ended 31 <sup>st</sup> March, 2015 ₹	Year ended 31 <sup>st</sup> March, 2014 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before tax	(16,559,649)	(103,643,049)
Adjustments for:		
Depreciation and Amortisation expenses	17,047,625	16,152,884
(Profit)/Loss on Sale of Tangible Fixed Assets	485,309	439,274
(Profit)/Loss on Sale of Non Current Investments	(412,174)	—
Provision for diminution in value of Investments	2,100	69,125
Interest Income	(275,414)	(247,368)
Finance Costs	66,788,679	66,687,560
Dividend Income	(69,441)	(70,799)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>67,007,035</b>	<b>(20,612,373)</b>
Increase/(Decrease) in Long Term Provisions	3,193,345	1,197,511
Increase/(Decrease) in Short Term Provisions	(325,938)	(592,132)
Increase/(Decrease) in Other Current Liabilities	(971,333)	8,557,214
Increase/(Decrease) in Trade Payables	26,502,450	(59,803,585)
Decrease/(Increase) in Long Term Loans & Advances	437,059	(335,917)
Decrease/(Increase) in Short Term Loans & Advances	(5,723,007)	(2,139,446)
Decrease/(Increase) in Non Current Assets	50,000	(50,000)
Decrease/(Increase) in Other Current Assets	58,035	681,205
Decrease/(Increase) in Inventories	58,390,029	34,607,594
Decrease/(Increase) in Trade Receivables	(25,590,858)	28,157,511
<b>Cash generated from Operating activities</b>	<b>123,026,817</b>	<b>(10,332,418)</b>
Direct Taxes Paid / Refund	(15,744)	(44,088)
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>123,011,073</b>	<b>(10,376,506)</b>
<b>B. Cash Flow from Investing Activities</b>		
Additions to Tangible Fixed Assets	(13,099,446)	(9,393,650)
Additions to Intangible Fixed Assets	(623,995)	(470,510)
Sale of Tangible Fixed Assets	684,842	653,291
Sale of Long Term Investments	472,148	—
Capital Subsidy	—	1,000,000
Interest Income	209,069	134,289
Dividend Income	69,441	70,799
Net Cash flow from/(used in) Investing activities	<b>(12,287,941)</b>	<b>(8,005,781)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Working Capital Loan	2,508,401	3,346,176
Repayment of Buyers Credit	(34,670,746)	42,251,291
Proceeds from Other Short Term Borrowings	(2,500,000)	58,500,000
Proceeds from Term Loan	2,762,732	774,000
Repayment of Term Loan	(23,713,293)	(19,972,537)
Interest Expenses	(63,116,665)	(63,569,606)
Other Borrowing Costs	(3,672,014)	(3,117,954)
Net Cash Flow from/(Used in) Financing Activities	<b>(122,401,585)</b>	<b>18,211,370</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(11,678,453)</b>	<b>(170,917)</b>
Opening Cash and Cash Equivalents	20,871,492	21,042,409
Closing Cash and Cash Equivalents as per Note No. 16	<b>9,193,039</b>	<b>20,871,492</b>

**Note:**

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

As per our report of even date attached.

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

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

**CA. RAKESH KUMAR SINGH**

(Membership No.66421)

Partner

Place of Signature: Kolkata

Date : 27th May, 2015

**RAVI KUMAR MURARKA**

Company Secretary

**SUDEEP CHITLANGIA**

Managing Director  
DIN. 00093908

On behalf of the Board

**SUJIT CHAKRAVORTI**

Director

DIN. 00066344

## Notes to Accounts

### Note No. 1

#### Significant Accounting Policies

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



### Note No. 2

#### Share capital

Particulars	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	No. of shares	Amount ₹	No. of shares	Amount ₹
<b>(a) Authorised:</b> Equity shares of ₹ 10/- each	25,000,000	250,000,000	25,000,000	250,000,000
<b>(b) Issued:</b> Equity shares of ₹ 10/- each	4,697,810	46,978,100	4,697,810	46,978,100
<b>(c) Subscribed and Paid up:</b> Equity shares of ₹ 10/- each fully paid up Forfeited Equity Shares of ₹ 10 each (Amount originally paid up)	4,517,885 5,625	45,178,850 28,125 45,206,975	4,517,885 5,625	45,178,850 28,125 45,206,975
<b>(d) Reconciliation of number and amount of equity shares outstanding :</b> At the beginning of the year Add: Issued during the year At the end of the year	4,517,885 — 4,517,885	45,178,850 — 45,178,850	4,517,885 — 4,517,885	45,178,850 — 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 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	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	358350	7.93
iv) Sudeep Chitlangia	344300	7.62	344300	7.62
v) Jaydeep Chitlangia	271650	6.01	271650	6.01
vi) Hemant Kumar Motihar	226306	5.01	226306	5.01
<b>TOTAL</b>	<b>2075606</b>	<b>45.94</b>	<b>2075606</b>	<b>45.94</b>

### Note No. 3

#### Reserves and surplus

	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>(a) Capital Reserve</b> Balance as per last account Add: Received during the year	10,618,140 —	10,618,140	9,618,140 1,000,000	10,618,140
<b>(b) Securities premium account</b> Balance as per last account Add: Received during the year	69,574,000 —	69,574,000	69,574,000 —	69,574,000
<b>(c) Revaluation reserve</b> Balance as per last account Less: Depreciation transfer to Surplus Less: Depreciation transfer to General Reserve on account of change in useful life of fixed assets.	2,936,555 258,986 147,480	3,148,398 211,843 —	2,530,089 — —	2,936,555
<b>(d) General reserve*</b> Balance as per last account Less: Adjustment for change in useful life of fixed assets Net of Deferred Tax (Refer Note No. 28.6) Add: Depreciation transfer from Revaluation Reserve	124,485,632 2,949,076 147,480	124,485,632 — —	121,684,036 — —	124,485,632
<b>(e) Surplus</b> Balance as per last account Add: Profit / (Loss) for the Year Add: Depreciation transfer from Revaluation Reserve	(51,279,904) (4,934,000) 258,986	13,452,490 (64,732,394) —	(55,954,918) 148,451,347 —	(51,279,904) 156,334,423 —

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

**Notes to Accounts (Contd.)**

**Note No. 4**

	As at 31 <sup>st</sup> March, 2015		As at 31 <sup>st</sup> March, 2014	
	₹	₹	₹	₹
<b>Long - term borrowings</b>				
<b>Term Loans</b>				
<b>Secured</b>				
From entities other than banks	<b>33,000,000</b>		47,650,000	
<b>Unsecured</b>				
From banks	832,444		153,408	
From entities other than banks	835,536		688,988	
	<b>34,667,980</b>		<b>48,492,396</b>	

**(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 31.03.2015	Amount of instalment
	Non-Current	Current			
	₹	₹			₹
Secured Loans from entities other than Banks	— (6,250,000)	<b>6,250,000</b> (15,000,000)	5 Months	5	1,250,000
Secured Loans from entities other than Banks	<b>33,000,000</b> (41,400,000)	<b>8,400,000</b> (6,600,000)	3 Yrs 8 Months	8 12 12 8 4	650,000 800,000 1,000,000 1,200,000 1,250,000
Unsecured Loans from Banks	— (153,408)	<b>153,408</b> (870,858)	2 Months	2	77,623*
	<b>451,898</b> (—)	<b>299,898</b> (—)	2 Yrs 4 Months	28	30,390*
	<b>380,546</b> (—)	<b>291,195</b> (—)	2 Yrs 2 Months	26	29,000*
Unsecured Loans from entities other than Banks	— (—)	— (58,339)	—	—	—
	— (—)	— (124,847)	—	—	—
	— (—)	— (135,584)	—	—	—
	— (211,838)	<b>211,838</b> (258,150)	9 Months	9	24,565*
	<b>214,821</b> (477,150)	<b>262,329</b> (237,215)	1 yr 9 Months	21	24,885*
	<b>620,715</b> (—)	<b>290,180</b> (—)	2 yrs 10 Months	34	33,500*
<b>Total</b>	<b>34,667,980</b> (48,492,396)	<b>16,158,848</b> (23,284,993)			

Figures in the brackets pertain to previous year.

\* Includes Interest



## Notes to Accounts (Contd.)

	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014
	₹	₹

### Note No. 5

#### Long - term provisions

Provision for employee benefits	<u>8,548,760</u>	<u>5,355,415</u>
	<u>8,548,760</u>	<u>5,355,415</u>

### Note No. 6

#### Short - term borrowings

Other loans and advances				
Secured				
From banks				
Buyers Credit	28,648,898		63,319,644	
Working Capital Loan	<u>234,933,983</u>	<u>263,582,881</u>	<u>232,425,582</u>	<u>295,745,226</u>
Unsecured				
From entities other than banks	<u>138,000,000</u>	<u>401,582,881</u>	<u>140,500,000</u>	<u>436,245,226</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 (Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)	<b>16,158,848</b>	23,284,993
Interest accrued but not due on borrowings	<b>90,647</b>	112,900
Other payables		
Advances from customers and others	3,332,336	10,312,541
Security deposits	7,547,741	7,172,158
Statutory liabilities	14,350,838	11,852,181
Unpaid salaries and other payroll dues	17,781,994	14,622,662
Others	75,023	77,470
	<b>43,087,932</b>	<b>44,037,012</b>
	<b>59,337,427</b>	<b>67,434,905</b>

### Note No. 8

#### Short-term provisions

Provision for employee benefits	<u>279,130</u>	<u>605,068</u>
	<u>279,130</u>	<u>605,068</u>

### Note No. 9

#### FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2014 ₹	Additions ₹	Deductions ₹	As at 31.03.2015 ₹	Upto 31.03.2014 ₹	Retained earnings ₹	for the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2015 ₹	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b>TANGIBLE ASSETS</b>											
Freehold Land	3,165,248	—	—	3,165,248	—	—	—	—	3,165,248	3,165,248	3,165,248
Buildings	75,262,954	—	28,500	75,234,454	33,277,104	349,299	2,150,708	14,591	35,762,520	39,471,934	41,985,850
Plant and Equipments	218,737,023	5,916,294	3,498,508	221,154,809	141,137,218	2,304,810	9,176,627	3,275,610	149,343,045	71,811,764	77,599,805
Motor Vehicles	21,143,147	3,489,940	1,629,245	23,003,842	10,789,241	151,739	1,872,536	749,322	12,064,194	10,939,648	10,353,906
Furniture and Fixtures	13,742,872	79,936	231,653	13,591,155	8,682,031	53,794	744,820	219,856	9,260,789	4,330,366	5,060,841
Office Equipments & Computer	21,120,086	856,216	601,093	21,375,209	14,507,260	1,572,148	2,220,737	559,469	17,740,676	3,634,533	6,612,826
<b>Sub - Total</b>	353,171,330	10,342,386	5,988,999	357,524,717	208,392,854	4,431,790	16,165,428	4,818,848	224,171,224	133,353,493	144,778,476
<b>INTANGIBLE ASSETS</b>											
Computer Softwares (Acquired)	7,149,182	623,995	—	7,773,177	3,499,004	—	882,197	—	4,381,201	3,391,976	3,650,178
<b>Sub - Total</b>	7,149,182	623,995	—	7,773,177	3,499,004	—	882,197	—	4,381,201	3,391,976	3,650,178
Capital Work in Progress	—	—	—	—	—	—	—	—	—	3,753,375	996,315
<b>TOTAL</b>	360,320,512	10,966,381	5,988,999	365,297,894	211,891,858	4,431,790	17,047,625	4,818,848	228,552,425	140,498,844	149,424,969
Previous Year	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	—

#### Notes :

- Land, Building and Plant & Machinery were revalued on 30<sup>th</sup> June 1985 as per valuation report of M/S. Consolidated Enterprises on the basis of net replacement value and appreciation on revaluation aggregating to ₹ 16,377,041/- (Land ₹ 1,965,934/-, Building ₹ 7,061,126/- and Plant & Machinery ₹ 7,349,981/-) was credited to Capital Reserve.
- Intangible Assets:

The unamortised amount of Computer Software (Acquired) ₹ 7,773,177/- (Previous year ₹ 7,149,182/-) is to be amortised over a period of 1 - 5 years as the case may be.

## Notes to Accounts (Contd.)

### Note No. 10

#### Non-current investments

Particulars	Face value ₹	Number of shares	As at 31 <sup>st</sup> March, 2015 ₹	Number of shares	As at 31 <sup>st</sup> March, 2014 ₹
<b>Long term (At cost less provision for other than temporary diminution)</b>					
<b>Investments in Equity Shares</b>					
<b>Trade Investments</b>					
<b>Unquoted, Fully Paid up:</b>					
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>
<b>Other Investments</b>					
<b>a) Quoted, Fully paid up</b>					
Assam Petro-Chemicals Ltd.	10	200	1,572	200	1,572
Reliance Industries Ltd.	10	—	—	98	32,842
Radico Khaitan Ltd.	2	—	—	1,180	7,080
Rampur Fertilizers Ltd.	10	61	—	61	—
SMIFS Capital Markets Ltd.	10	3,500	79,800	3,500	81,900
Simplex Infrastructures Ltd.	2	—	—	1,000	20,052
United Credit Ltd.	10	1,000	9,032	1,000	9,032
			<u>90,404</u>		<u>152,478</u>
<b>b) Unquoted</b>					
<b>i) Fully paid up</b>					
Pro Sports Management Ltd.	1,000	100	—	100	—
<b>ii) Partly paid up (₹ 60/- called and paid up)</b>					
The Purbanchal Bank Limited	100	200	—	200	—
			<u>80,599,154</u>		<u>80,661,228</u>
Aggregate amount of quoted investments			1,045,415		1,105,389
Aggregate amount of unquoted investments			80,622,202		80,622,202
Aggregate provision for diminution in value of investments			1,068,463		1,066,363
Aggregate market value of quoted investments			99,372		478,708
Besides above, the Company holds following shares in relation to the shares already sold by it:					
a) J K Tyre & Industries Ltd.			—		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	1,792,252	1,104,827
Carry Forward Loss	<u>89,456,421</u>	<u>76,715,423</u>
	<u>91,248,673</u>	<u>77,820,250</u>

##### (b) Deferred tax liabilities:

Depreciation	9,965,275	9,645,215
	<u>9,965,275</u>	<u>9,645,215</u>
<b>Deferred tax Assets (Net) *</b>	<b>81,283,398</b>	<b>68,175,035</b>

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

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



**Notes to Accounts (Contd.)**

	<u>As at 31st March, 2015</u>	<u>As at 31st March, 2014</u>
	₹	₹
<b>Note No. 12</b>		
<b>Long term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	7,883,175	8,219,165
Capital advances	81,400	413,409
Other loans and advances		
Prepaid Expenses	286,874	55,934
Advance tax (net)	2,137,187	2,121,443
MAT credit entitlement	7,702,204	7,702,204
	<u>18,090,840</u>	<u>18,512,155</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

    Others

10,000	10,000
-	50,000
<u>10,000</u>	<u>60,000</u>

**Note No. 14**

**Inventories**

(At lower of cost and net realizable value, unless stated otherwise)

Raw Materials

Raw Materials in Transit

Stores & Spares and Chemicals

Stores & Spares and Chemicals in Transit

Work-in-Progress

Finished Goods

Finished Goods in Transit

Stock in Trade

Stock in Trade in Transit

177,956,460	164,883,908
5,489,670	82,734,636
24,007,528	17,918,469
459,313	2,887,616
80,202,698	61,621,206
152,513,757	163,498,537
9,124,614	10,119,967
41,188,747	46,298,958
942,774	312,293
<u>491,885,561</u>	<u>550,275,590</u>

**Note No. 15**

**Trade receivables**

(Unsecured, considered good)

Trade receivables outstanding for a period exceeding six months from due date \*

Other trade receivables

35,145,580	26,941,192
262,836,716	245,450,246
<u>297,982,296</u>	<u>272,391,438</u>

\* includes ₹ 50,97,636/- (Previous year ₹ 56,53,124) under litigation.

**Note No. 16**

**Cash and bank balances**

Cash and cash equivalents

    Balances with banks

        In current accounts

7,446,322

5,239,530

        Cheques, drafts on hand

896,651

15,006,155

        Cash on hand

850,066

9,193,039

625,807

20,871,492

Other bank balances

    Fixed deposits with banks

50,000

    (Current portion with original maturity period of more than 12 months)

9,243,039

20,871,492

## Notes to Accounts (Contd.)

	<u>As at 31<sup>st</sup> March, 2015</u>	<u>As at 31<sup>st</sup> March, 2014</u>
	₹	₹
<b>Note No. 17</b>		
<b>Short - term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	2,236,164	10,682,034
Other loans and advances		
Advance to suppliers and others	46,602,810	37,771,772
Cenvat, Vat and other taxes / duties	6,553,833	5,444,049
Prepaid expenses	<u>9,153,872</u>	<u>4,925,817</u>
	<u>64,546,679</u>	<u>58,823,672</u>
<b>Note No. 18</b>		
<b>Other current assets</b>		
Interest accrued but not due	462,451	396,106
Claim Receivable	82,610	–
Taxes and duties refundable	<u>1,721,098</u>	<u>1,911,743</u>
	<u>2,266,159</u>	<u>2,307,849</u>
<b>Note No. 19</b>		
<b>Revenue from operations</b>		
Sale of goods (Gross)		
A. Finished Goods		
i) Plywood	1,808,203,055	1,588,420,690
ii) Tea	248,685,125	207,534,825
iii) Veneers	<u>70,153,686</u>	<u>2,127,041,866</u>
	<u>99,180,397</u>	1,895,135,912
B. Stock-in-trade		
i) Plywood	91,266,879	105,304,953
ii) Furniture	<u>6,666,624</u>	<u>97,933,503</u>
	<u>4,252,680</u>	109,557,633
C. Others		
	<u>863,712</u>	<u>1,074,151</u>
	<u>2,225,839,081</u>	<u>2,005,767,696</u>
<b>Note No. 20</b>		
<b>Other operating revenues</b>		
Insurance Claims	<u>1,621,908</u>	<u>390,305</u>
	<u>1,621,908</u>	<u>390,305</u>
	<u>1,621,908</u>	<u>390,305</u>
<b>Note No. 21</b>		
<b>Other income</b>		
Interest income (Gross)		
Fixed deposits with banks	5,601	6,989
Others	<u>269,813</u>	<u>275,414</u>
	<u>240,379</u>	247,368
Dividend income		
Long term investment	69,441	70,799
Other non-operating income		
Profit on sale of Long Term Investments	412,174	–
Rent	6,000	6,000
Unspent liabilities / balances written back	304,936	–
Miscellaneous income	<u>314,731</u>	<u>234,811</u>
	<u>1,382,696</u>	<u>558,978</u>
<b>Note No. 22</b>		
<b>Cost of materials consumed</b>		
Timber	351,978,251	421,691,508
Veneer	412,041,450	319,483,130
Planks & Beams	169,357,509	153,355,494
Green Leaf	176,343,310	146,240,188
Others	<u>86,562,823</u>	<u>84,161,704</u>
	<u>1,196,283,343</u>	<u>1,124,932,024</u>



	<u>Year ended 31<sup>st</sup> March, 2015</u>	<u>Year ended 31<sup>st</sup> March, 2014</u>
	₹	₹

**Note No. 23**

**Purchases of stock-in-trade**

Plywood	60,981,156	55,233,803
Furniture	5,968,354	2,127,796
Others	—	360,101
	<u>66,949,510</u>	<u>57,721,700</u>

**Note No. 24**

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

**A. Finished Goods**

Opening 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>	<u>154,432,097</u>	
Closing Stock			
i) Plywood	135,680,989	137,177,624	
ii) Tea	7,646,562	3,432,928	
iii) Veneer	18,310,820	33,007,952	
	<u>161,638,371</u>	<u>11,980,133</u>	<u>173,618,504</u>
			(19,186,407)

**B. Stock-in-Trade**

Opening Stock			
i) Plywood	41,070,767	53,080,927	
ii) Furniture	5,540,484	6,942,161	
	<u>46,611,251</u>	<u>60,023,088</u>	
Closing Stock			
i) Plywood	36,666,555	41,070,767	
ii) Furniture	5,464,966	5,540,484	
	<u>42,131,521</u>	<u>4,479,730</u>	<u>46,611,251</u>
			13,411,837

**C. Work-in-Progress**

Opening Stock			
i) Plywood	61,621,206	66,111,393	
Closing Stock			
i) Plywood	80,202,698	(18,581,492)	61,621,206
		(2,121,629)	4,490,187
<b>(INCREASE) / DECREASE IN STOCKS</b>			
Add: Excise Duty & Cess on Stocks *		38,605	(16,328)
<b>NET (INCREASE) / DECREASE IN STOCKS</b>		<u>(2,083,024)</u>	<u>(1,300,711)</u>

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

**Note No. 25**

**Employee benefits expense**

Salaries and wages	187,843,997	144,906,344
Contribution to provident and other funds	13,831,478	9,857,679
Staff welfare expense	2,728,047	2,225,683
	<u>204,403,522</u>	<u>156,989,706</u>

**Note No. 26**

**Finance costs**

Interest expense			
On long term borrowings	8,903,894	11,205,251	
On short term borrowings	53,169,792	50,748,169	
On others	1,042,979	63,116,665	1,616,186
Other borrowing costs	3,672,014	3,117,954	
	<u>66,788,679</u>	<u>66,687,560</u>	

## Notes to Accounts (Contd.)

	<u>Year ended 31<sup>st</sup> March, 2015</u>	<u>Year ended 31<sup>st</sup> March, 2014</u>
	₹	₹
<b>Note No. 27</b>		
<b>Other expenses</b>		
Chemicals Consumption	113,543,734	101,696,887
Consumption of stores and spare parts	19,583,632	17,891,503
Consumption of packing materials	10,561,093	8,333,550
Power and fuel	71,412,589	68,971,614
Repairs		
Buildings	874,427	1,504,387
Machinery	8,894,033	11,004,560
Others	<u>1,382,572</u>	<u>11,151,032</u>
Job Charges	22,308,128	2,316,681
Rent	12,008,383	14,234,804
Electricity	2,584,792	2,476,386
License Fees	16,718,775	43,890,242
Rates & Taxes (excluding taxes on income)	1,677,074	1,575,831
Watch and Ward Expenses	2,355,390	1,887,506
Insurance	3,716,773	3,593,947
Communication Expenses	5,162,231	5,033,140
Travelling & Conveyance	18,476,169	18,002,833
Vehicles Maintenance	7,973,347	8,114,878
Printing & Stationery	1,672,673	1,646,591
Legal and Professional Charges	16,811,438	17,333,820
Human Resource Development Expenses	942,994	968,069
Miscellaneous Expenses	<u>12,445,849</u>	<u>7,899,187</u>
Statutory Auditors' Remuneration		
Audit Fee	150,000	150,000
Tax Audit Fee	30,000	30,000
Certification Fee	<u>94,000</u>	<u>274,000</u>
Charity & Donations	115,000	638,160
Bank charges	1,904,007	1,905,191
Forwarding, Freight, Octroi and Delivery Expenses	66,991,765	56,497,828
Sales Tax	1,597,318	466,476
Commission on Sales	12,890,929	13,061,862
Brokerage on Sales	2,267,162	1,956,652
Provision for diminution in value of Investments	2,100	69,125
Net loss on foreign currency transactions and translations (Including forward premium amortized)	14,446,116	47,771,488
Advertisement, Publicity & Sales Promotion	51,645,646	35,951,424
Loss on Sale / Discard of Fixed Assets	485,309	439,274
Bad Debts & Sundry Balances Written Off	—	1,160,982
Prior period expenses*	<u>28,572</u>	<u>10,607</u>
	<u><u>503,754,020</u></u>	<u><u>516,430,197</u></u>

\* Details of Prior period expenses :

<b>Expenses</b>		
Printing & Stationery	375	—
Rates & Taxes (excluding taxes on income)	—	3,700
Communication Expenses	125	—
Travelling & Conveyance	26,639	—
Advertisement Publicity & Sales Promotion	1,433	—
Vehicles Running & Maintenance	—	6,907
	<u><u>28,572</u></u>	<u><u>10,607</u></u>



**Notes to Accounts (Contd.)**

	<b>As at 31<sup>st</sup> March, 2015</b>	<b>As at 31<sup>st</sup> March, 2014</b>
	<b>₹</b>	<b>₹</b>

**Note No. 28**

**Other Disclosures**

1. Estimated amount of contract remaining to be executed on Capital Account and not provided for **1,371,476** 4,732,508
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 **78,447,196** 68,318,082
 Amount Paid against above **1,399,318** 1,450,316
3. The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2015 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:

	<b>Plywood</b>	<b>Tea</b>	<b>Others</b>	<b>Unallocated</b>	<b>Total</b>
Segment Revenue	<b>1,780,472,876</b>	<b>248,061,831</b>	<b>6,666,624</b>	-	<b>2,035,201,331</b>
	(1,622,038,669)	(206,739,032)	(4,633,632)	-	(1,833,411,333)
Segment Results	<b>55,336,274</b>	<b>7,791,670</b>	<b>-5,157,807</b>	-	<b>57,970,137</b>
	(-19,042,742)	(-1,157,541)	(-8,586,537)	-	(-28,786,820)
Less : Finance Cost					<b>66,788,679</b>
					(66,687,560)
Other unallocable expenditure net of unallocable income					<b>7,741,107</b>
					(8,168,669)
Total Profit / (Loss) before tax					<b>-16,559,649</b>
					(-103,643,049)

**Other Information**

Segment Assets	<b>921,543,716</b>	<b>80,284,766</b>	<b>12,377,350</b>	<b>172,200,138</b>	<b>1,186,405,970</b>
	(983,550,782)	(67,392,940)	(11,503,690)	(159,056,016)	(1,221,503,428)
Segment Liabilities	<b>521,665,280</b>	<b>17,641,970</b>	<b>940,042</b>	<b>452,500,356</b>	<b>992,747,648</b>
	(497,996,793)	(11,175,674)	(2,699,123)	(508,090,440)	(1,019,962,030)
Capital Expenditure	<b>9,349,650</b>	<b>4,373,792</b>	-	-	<b>13,723,442</b>
	(3,307,786)	(6,556,374)	(–)	(–)	(9,864,160)
Depreciation & Amortisation	<b>14,139,387</b>	<b>2,718,220</b>	<b>190,018</b>		<b>17,047,625</b>
	(12,304,894)	(3,757,896)	(90,094)	(–)	(16,152,884)
Non-cash expense other than depreciation & amortisation	<b>29,814</b>	–	–	–	<b>29,814</b>
	(–)	(–)	(–)	(–)	(–)

Notes:

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

## Notes to Accounts (Contd.)

	<b>Year ended 31st March, 2015</b>	<b>Year ended 31st March, 2014</b>	
	<b>₹</b>	<b>₹</b>	
<b>Note No. 28 (Contd.)</b>			
5. In calculating Earnings per share			
a) Numerator used:			
Profit / (Loss) after tax	<b>(4,934,000)</b>	(64,732,394)	
b) Denominator used in computing Basic Earning per Share:			
Weighted Average Number of Equity Shares	<b>4,517,885</b>	4,517,885	
c) Denominator used in computing Diluted Earning per Share:			
Weighted Average Number of Equity Shares including potential Equity Shares	<b>4,517,885</b>	4,517,885	
d) Nominal value of equity shares (₹)	<b>10.00</b>	10.00	
e) Basic Earnings per share (a/b) (₹)	<b>(1.09)</b>	(14.33)	
f) Diluted Earnings per share (a/c) (₹)	<b>(1.09)</b>	(14.33)	
6. The company has charged depreciation based on the revised remaining useful life of the assets as per the requirement of Schedule II of the Companies Act, 2013 effective from April 1, 2014. Further based on transitional provisions provided in note 7(b) of Schedule 11, an amount of ₹ 29.49 lacs (Net of Deferred Tax ₹ 14.83Lacs) has been adjusted with retained earnings. The impact of such change on current year depreciation is not material.			
7. Related Party Disclosures			
Particulars of transactions during the year ended 31st March 2015			
Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
	₹	₹	₹
Sales	—	—	—
	(8,366)	(—)	(8,366)
Rent Received	<b>6,000</b>	—	<b>6,000</b>
	(6,000)	(—)	(6,000)
Remuneration to KMP	—	<b>99,31,372</b>	<b>9,931,372</b>
	(—)	(59,26,578)	(5,926,578)
Purchase	<b>8,940,400</b>	—	<b>8,940,400</b>
	(—)		(—)
Interest Paid	<b>1,400,000</b>	—	<b>1,400,000</b>
	(1,400,000)	(—)	(1,400,000)
Licence fee Paid	<b>15,000,000</b>	—	<b>15,000,000</b>
	(42,000,000)	(—)	(42,000,000)
Rent Paid	<b>492,000</b>	—	<b>492,000</b>
	(492,000)	(—)	(492,000)
Refund of Security Deposit	—	—	—
	(1,800,000)	(—)	(1,800,000)
Guarantees Obtained	—	<b>20,200,000</b>	<b>20,200,000</b>
	(—)	(—)	(—)
Outstanding against Guarantees Obtained	—	<b>543,858,551</b>	<b>543,858,551</b>
	(—)	(655,944,890)	(655,944,890)
Balance Outstanding at the Balance Sheet Date	<b>11,557,226 Cr</b>	—	<b>11,557,226 Cr</b>
	(10,000,000 Cr)	(—)	(10,000,000 Cr)

Notes:

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



**Notes to Accounts (Contd.)**

**Note No. 28 (Contd.)**

**Disclosure of Material Transactions with Related Parties**

	<b>Year ended 31<sup>st</sup> March, 2015</b>	<b>Year ended 31<sup>st</sup> March, 2014</b>
	<b>₹</b>	<b>₹</b>
<b>Sales</b>		
Madhya Bharat Papers Ltd.	–	8,366
<b>Rent Received</b>		
Madhya Bharat Papers Ltd.	6,000	6,000
<b>Remuneration to KMP</b>		
Shri Sudeep Chitlangia (Managing Director)	3,724,488	2,985,288
Shri Sohan Lal Yadav (Whole Time Director)	2,939,290	2,941,290
Jaya Sengupta (CFO)	1,867,356	–
Ravi Murarka (Company Secretary)	1,400,238	–
<b>Purchase</b>		
Madhya Bharat Papers Ltd.	8,940,400	–
<b>Interest Paid</b>		
P.S Plywood Products Private Ltd.	1,400,000	1,400,000
<b>License Fee Paid</b>		
P.S Plywood Products Private Ltd.	15,000,000	42,000,000
<b>Rent Paid</b>		
J S M & Company	480,000	480,000
Madhya Bharat Papers Ltd.	12,000	12,000
<b>Refund of Security Deposit</b>		
Calcutta Technicians & Advisers Ltd.	–	1,800,000
<b>Guarantees Obtained</b>		
Sudeep Chitlangia	20,200,000	–
<b>Outstanding against Guarantees Obtained</b>		
Sudeep Chitlangia	543,858,551	655,944,890
<b>Net Balance Receivable/(Payable)</b>		
Madhya Bharat Papers Ltd.	(1,557,226)	–
P.S Plywood Products Private Ltd.	(10,000,000)	(10,000,000)
<b>Names of related parties &amp; description of relationship</b>		
Associates	P S Plywood Products Pvt. Ltd.	
Enterprises over which KMP and his relatives have significant influence	Abhinandan Fintex Pvt. Ltd. Calcutta Technicians & Advisers Ltd. Madhya Bharat Papers Ltd. J S M & Company Shri Sudeep Chitlangia (Managing Director) Shri Sohan Lal Yadav (Whole Time Director) Ms. Jaya Sengupta (CFO) Shri Ravi Kumar Murarka (Company Secretary)	
Key Management Personnel	:	

8. 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.

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

a) No provision for Contingent Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.

b) The Contingent Liabilities mentioned at Sl No.2 are dependent upon Court decision / out of court settlement / disposal of appeals etc.

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

**Defined Contribution Plan:**

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

	<b>2014-15 (₹)</b>	<b>2013-14 (₹)</b>
Employers' Contribution to Provident Fund & Pension Fund	11,139,974	8,420,546
Employers' Contribution to Superannuation Fund	13,510	1,530

## Notes to Accounts (Contd.)

### Note No. 28 (Contd.)

#### Defined Benefit Plan:

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

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

	2014-15			2013-14		
	Gratuity (Funded ₹)	Sick Leave (Unfunded ₹)	Earned Leave Encashment (Unfunded ₹)	Gratuity (Funded ₹)	Sick Leave (Unfunded ₹)	Earned Leave Encashment (Unfunded ₹)
<b>I. Components of Employer Expense:</b>						
1 Current Service Cost	2,644,491	275,268	1,164,491	1,541,517	125,283	1,631,950
2 Past Service Cost	—	—	—	—	—	—
3 Interest Cost	1,494,644	30,040	358,231	1,658,902	28,506	316,603
4 Expected Return on Plan Asset	1,809,854	—	—	1,648,068	—	—
5 Curtailment Cost	—	—	—	—	—	—
6 Settlement Cost	—	—	—	—	—	—
7 Actuarial gain / (loss) recognized in the year	987,510	176,635	(3,398,077)	891,056	95,015	(1,004,840)
8 Net Expense Recognised in Statement of Profit and Loss	1,341,771	128,673	4,920,799	661,295	58,774	2,953,393
<b>II. Change in Present Value of Defined Benefit Obligation:</b>						
1 Present Value of Defined Benefit Obligation at the Beginning of the year	20,263,571	375,502	5,559,396	18,895,225	316,728	4,429,630
2 Acquisition Adjustment	—	—	—	—	—	—
3 Interest Cost	1,494,644	30,040	358,231	1,658,902	28,506	316,603
4 Past Service Cost	—	—	—	—	—	—
5 Current Service Cost	2,644,491	275,268	1,164,491	1,541,517	125,283	1,631,950
6 Curtailment Cost	—	—	—	—	—	—
7 Settlement Cost	—	—	—	—	—	—
8 Benefits Paid	3,161,034	—	2,163,009	925,961	—	1,823,627
9 Actuarial Gain (Losses)	293,078	176,635	(3,398,077)	906,112	95,015	(1,004,840)
10 Present Value of Obligation at the End of the year	20,948,594	504,175	8,317,186	20,263,571	375,502	5,559,396
<b>III. Change in Fair Value of Plan Assets</b>						
1 Plan Assets at the Beginning of the year	22,623,176	NA	NA	18,311,864	NA	NA
2 Acquisition Adjustment	—	NA	NA	—	NA	NA
3 Settlement	—	NA	NA	—	NA	NA
4 Expected Return on Plan Assets	1,809,854	NA	NA	1,648,068	NA	NA
5 Actual Company Contribution	2,625,007	NA	NA	3,604,261	NA	NA
6 Actual Benefits Paid	3,161,034	NA	NA	925,961	NA	NA
7 Actuarial Gains/(Losses)	(694,432)	NA	NA	15,056	NA	NA
8 Plan Assets at the End of the year	24,591,435	NA	NA	22,623,176	NA	NA
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet</b>						
1 Present value of Defined Benefit Obligation	20,948,594	504,175	8,317,186	20,263,571	375,502	5,559,396
2 Fair Value on Plan Assets	24,591,435	NA	NA	22,623,176	NA	NA
3 Funded Status (Surplus/(deficit))	3,642,841	NA	NA	2,359,605	NA	NA
4 Unrecognised past service cost	—	—	—	—	—	—
5 Net Asset/(Liability) recognized in Balance Sheet	3,642,841	(504,175)	(8,317,186)	2,359,605	(375,502)	(5,559,396)
<b>V. Actuarial Assumptions</b>						
1 Discount Rate (per annum)	8.00%	8.00%	8.00%	9.00%	9.00%	9.00%
2 Expected rate of return on plan assets (per annum)	8.00%	NA	NA	9.00%	NA	NA
3 Salary Increases	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
4 Retirement/ Superannuation Age	60	60	60	60	60	60
5 Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08
<b>VI. Major Category of Plan Assets as a % of the Total Plan Assets Administered by Life Insurance Corporation of India</b>	100%	NA	NA	100%	NA	NA



**Note No. 28 (Contd.)**

	2014-15			2013-14		
	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹	Gratuity (Funded) ₹	Sick Leave (Unfunded) ₹	Earned Leave Encashment (Unfunded) ₹

**VII. Expected Employer's Contribution for the next year**

The Expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial Year 2014-15

**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**

	2012-13			2011-12		
1 Present value of Defined Benefit Obligation	18,895,225	316,728	4,429,630	15,748,366	341,390	4,449,404
2 Fair Value on Plan Assets	18,311,864	NA	NA	15,065,715	NA	NA
3 Funded Status (Surplus/(deficit))	(583,361)	NA	NA	(682,651)	NA	NA
2010-11						
1 Present value of Defined Benefit Obligation	13,306,624	228,378	3,618,021			
2 Fair Value on Plan Assets	14,805,559	NA	NA			
3 Funded Status (Surplus/(deficit))	1,498,935	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		Year ended	
	31 <sup>st</sup> March 2015	₹	31 <sup>st</sup> March 2014	₹
<b>11. Value of Imports on C.I.F. basis</b>				
Raw Materials		490,737,579		595,278,937
Trading Goods		18,263,704		1,488,880
Machinery & Spares		—		172,804
<b>12. Expenditure in Foreign Currency</b>				
Interest		369,084		595,679
Net loss on foreign currency transactions and translations (Including forward premium amortized)		14,446,116		47,771,488
Travelling		1,684,394		981,349
Others		128,081		190,677
<b>13. Value of Raw Materials Consumed</b>				
Indigenous	45%	535,830,468	38%	427,020,370
Imported	55%	660,452,875	62%	697,911,654
	100%	1,196,283,343	100%	1,124,932,024
<b>14. Value of Stores &amp; Spare Parts and Chemicals Consumed</b>				
Indigenous	86.96%	115,771,366	92.76%	110,931,371
Imported	13.04%	17,356,000	7.24%	8,657,019
	100.00%	133,127,366	100.00%	119,588,390

15. 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. RAKESH KUMAR SINGH**  
(Membership No.66421)

Partner

Place of Signature: Kolkata  
Date : 27th May, 2015

On behalf of the Board

**SUJIT CHAKRAVORTI**

Director  
DIN. 00066344

**RAVI KUMAR MURARKA**  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



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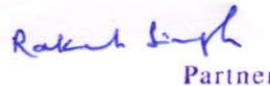
E-mail : [info@sardaplywood.com](mailto:info@sardaplywood.com)

**Toll Free Number**

**1800-345-DURO (10am - 6pm Monday-Friday)**

### FORM - A

#### Annual Audit Report

1	Name of Company	SARDA PLYWOOD INDUSTRIES LIMITED
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A
5	SUDEEP CHITLANGIA Managing Director	<p>For SARDA PLYWOOD INDUSTRIES LIMITED</p>  <p>Managing Director</p> <p>For Sarda Plywood Industries Limited</p>  <p>Ravi Kumar Murarka CFO &amp; Company Secretary</p> <p>G. P. AGRAWAL &amp; CO.</p>  <p>Rakshit Singh Partner</p> <p>SARDA PLYWOOD INDUSTRIES LTD.</p>  <p>SUJIT CHAKRAVORTI Audit Committee Chairman</p>