



## Sarda Plywood Industries Ltd.

4th Floor, North Block, 113 Park Street  
Kolkata-700016, Phone: (033) 2265 2274  
Fax: (033) 2249 3675, Email: corp@sardaplywood.com



Ref: 5404/ 1522

Date: 26<sup>th</sup> September, 2017

Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400 001

Script Code: BSE: 516003

Dear Sirs,

**Sub: Annual Report 2016-17**

As required under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report 2016-17 of the Company duly approved in the 60<sup>th</sup> Annual General Meeting of the Company held on 19<sup>th</sup> day of September, 2017 at 11.00 a.m.

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,

For SARDA PLYWOOD INDUSTRIES LIMITED

(RAVI KUMAR MURARKA)  
CFO & Company Secretary

Encl: a. a

**DURO<sup>®</sup> 60**  
THE SPIRIT OF DURABILITY



**60th ANNUAL REPORT  
2016-17**

**Sarda Plywood Industries Ltd.**



## WE ARE 60 YEARS YOUNG... AND STILL LOOKING FOR MORE THINGS TO DO



Since our birth in 1957, we have looked at new products to make life easier and better for our customers. Along the way we have innovated and produced newer, stronger and better products which have set the standards for the industry, thus gained the trust of thousands of loyal customers.

Today on the threshold of our 60<sup>th</sup> birthday, we have still not lost the childlike enthusiasm that has made us what we are today.

Sarda Plywood Industries Ltd.

**Toll Free Number:** 1800-345-3876 (**Duro**) 10am-6pm/Monday-Friday, [www.sardaplywood.in](http://www.sardaplywood.in)

PLYWOOD | BLOCK BOARD | DOORS | VENEERS | LVL



## Sarda Plywood Industries Limited

### Board of Directors

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

Shri Sohan Lal Yadav  
*Whole-time Director*

Shri Sudeep Chitlangia  
*Managing Director*

### Chief Financial Officer & Company Secretary

Shri Ravi Kumar Murarka

### Bankers

United Bank of India  
State Bank of India

### Auditors

G. P. Agrawal & Co.  
*Chartered Accountants*

### Registered Office

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

### Corporate Office

North Block, 4<sup>th</sup> Floor  
113 Park Street, Kolkata – 700 016

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## Sarda Plywood Industries Limited

### Directors' Report to the Members

Your Directors present their 60<sup>th</sup> Annual Report together with the Audited Accounts for the year ended 31<sup>st</sup> March 2017.

#### FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As on 31.03.2017	As on 31.03.2016	As on 31.03.2017	As on 31.03.2016
Turnover	20747.48	18238.13	20747.48	18238.13
Profit before finance charges, Tax, Depreciation/ Amortization (PBITDA)	312.84	3.62	312.84	3.62
Less: Finance Charges	707.59	675.19	707.59	675.19
Profit before Depreciation/ Amortization (PBTDA)	(394.75)	(671.57)	(394.75)	(671.57)
Less: Depreciation	180.27	174.34	180.27	174.34
Profit before Tax and Exceptional Items	(575.02)	(845.91)	(575.02)	(845.91)
Add: Exceptional Item (Profit on Sale of Property)	371.57	—	371.57	—
Net profit before taxation (PBT)	(203.45)	(845.91)	(203.45)	(845.91)
Provision for taxation	—	(272.30)	—	(272.30)
Share of profit of Associate	—	—	5.51	4.95
Profit/ (Loss) after Taxation (PAT)	(203.45)	(573.61)	(197.94)	(568.65)
Provision for proposed dividend	—	—	—	—
Dividend tax	—	—	—	—
Transfer to General Reserve	—	—	—	—

#### STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has achieved a net turnover of ₹ 207.47 Crores as against ₹ 182.38 Crores in the preceding financial year, an increase of 13.76%. The company has incurred a net loss of ₹ 2.03 Crores as against a net loss of ₹ 5.74 Crores in the preceding year.

Plywood Segment revenue increased from ₹ 158.38 Crores to ₹ 184.43 Crores i.e. an increase of 16.44%. The Company has earned Segment profit before tax and interest of ₹ 1.27 Crores as against profit of ₹ 0.47 Crores in the preceding financial year.

Tea Segment revenue during the year was ₹ 23.04 crores as against ₹ 23.98 Crores in the preceding financial year representing a decline of 3.89%. The Company has earned Segment profit before tax and interest of ₹ 0.33 Crores as against ₹ 1.03 Crores loss in the preceding financial year.

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

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

#### DIVIDEND

In absence of profit, the Directors regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March 2017.

#### RESERVES

Due to inadequacy of profit, no general reserve is created for the year ended 31<sup>st</sup> March 2017.

#### SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2017 was ₹ 4.52 Crores. During the year under review, the Company has neither issued any shares or any convertible instruments, nor has bought back any of its securities.

#### BORROWINGS

The total borrowings stood at ₹ 5611.89 Lakhs as at 31<sup>st</sup> March, 2017 as against ₹ 5302.43 Lakhs as on 31<sup>st</sup> March, 2016, i.e. increase of ₹ 309.46 Lakhs.

#### DEPOSITS

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

## **Directors' Report (Contd.)**

### **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.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Retirement by Rotation**

In accordance with the provisions of Section 152(6) and other applicable provisions of the Companies Act, 2013, Shri Sudeep Chitlangia (DIN: 00093908), Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible offered himself for re-appointment.

#### **Appointment/Re-appointment of Directors**

Pursuant to the provisions of Sections 196, 197, 203 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) read with Schedule V of the Companies Act, 2013 and subject to the approval of Members, Shri Sudeep Chitlangia (DIN 00093908) whose term was expiring on 31<sup>st</sup> March, 2017, have been re-appointed as Managing Director of the company, liable to retire by rotation, by the board in its meeting held on 7<sup>th</sup> February, 2017 for a period of 3 (three) years with effect from 1<sup>st</sup> April, 2017 till 31<sup>st</sup> March, 2020.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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

### **BOARD MEETINGS**

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

### **ANNUAL EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

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

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

### **MANAGERIAL REMUNERATION**

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

### **AUDIT COMMITTEE**

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

### **SUBSIDIARIES, JOINT VENTURES & ASSOCIATE COMPANIES**

The Company is having one associate Company namely M/s P. S. Plywood Products Private Limited at the end of the year 31<sup>st</sup> March, 2017. A Statement containing salient features of the financial statements of the Company's associate is furnished in Form AOC-1 and enclosed herewith as "Annexure-3".

### **CONSOLIDATED FINANCIAL STATEMENTS**

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



### Directors' Report (Contd.)

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

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

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

#### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The whistle blower policy is available on the website of the Company viz. [www.sardaplywood.in](http://www.sardaplywood.in).

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

#### NOMINATION & REMUNERATION COMMITTEE

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

#### REMUNERATION POLICY

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

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

#### RISK MANAGEMENT POLICY

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in minimizing returns. The Company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and Audit Committee.

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

#### INTERNAL FINANCIAL CONTROL

Your company has an effective internal financial control and risk mitigation system, which are constantly assessed and upgraded. The Company's internal financial control system is commensurate with its size, scale and complexities of its operations. During the year under review, such controls were tested and no reportable material weakness in the design or operations was observed.

#### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the accounts for the year ended 31<sup>st</sup> March 2017, 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, 2017 and of the profit/loss of the Company for the year on that date;

## **Directors' Report (Contd.)**

- (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 2017 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 have incorporated proper systems to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

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

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

The Corporate Governance Certificate for the year ended 31<sup>st</sup> March, 2017 issued by Mr. Rakesh Kumar Singh partner of Messrs G. P. Agrawal & Co., Chartered Accountants, Statutory Auditor of the Company, is also attached herewith as "Annexure-7".

Shri Sudeep Chitlangia, the Managing Director has given his certificate under SEBI Regulations regarding compliance with the Code of Conduct of the Company for the year ended 31<sup>st</sup> March, 2017, which is attached herewith as "Annexure-8". Certificate Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached herewith as "Annexure-9".

### **AUDITORS**

#### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made thereunder the term of office of Messrs G.P. Agrawal & Co. (FRN No. 302082E) as Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by Messrs G.P. Agrawal & Co. as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of Messrs S. K. Agrawal & Co., Chartered Accountants (FRN No. 306033E ) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013 from the conclusion of ensuing Annual general Meeting till the conclusion of 65<sup>th</sup> Annual General Meeting of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company.

There is no audit qualification for the year under review.

#### **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 Messrs A. K. Labh & Co, Company Secretaries to undertake the secretarial audit of the Company. The Secretarial Auditor's Report is attached herewith as "Annexure-10". There are no qualifications or observations or remarks made by the Auditors in their Report.

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

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

#### **STOCK EXCHANGE LISTING**

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company has paid the listing fee to the Bombay Stock Exchange Limited for the year 2017-2018.

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

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



### Directors' Report (Contd.)

#### **EXTRACT OF ANNUAL RETURN**

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

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

The Company in its Board meeting held on 16<sup>th</sup> September, 2016 has approved the Scheme of amalgamation to merge P S Plywood Products Pvt. Ltd. with the Company. The Company applied for in-principal approval from the Bombay Stock Exchange (BSE) in September, 2016 and the Stock Exchange has intimated that they had no objection with respect to said merger vide their letter dated 30<sup>th</sup> December, 2016. The detailed application along with the copy of the no objection certificate received from the Bombay Stock Exchange is available on the Company's website [www.sardaplywood.in](http://www.sardaplywood.in). Subsequently an application has been filed with the National Company Law Tribunal (NCLT) pursuant to the provisions of the Companies Act, 2013 for obtaining necessary approvals.

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

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

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

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

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

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

#### **ISO CERTIFICATION**

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

#### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to place on record their sincere appreciation to its dealers, agents, suppliers, investors and bankers for their continued support, co-operation and their valuable guidance to the Company and for their trust reposed in the Company's management. The Directors also commend the continuing commitment and dedication of the employees at all levels and the Directors look forward to their continued support in future.

For and on behalf of the Board

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

Place : Kolkata  
Date : 11<sup>th</sup> August, 2017

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

## **Annexure-1**

### **Management Discussion and Analysis Report**

#### **OVERVIEW**

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

#### **Indian Economy**

India emerged as a “bright spot” in an otherwise subdued world economy when it overtook China in 2015-16 as the fastest-growing major economy in the world. Though India’s fundamentals still remain strong, the recent demonetization initiative undertaken by the Indian Government is expected to lower India’s GDP growth from 7.6% in Financial Year 2016 to 6.8% in Financial Year 2017. The IMF mentioned that this cash shortage and slowed private consumption would only be a temporary disruption and the otherwise healthy economy will return to familiar territories post the predicted slowdown in Financial Year 2017. The Indian Government’s decisive policy manoeuvres towards ensuring fiscal consolidation and pegging back inflation will help it maintain economic stability in the years ahead.

#### **SEGMENTWISE PERFORMANCE**

##### **Plywood**

During the year 2016-17, segment revenue increased from ₹ 158.38 Crores to ₹ 184.43 Crores i.e. an increase of 16.44%. The Company has earned Segment profit before tax and interest of ₹ 1.27 Crores as against profit of ₹ 0.47 Crores in the preceding financial year.

The Housing and Infrastructure has been a priority area for the Government, attracting enhanced public investment. The National Investment and Infrastructure Fund (NIIF) has supported robust growth in this sector. This special emphasis on housing and infrastructure will help in driving demand for plywood.

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

##### **Tea**

Segment revenue during the year was ₹ 23.04 crores as against ₹ 23.98 Crores in the preceding financial year representing a decline of 3.89%. The Company has earned Segment profit before tax and interest of ₹ 0.33 Crores as against ₹ 1.03 Crores loss in the preceding financial year.

Financial performance of the Company is better than previous year in terms of profitability, due to various policies and methods, adopted by the company to reduce the total overhead cost.

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

#### **INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

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

#### **OPPORTUNITIES & THREATS**

##### **Opportunities:**

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

- Government initiatives towards building Smart cities across India



### Management Discussion and Analysis Report (Contd.)

- Government initiative for reviving the infrastructure & Housing Industry by way of increasing the government funding in infrastructure projects.
- Increase in demand for premium housing and commercial space
- Increasing urbanization
- Tax benefits on housing loans
- Implementation of Goods & Service Tax (GST) to benefit organised sector.

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

#### Threats

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

#### BUSINESS RISK MANAGEMENT

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

#### FINANCIAL PERFORMANCE

During the year under review, the gross turnover of the Company has increased from ₹ 197.92 Crores to ₹ 224.92 Crores registering a growth of 13.64 %. The Company has incurred a net loss of ₹ 2.03 Crores as against a net loss of ₹ 5.74 Crores in the preceding financial year. In view of loss incurred by the Company, the Board of Directors did not recommend any dividend.

#### HUMAN RESOURCES MANAGEMENT

The Company considers human resource to be the biggest asset and takes continuous efforts to improve the working environment. People are our real strength and as such the Company is significantly increasing its investment in its employees with training and development in order to align employees with requirement of safety, customer support, market needs and operational excellence. Performance-linked incentives are offered to identify and encourage standout performers.

Company strongly believes in fostering a culture of trust and mutual respect amongst all its employees. With regular communication and consistent efforts by the management, it is ensured that the employees are aligned at common objectives and have the right opinion on business evolution.

#### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis, describing the Company's objectives, outlook projections estimates, expectations or predictions may be forward looking statements. Actual results could differ materially from those expressed or implied. The important factors that could make a difference to the Company's operations include global and Indian demand and supply conditions, finished goods prices, raw material availability and prices, cyclical demand, changes in government regulations, environmental laws, tax regimes, economic developments within India and the world, as well as other factors such as litigation and industrial relations.

**Annexure-2**

**Particulars of Remuneration**

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

<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	<p><b>Independent Directors</b></p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Director</b></p> <p>Smt. Sheela Chitlangia : Nil</p> <p><b>Executive Directors</b></p> <p>Shri Sudeep Chitlangia : 16.02:1 Shri Sohan Lal Yadav : 10.53:1</p>
(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<p><b>Independent Directors</b></p> <p>Dr. Kali Kumar Chaudhuri : Nil Shri Sujit Chakravorti : Nil Shri Probir Roy : Nil Shri Ratan Lal Gaggar : Nil</p> <p><b>Non Executive Director</b></p> <p>Smt. Sheela Chitlangia : Nil</p> <p><b>Executive Directors</b></p> <p>Shri Sudeep Chitlangia : 22.55% Managing Director</p> <p>Shri Sohan Lal Yadav : Nil Wholetime Director</p> <p><b>CFO &amp; Company Secretary</b></p> <p>Shri Ravi Kumar Murarka : 11.68%</p>
(iii) The percentage increase in the median remuneration of employees in the financial year	: 14.56%
(iv) The number of permanent employees on the rolls of the Company	: 899 permanent employees as on 31 <sup>st</sup> March, 2017
(v) Affirmation that the remuneration is as per the remuneration policy of the Company	: Remuneration paid during the year ended 31 <sup>st</sup> March, 2017 is as per the Remuneration Policy of the Company.

Note: 1) Sitting Fees paid to the Independent Directors is not considered as remuneration paid to the Independent Directors.



## Sarda Plywood Industries Limited

### Particulars of Remuneration (Contd.)

**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**

Sl. No.	Employee Name	Designation	Remuneration received (₹)	Qualification	Total years of Experience	Date of commencement of employment	Age	Last employment held by such employee before joining this company	Equity Shares held by the employee in this company
1	Sudeep Chitlangia	Managing Director	45,64,792	B.Com	29	27-05-1988	51	NA	3,58,350
2	Sohan Lal Yadav	Whole-time Director	30,00,000	I.A.	52	01-06-1965	69	NA	Nil
3	Devesh Ahluwalia	General Manager-Sales & Marketing	27,27,666	B.Sc., PGDBM	26	03-07-2014	50	Sheela Foam Pvt. Ltd.	Nil
4	Somnath Roychoudhury	General Manager-Sales & Marketing	18,27,120	B.E. (Electrical)	32	15-11-2012	57	Free Lancer Trainer Consultant	Nil
5	Ratnesh Singh	Regional Manager	18,26,992	PGDBM	14	17-02-2016	39	Grohe India Pvt. Ltd.	Nil
6	Harender Verma	Regional Manager	17,32,565	M.Sc., MBA	20	26-09-2015	46	Lafarge India Pvt. Ltd.	Nil
7	Shashank Hissaria	General Manager	16,83,054	B.Com.	28	15-12-1988	48	Nil	Nil
8	Ravi Kumar Murarka	Chief Financial Officer & Company Secretary	16,54,818	B.Com, C.W.A., A.C.S, F.C.A., D.I.S.A.	19	01-05-2009	43	Jessop & Co. Ltd.	Nil
9	Akhilesh Chitlangia	General Manager	16,27,200	MBA	7	01-07-2010	29	NA	55,000
10	Neeraj Gupta	Deputy General Manager-Accounts & Finance	16,04,004	B.Com, ICWA (Inter)	24	15-11-1998	48	Chembra Peak Estate Ltd	Nil

**Annexure-3**

**Form AOC-I**

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

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

**Part “A” : Subsidiaries : Nil**

**Part “B”: Associates and Joint Ventures**

Name of Associate		As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
		P. S. Plywood Products Private Limited	P. S. Plywood Products Private Limited
Relationship		Associate	Associate
1	Latest audited Balance Sheet date	31 <sup>st</sup> March, 2017	31 <sup>st</sup> March, 2016
2	Share of Associate held by the company on the year end		
	No.	5,950,000	5,950,000
	Amount of Investment in Associate	80,508,750	-
	Extent of Holding %	46.67%	46.67%
3	Description of how there is significant influence	Control of 46.67% of Total Share Capital	Control of 46.67% of Total Share Capital
4	Reason why the associate is not consolidated	N.A.	N.A.
5	Networth attributable to Shareholding as per latest audited Balance Sheet	65,072,957	64,521,730
6	Profit / (Loss) for the year		
	i. Considered in Consolidation	551,228	495,563
	ii. Not Considered in Consolidation	629,890	566,281

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

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
 Director  
 DIN. 00066344

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

**RAVI KUMAR MURARKA**  
 Chief Financial Officer &  
 Company Secretary

**SUDEEP CHITLANGIA**  
 Managing Director  
 DIN. 00093908

Place of Signature: Kolkata  
 Date : 30<sup>th</sup> May, 2017



**Form No. AOC-2**

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

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

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

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

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

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

For and on behalf of the Board

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

Place : Kolkata  
Date : 11<sup>th</sup> August, 2017

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

**Annexure-5**

**Remuneration Policy**

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

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

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

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

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

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

**b) Remuneration Policy for Executive Directors**

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

**Key Principles:**

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

**Elements of the Remuneration structure of Executive Directors:**

The remuneration to key managerial personnel shall include:

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



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

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.

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

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

##### **Key Principles:**

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

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

The remuneration to key managerial personnel shall include:

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

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

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

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

Remuneration to Senior Management Personnel shall include –

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

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

**Annexure-6**

**REPORT ON CORPORATE GOVERNANCE**

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

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

**2. BOARD OF DIRECTORS**

**a) Composition of the Board :**

The Board consists of seven Directors comprising:

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

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

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

Name of Directors	Category of Directorship	Date of Appointment in the current term/ cessation	*Tenure (in months)	No. of Board Meetings attended	Attendance at last AGM on 16.09.2016	No. of Directorship(s) in Listed entities including this listed entity	No. of membership(s) in #Committee(s) including this listed entity	No. of post of Chairperson in #Committee held in listed entities including this listed entity
Shri Sudeep Chitlangia DIN:00093908	Managing Director-Promoter	27.05.1988	–	5	Yes	1	1	–
Shri Sohan Lal Yadav DIN: 00207333	Whole-time Director	27.11.1996	–	1	No	1	–	–
Dr.Kali Kumar Chaudhuri DIN: 00206157	Non-Executive & Independent Director	01.04.2014	134	5	Yes	6	10	4
Shri Probir Roy DIN: 00033045	Non-Executive & Independent Director	01.04.2014	70	5	Yes	1	1	–
Shri Ratan Lal Gaggar DIN: 00322904	Non-Executive & Independent Director	01.04.2014	489	4	Yes	7	7	–
Shri Sujit Chakravorti DIN: 00066344	Non-Executive & Independent Director	01.04.2014	174	5	Yes	3	5	3
Smt. Sheela Chitlangia DIN: 00174354	Non-Executive Director	29.09.2015	–	5	No	1	–	–

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

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



### Report on Corporate Governance (Contd.)

#### c) Board meetings held during the year ended 31<sup>st</sup> March 2017

During the year five Board Meetings were held on 25<sup>th</sup> May 2016, 10<sup>th</sup> August 2016, 16<sup>th</sup> September 2016, 8<sup>th</sup> November 2016 and 7<sup>th</sup> February 2017.

#### d) Information placed before the Board of Directors

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

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

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

#### f) Shareholding of Non-Executive Directors

Except Smt. Sheela Chitlangia, none of the Non-Executive Directors hold any shares in the Company. Smt. Sheela Chitlangia holds 2,71,650 Equity Shares of ₹ 10/- each of the Company as on 31<sup>st</sup> March, 2017.

#### g) Details of Familiarisation Programmes imparted to Independent Directors

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

## 3. AUDIT COMMITTEE

#### a) Composition of the Committee

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

#### b) Terms of Reference

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any Related Party Transactions;
  - g. Modified opinion(s) in the draft audit report;
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;

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

- Reviewing with the management, the statement of users/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

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

### **c) Audit Committee Meetings held during the year ended 31<sup>st</sup> March 2017**

During the year under review, five Audit Committee Meetings were held on 25<sup>th</sup> May 2016, 10<sup>th</sup> August 2016, 16<sup>th</sup> September 2016, 8<sup>th</sup> November 2016 and 7<sup>th</sup> February 2017.

### **d) Attendance at the Audit Committee Meetings**

<b>Name of Directors</b>	<b>No. of Meetings held</b>	<b>No. of Meetings attended</b>
Shri Probir Roy	5	5
Shri Ratan Lal Gaggar	5	4
Shri Sujit Chakravorti	5	5



### Report on Corporate Governance (Contd.)

#### 4. NOMINATION & REMUNERATION COMMITTEE

##### a) Composition of the Committee

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

##### b) Terms of Reference

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

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

##### c) Nomination & Remuneration Committee Meeting held during the year ended 31<sup>st</sup> March 2017

During the year under review, two Nomination & Remuneration Committee Meetings were held on 8<sup>th</sup> November, 2016 and 7<sup>th</sup> February, 2017.

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

Name of Directors	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	2	2
Shri Ratan Lal Gaggar	2	1
Shri Sujit Chakravorti	2	2

##### e) Details of remuneration to Directors

Name of Directors	Salary & Perks ₹	Sitting Fees ₹	Total ₹
Shri Sudeep Chitlangia	45,64,792	—	45,64,792
Shri Sohan Lal Yadav	30,00,000	—	30,00,000
Dr. Kali Kumar Chaudhuri	—	72,000	72,000
Shri Ratan Lal Gaggar	—	86,000	86,000
Shri Probir Roy	—	87,500	87,500
Shri Sujit Chakravorti	—	99,500	99,500
Smt. Sheela Chitlangia	—	50,000	50,000

##### Notes:

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

##### f) Performance Evaluation criteria for Independent Directors

The following are the evaluation criteria for the Performance evaluation of the Independent Directors.

- Compliance with Articles of Association, Companies Act & other laws
- Compliance with ethical standards & code of conduct of Company
- Assistance in implementing corporate governance practices

## Report on Corporate Governance (Contd.)

- Rendering independent, unbiased opinion
- Attendance & presence in meetings of Board & committees
- Attendance & presence in general meetings
- Disclosure of independence, if exists
- Review of integrity of financial information & risk management
- Safeguard of stakeholders' interests
- Updation of skills and knowledge (Awareness program through presentation at the Board and Committee meetings)
- Information regarding external environment
- Raising of concerns to the Board
- Safeguarding interest of whistle blowers under vigil mechanism
- Reporting of frauds, violation etc.
- Safeguard of confidential information

### g) Board Evaluation

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

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

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

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

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

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE

### a) Composition of the Committee

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

### b) Terms of Reference

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

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



## Sarda Plywood Industries Limited

### Report on Corporate Governance (Contd.)

#### c) Stakeholders Relationship Committee Meetings held during the year ended 31<sup>st</sup> March 2017

During the year under review, four Stakeholder Relationship Committee Meetings were held on 25<sup>th</sup> May 2016, 10<sup>th</sup> August 2016, 21<sup>st</sup> November 2016 and 1<sup>st</sup> March 2017.

#### d) Attendance at Stakeholders Relationship Committee Meetings

Name of Directors	No. of Meetings held	No. of Meetings attended
Dr. Kali Kumar Chaudhuri	4	4
Shri Sudeep Chitlangia	4	4
Shri Ratan Lal Gaggar	4	4

#### e) Compliance Officer

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

#### f) Shareholders' Complaints

During the year ended 31<sup>st</sup> March 2017, the Company had not received any complaints from its shareholders. No complaints were pending at the beginning and at the closing of the year except those under litigation, dispute or Court orders.

## 6. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Time	Number of special resolutions passed
2013-2014	The Far Pavilion, Tollygunge Club Limited, 120, Deshapran Sasmal Road, Kolkata - 700 033	25.09.2014	11.00 A.M.	None
2014-2015	-do-	29.09.2015	11.00 A.M	One
2015-2016	Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700 017	16.09.2016	11.00 A.M	None

Notes:

- (i) No special resolution was passed through postal ballot during the year 2016-17.
- (ii) No special resolution is proposed to be put through postal ballot in the ensuing Annual General Meeting.

## 7. DISCLOSURES

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

## Report on Corporate Governance (Contd.)

### 8. MEANS OF COMMUNICATION

- a) Quarterly, half yearly and annual financial results of the Company are communicated to the Stock Exchange immediately after they are approved by the Board.
- b) Financial results are normally published in the Financial Express in English language and in Ekdin in Bengali language.
- c) Financial results of the company are displayed on its website [www.sardaplywood.in](http://www.sardaplywood.in).
- d) No presentations were made to institutional investors or analysts.

### 9. GENERAL SHAREHOLDER INFORMATION

#### I. Annual General Meeting

- Date and Time : 19<sup>th</sup> September 2017 at 11.00 A.M.
- Venue : Bharatiya Bhasha Parishad, 36A Shakespeare Sarani  
Kolkata- 700017

#### II. Financial Calendar for the year 2017-2018 :

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

#### III. Book Closure Date

- : 12<sup>th</sup> September 2017 to 19<sup>th</sup> September 2017  
(both days inclusive).

#### IV. Dividend Payment Date

- : Not Applicable

#### V. Listing on Stock Exchanges

- : Bombay Stock Exchange Ltd.  
Corporate Relationship Department  
Rotunda Building, 1st Floor  
New Trading Ring, P.J. Towers  
Dalal Street, Mumbai-400 001

#### VI. Scrip Code

- : 516003

#### VII. Market Price Data

Month	Stock Prices on BSE		SENSEX	
	High	Low	High	Low
April 2016	55.90	43.30	26100.54	24523.20
May 2016	49.50	41.15	26837.20	25057.93
June 2016	43.95	38.05	27105.41	25911.33
July 2016	48.00	40.00	28240.20	27034.14
August 2016	58.70	41.15	28532.25	27627.97
September 2016	84.90	46.80	29077.28	27716.78
October 2016	140.50	77.60	28477.65	27488.30
November 2016	146.15	95.10	28029.80	25717.93
December 2016	154.40	125.00	26803.76	25753.74
January 2017	159.00	128.50	27980.39	26447.06
February 2017	151.50	135.00	29065.31	27590.10
March 2017	183.90	134.05	29824.62	28716.21

#### VIII. Share Transfer System

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



## Sarda Plywood Industries Limited

### Report on Corporate Governance (Contd.)

#### IX. Foreign Exchange Risk and Hedging Activities

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

#### X. Distribution of Shareholding as on 31<sup>st</sup> March 2017

No. of shares of ₹ 10 each	No. of shareholders	% of Shareholders	No. of shares held	Shareholding %
1-500	6359	94.47	793578	17.56
501-1000	176	2.62	138066	3.06
1001-5000	141	2.09	327918	7.26
5001-10000	18	0.27	124908	2.76
10001 & above	37	0.55	3133415	69.36
<b>TOTAL</b>	<b>6731</b>	<b>100.00</b>	<b>4517885</b>	<b>100.00</b>

#### XI. Categories of Shareholding as on 31<sup>st</sup> March 2017

Categories of Shareholders	No. of shares held	Percentage
Indian Promoters	1973451	43.68
Banks and Mutual Funds	10800	0.24
Body Corporates	733624	16.24
Individuals	1800010	39.84
<b>TOTAL</b>	<b>4517885</b>	<b>100.00</b>

#### XII. Dematerialisation of shares

: The Company's shares are available for Dematerialisation and liquidity with NSDL and CDSL. The ISIN allotted to the Company's Equity Shares is INE932D01010. As on 31<sup>st</sup> March 2017, 89.24% of the Share Capital has been dematerialised.

#### XIII. Outstanding GDR/ADR/Warrants

: Not Applicable

#### XIV. Plant locations

: 1. **Tea Unit**

P.O. Jeypore - 786614  
Dist. Dibrugarh, Assam

2. **Plywood Units**

(a) P.O. Jeypore - 786614  
Dist. Dibrugarh, Assam  
(b) Rajkot Gondal Highway, Shapar - 360024,  
Dist. Rajkot, Gujarat  
(Under License Agreement)

#### XV. Address for Correspondence

: Maheshwari Datamatics Private. Limited

23, R. N. Mukherjee Road, 5th floor, Kolkata – 700001

Phone: (033) 2243 5029/2248 2248

Fax : (033) 2248 4787,

E-mail: mdplde@yahoo.com

: investors@sardaplywood.com

For and on behalf of the Board

**SUJIT CHAKRAVORTI**

Director

(DIN: 00066344)

**SUDEEP CHITLANGIA**

Managing Director

(DIN: 00093908)

Place : Kolkata

Date: 11<sup>th</sup> August 2017

**Annexure-7**

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

We have examined the compliance of the conditions of Corporate Governance by Sarda Plywood Industries Limited for the year ended 31<sup>st</sup> March, 2017, as stipulated in chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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**

Place : Kolkata  
Date : 11<sup>th</sup> August, 2017

Partner  
(Membership No.066421)

**Annexure-8**

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

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

I confirm that the Company has received from the Senior Management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct, as applicable to them, during the financial year ended 31<sup>st</sup> March 2017.

Place: Kolkata  
Date: 11<sup>th</sup> August, 2017

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



**Annexure-9**

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

**CERTIFICATION**

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

- A. We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March 2017 and that to the best of our knowledge and belief, we state that:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the Code of Business Conduct as adopted by the Company.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, based in our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
  1. Significant changes, if any, in internal control over financial reporting during the year;
  2. Significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For Sarda Plywood Industries Limited**

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

Place : Kolkata  
Date: 11<sup>th</sup> August, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**Annexure-10**

**Secretarial Audit Report  
For The Financial Year Ended 31<sup>st</sup> March, 2017**

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

**Auditors' Responsibility**

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

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

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

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

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

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

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company Secretaries of India:.
- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;



### Secretarial Audit Report (Contd.)

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

to the extent of their applicability to the Company during the financial year ended 31.03.2017 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environments laws, etc.

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

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

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

We further report that :

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

We further report that :

The Company has initiated the process for Amalgamation of P S Plywood Products Private Limited (Transferor Company) with Sarda Plywood Industries Limited (Transferee Company) under Sections 391 to 394 of the Companies Act, 1956 and the corresponding provisions of the Companies Act, 2013 as applicable. The scheme is pending for approval before the National Company, Law Tribunal, Kolkata Bench.

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

**(CS A. K. LABH)**

Practicing Company Secretary  
FCS – 4848 / CP No.-3238

Place : Kolkata  
Date : 11<sup>th</sup> August, 2017

**Annexure-11**

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

**(A) CONSERVATION OF ENERGY**

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

b) Form –A in respect of tea operation is enclosed.

**(B) TECHNOLOGY ABSORPTION**

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

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

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

b) <b>Earnings and Outgo:</b>	(₹ in Lakhs)
(i) Foreign Exchange earnings	NIL
(ii) Foreign exchange outgo (imports and other expenditure in foreign currency)	5713.53

**FORM – A**

(See rule 2)

(For Bought Leaf Tea Processing Factory)

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

A. POWER AND FUEL CONSUMPTION	2016-2017	2015-2016
<b>1. Electricity</b>		
(a) Purchased		
Unit	Kwh	591920
Total amount	₹	5784329
Rate/Unit	₹/Kwh	9.77
(b) Own generation		
(i) Through gas generator		
Unit	Kwh	894908
Unit per SCUM of natural gas	Kwh/SCUM	1.66
Cost/unit	₹/Kwh	7.31
(ii) Through Diesel Generator		
Unit	Kwh	Nil
Unit per Litre of Diesel Oil	Kwh/ltr.	Nil
Cost/unit	₹/Kwh	Nil
<b>2. Natural Gas</b>		
Quantity	SCUM	920612
Total cost	₹	9792011
Rate	₹/SCUM	10.64
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Electricity	Kwh/Kg.	0.77
Natural Gas	SCUM/Kg.	0.48



**FORM - B**

**Disclosure of particulars with respect to technology absorption**

**A. Research and Development**

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

**B. Technology absorption, adoption and innovation**

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

**Annexure-12**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March 2017**

[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 : Public Company Limited by Shares
- v) Address of the Registered office and contact details : 9, Parsee Church Street, Kolkata – 700 001; Contact No. (033) 2265 2274
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details of Registrar and Share Transfer Agent, if any : Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5<sup>th</sup> Floor, Kolkata–700001 Contact No.(033) 2243 5029/2248 2248

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Plywood & Veneer	1621	89.10
2	Tea	10791	10.90

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

Sl. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	P.S. Plywood Products Private Limited 113, Park Street, North Block, 4th Floor, Kolkata 700 016	U20291WB1986PTC217119	Associate	46.67	2(6)



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	1549209	-	1549209	34.29	1549209	-	1549209	34.29	-
b) Central Government									
c) State Government									
d) Bodies Corporate	424242	-	424242	9.39	424242	-	424242	9.39	-
e) Banks / Financial Institutions									
f) Any Other									
<b>Sub-Total (A) (1) :-</b>	<b>1973451</b>	-	<b>1973451</b>	<b>43.68</b>	<b>1973451</b>	-	<b>1973451</b>	<b>43.68</b>	-
(2) Foreign									
a) NRIs-Individuals									
b) Other-Individuals									
c) Bodies Corporate									
d) Banks / Financial Institutions									
e) Any Other (Specify)									
<b>Sub-Total (A) (2) :-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	<b>-</b>	-
<b>Total shareholding of Promoter (A)</b>	<b>1973451</b>	-	<b>1973451</b>	<b>43.68</b>	<b>1973451</b>	-	<b>1973451</b>	<b>43.68</b>	-
<b>(A) = (A)(1)+(A)(2)</b>									
<b>B. Public Shareholding</b>									
(1) Institutions									
a) Mutual Funds	-	8600	8600	0.19	-	8600	8600	0.19	-
b) Banks / Financial Institutions	200	2100	2300	0.05	200	2000	2200	0.05	-
c) Central Government(s)									
d) State Government(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) Foreign Institutional Investors									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B) (1):-</b>	<b>200</b>	<b>10700</b>	<b>10900</b>	<b>0.24</b>	<b>200</b>	<b>10600</b>	<b>10800</b>	<b>0.24</b>	-
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	763719	4650	768369	17.01	692522	4650	697172	15.43	(-)1.58
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	655487	479582	1135069	25.12	787898	470707	1258605	27.86	2.74
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	550739	-	550739	12.19	523642	-	523642	11.59	(-)0.60
c) Others (specify)									
i. Non Resident Indians	74260	-	74260	1.64	17763	-	17763	0.39	(-)1.25
ii. Clearing Member	5097	-	5097	0.11	36052	-	36052	0.80	0.69
iii. OCB									
iv. Trust									
v. NBFC, registered with RBI	-	-	-	-	400	-	400	-	-
vi. Foreign Portfolio Investor									
<b>Sub-total(B) (2) :-</b>	<b>2049302</b>	<b>484232</b>	<b>2533534</b>	<b>56.08</b>	<b>2058277</b>	<b>475357</b>	<b>2533634</b>	<b>56.08</b>	-
<b>Total Public Shareholding (B)</b>	<b>2049502</b>	<b>494932</b>	<b>2544434</b>	<b>56.32</b>	<b>2058477</b>	<b>485957</b>	<b>2544434</b>	<b>56.32</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>4022953</b>	<b>494932</b>	<b>4517885</b>	<b>100</b>	<b>4031928</b>	<b>485957</b>	<b>4517885</b>	<b>100</b>	-

**Form No. MGT-9 (Contd.)**

ii) Shareholding of Promoters

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

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
a)	At the beginning of the year	1973451	43.68	1973451	43.68
b)	Date wise increase/decrease in promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / Sweat equity etc.)			No Change	
c)	At the end of the year	1973451	43.68	1973451	43.68



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

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

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Aashray Enterprises Private Limited</b>				
	At the beginning of the year	20500	0.4538		
	As on 06/05/2016- Transfer			15100	0.3342
	As on 13/05/2016- Transfer			13910	0.3079
	As on 20/05/2016- Transfer			13908	0.3078
	As on 27/05/2016- Transfer			11708	0.2591
	As on 10/06/2016- Transfer			11227	0.2485
	As on 17/06/2016- Transfer			7027	0.1555
	As on 24/06/2016 - Transfer			6230	0.1379
	As on 30/06/2016 - Transfer			5030	0.1113
	As on 08/07/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
2	<b>Ashika Stock Broking Limited</b>				
	At the beginning of the year	0	0.0000		
	As on 27/05/2016 - Transfer			25	0.0006
	As on 03/06/2016 - Transfer			1700	0.0376
	As on 10/06/2016 - Transfer			749	0.0166
	As on 17/06/2016 - Transfer			765	0.0169
	As on 24/06/2016 - Transfer			851	0.0188
	As on 30/06/2016 - Transfer			0	0.0000
	As on 08/07/2016 - Transfer			1500	0.0332
	As on 15/07/2016 - Transfer			0	0.0000
	As on 26/08/2016 - Transfer			1199	0.0265
	As on 02/09/2016 - Transfer			2293	0.0508
	As on 09/09/2016 - Transfer			2153	0.0477
	As on 16/09/2016 - Transfer			680	0.0151
	As on 23/09/2016 - Transfer			550	0.0122
	As on 30/09/2016 - Transfer			3948	0.0874
	As on 07/10/2016 - Transfer			501	0.0111
	As on 14/10/2016 - Transfer			500	0.0111
	As on 21/10/2016 - Transfer			600	0.0133
	As on 28/10/2016 - Transfer			1080	0.0239
	As on 04/11/2016 - Transfer			1130	0.0250
	As on 11/11/2016 - Transfer			31974	0.7077
	As on 18/11/2016 - Transfer			8900	0.1970
	As on 25/11/2016 - Transfer			8400	0.1859
	As on 02/12/2016 - Transfer			1502	0.0332
	As on 09/12/2016 - Transfer			1500	0.0332
	As on 16/12/2016 - Transfer			1652	0.0366
	As on 23/12/2016 - Transfer			11860	0.2625
	As on 30/12/2016 - Transfer			1900	0.0421
	As on 06/01/2017 - Transfer			500	0.0111
	As on 20/01/2017 - Transfer			1500	0.0332

**Form No. MGT-9 (Contd.)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 27/01/2017 - Transfer			526	0.0116
	As on 03/02/2017 - Transfer			1102	0.0244
	As on 10/02/2017 - Transfer			0	0.0000
	As on 17/02/2017 - Transfer			22	0.0005
	As on 24/02/2017 - Transfer			0	0.0000
	As on 24/03/2017 - Transfer			1050	0.0232
	At the end of the year			0	0.0000
<b>3</b>	<b>BGSE Financials Limited</b>				
	At the beginning of the year	0	0.0000		
	As on 08/04/2016 - Transfer			435	0.0096
	As on 15/04/2016 - Transfer			0	0.0000
	As on 06/05/2016 - Transfer			25	0.0006
	As on 13/05/2016 - Transfer			0	0.0000
	As on 03/06/2016 - Transfer			136	0.0030
	As on 17/06/2016 - Transfer			0	0.0000
	As on 30/06/2016 - Transfer			1	0.0000
	As on 08/07/2016 - Transfer			16784	0.3715
	As on 15/07/2016 - Transfer			3587	0.0794
	As on 22/07/2016 - Transfer			101	0.0022
	As on 29/07/2016 - Transfer			8152	0.1804
	As on 05/08/2016 - Transfer			0	0.0000
	As on 09/09/2016 - Transfer			2000	0.0443
	As on 16/09/2016 - Transfer			0	0.0000
	As on 28/10/2016 - Transfer			700	0.0155
	As on 04/11/2016 - Transfer			1843	0.0408
	As on 11/11/2016 - Transfer			0	0.0000
	As on 02/12/2016 - Transfer			35	0.0008
	As on 09/12/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>4</b>	<b>Bijal Kishorechand Madhani</b>				
	At the beginning of the year	0	0.0000		
	As on 23/09/2016 - Transfer			7670	0.1698
	As on 30/09/2016 - Transfer			8396	0.1858
	As on 07/10/2016 - Transfer			24706	0.5468
	As on 14/10/2016 - Transfer			30000	0.6640
	As on 28/10/2016 - Transfer			37325	0.8262
	As on 04/11/2016 - Transfer			40000	0.8854
	As on 11/11/2016 - Transfer			37000	0.8190
	As on 18/11/2016 - Transfer			30000	0.6640
	As on 25/11/2016 - Transfer			20000	0.4427
	As on 02/12/2016 - Transfer			16500	0.3652
	As on 09/12/2016 - Transfer			45000	0.9960
	As on 23/12/2016 - Transfer			42500	0.9407
	As on 30/12/2016 - Transfer			40000	0.8854
	As on 27/01/2017 - Transfer			35000	0.7747



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 10/02/2017 - Transfer			30000	0.6640
	At the end of the year			30000	0.6640
<b>5</b>	<b>Cuckoo Fiscal Services Limited</b>				
	At the beginning of the year	440000	9.7391	440000	9.7391
	As on 02/12/2016 - Transfer			390000	8.6324
	At the end of the year			390000	8.6324
<b>6</b>	<b>Dipak Kumar Amrutlal Dharani</b>				
	At the beginning of the year	16000	0.3541		
	As on 08/07/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>7</b>	<b>Fast Capital Markets Limited</b>				
	At the beginning of the year	0	0.0000		
	As on 06/05/2016 - Transfer			700	0.0155
	As on 13/05/2016 - Transfer			1190	0.0263
	As on 20/05/2016 - Transfer			0	0.0000
	As on 27/05/2016 - Transfer			1000	0.0221
	As on 03/06/2016 - Transfer			0	0.0000
	As on 10/06/2016 - Transfer			101	0.0022
	As on 17/06/2016 - Transfer			4200	0.0930
	As on 24/06/2016 - Transfer			19	0.0004
	As on 30/06/2016 - Transfer			1200	0.0266
	As on 08/07/2016 - Transfer			730	0.0162
	As on 15/07/2016 - Transfer			0	0.0000
	As on 28/10/2016 - Transfer			400	0.0089
	As on 04/11/2016 - Transfer			0	0.0000
	As on 02/12/2016 - Transfer			50000	1.1067
	As on 09/12/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>8</b>	<b>Fourth Axis Advisors LLP</b>				
	At the beginning of the year	19460	0.4307		
	As on 28/10/2016 - Transfer			15460	0.3422
	As on 09/12/2016 - Transfer			16460	0.3643
	As on 10/02/2017 - Transfer			16425	0.3636
	As on 17/02/2017 - Transfer			16395	0.3629
	As on 24/02/2017 - Transfer			16144	0.3573
	At the end of the year			16144	0.3573
<b>9</b>	<b>Geojit BNP Paribas Financials Services Limited</b>				
	At the beginning of the year	0	0.0000		
	As on 29/04/2016 - Transfer			239	0.0053
	As on 06/05/2016 - Transfer			0	0.0000
	As on 27/05/2016 - Transfer			90	0.0020
	As on 03/06/2016 - Transfer			0	0.0000
	As on 23/09/2016 - Transfer			100	0.0022
	As on 30/09/2016 - Transfer			0	0.0000

**Form No. MGT-9 (Contd.)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 07/10/2016 - Transfer			70	0.0015
	As on 14/10/2016 - Transfer			0	0.0000
	As on 21/10/2016 - Transfer			100	0.0022
	As on 28/10/2016 - Transfer			20000	0.4427
	As on 04/11/2016 - Transfer			776	0.0172
	As on 11/11/2016 - Transfer			18983	0.4202
	As on 18/11/2016 - Transfer			2692	0.0596
	As on 25/11/2016 - Transfer			29349	0.6496
	As on 02/12/2016 - Transfer			0	0.0000
	As on 09/12/2016 - Transfer			2491	0.0551
	As on 16/12/2016 - Transfer			0	0.0000
	As on 23/12/2016 - Transfer			750	0.0166
	As on 30/12/2016 - Transfer			595	0.0132
	As on 06/01/2017 - Transfer			750	0.0166
	As on 13/01/2017 - Transfer			100	0.0022
	As on 20/01/2017 - Transfer			1175	0.0260
	As on 27/01/2017 - Transfer			1060	0.0235
	As on 03/02/2017 - Transfer			18	0.0004
	As on 10/02/2017 - Transfer			1155	0.0256
	As on 17/02/2017 - Transfer			580	0.0128
	As on 24/02/2017 - Transfer			900	0.0199
	As on 03/03/2017 - Transfer			285	0.0063
	As on 10/03/2017 - Transfer			250	0.0055
	As on 17/03/2017 - Transfer			800	0.0177
	As on 24/03/2017 - Transfer			1535	0.0340
	At the end of the year			675	0.0149
<b>10</b>	<b>Hemant Kumar Motihar</b>				
	At the beginning of the year	226101	5.0046		
	As on 30/09/2016 - Transfer			221101	4.8939
	As on 14/10/2016 - Transfer			216101	4.7832
	As on 02/12/2016 - Transfer			175101	3.8757
	As on 16/12/2016 - Transfer			110801	2.4525
	As on 23/12/2016 - Transfer			77800	1.7220
	As on 30/12/2016 - Transfer			71813	1.5895
	As on 06/01/2017 - Transfer			65650	1.4531
	As on 13/01/2017 - Transfer			57500	1.2727
	As on 20/01/2017 - Transfer			5000	0.1107
	As on 27/01/2017 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>11</b>	<b>Hindustan Tradecom Pvt Ltd</b>				
	At the beginning of the year	0	0.0000		
	As on 28/10/2016 - Transfer			4125	0.0913
	As on 04/11/2016 - Transfer			11575	0.2562
	As on 11/11/2016 - Transfer			12225	0.2706
	As on 18/11/2016 - Transfer			18475	0.4089



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 25/11/2016 - Transfer			21475	0.4753
	As on 09/12/2016 - Transfer			22475	0.4975
	As on 16/12/2016 - Transfer			23075	0.5107
	As on 30/12/2016 - Transfer			1275	0.0282
	As on 13/01/2017 - Transfer			2275	0.0504
	As on 20/01/2017 - Transfer			7775	0.1721
	As on 27/01/2017 - Transfer			2775	0.0614
	As on 17/02/2017 - Transfer			3525	0.0780
	As on 03/03/2017 - Transfer			2975	0.0658
	At the end of the year			650	0.0144
<b>12</b>	<b>ICICI Securities Limited</b>				
	At the beginning of the year	0	0.0000		
	As on 08/04/2016 - Transfer			13	0.0003
	As on 15/04/2016 - Transfer			0	0.0000
	As on 22/04/2016 - Transfer			50	0.0011
	As on 29/04/2016 - Transfer			0	0.0000
	As on 06/05/2016 - Transfer			1	0.0000
	As on 13/05/2016 - Transfer			0	0.0000
	As on 27/05/2016 - Transfer			1300	0.0288
	As on 03/06/2016 - Transfer			0	0.0000
	As on 30/06/2016 - Transfer			100	0.0022
	As on 08/07/2016 - Transfer			0	0.0000
	As on 29/07/2016 - Transfer			4	0.0001
	As on 05/08/2016 - Transfer			15	0.0003
	As on 12/08/2016 - Transfer			940	0.0208
	As on 19/08/2016 - Transfer			0	0.0000
	As on 02/09/2016 - Transfer			805	0.0178
	As on 09/09/2016 - Transfer			100	0.0022
	As on 16/09/2016 - Transfer			250	0.0055
	As on 23/09/2016 - Transfer			175	0.0039
	As on 30/09/2016 - Transfer			50	0.0011
	As on 07/10/2016 - Transfer			100	0.0022
	As on 14/10/2016 - Transfer			6120	0.1355
	As on 21/10/2016 - Transfer			0	0.0000
	As on 04/11/2016 - Transfer			150	0.0033
	As on 11/11/2016 - Transfer			0	0.0000
	As on 25/11/2016 - Transfer			215	0.0048
	As on 02/12/2016 - Transfer			475	0.0105
	As on 09/12/2016 - Transfer			100	0.0022
	As on 16/12/2016 - Transfer			65153	1.4421
	As on 23/12/2016 - Transfer			85	0.0019
	As on 30/12/2016 - Transfer			7200	0.1594
	As on 06/01/2017 - Transfer			2420	0.0536
	As on 13/01/2017 - Transfer			7207	0.1595
	As on 20/01/2017 - Transfer			5600	0.1240

**Form No. MGT-9 (Contd.)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 27/01/2017 - Transfer			2182	0.0483
	As on 03/02/2017 - Transfer			3043	0.0674
	As on 10/02/2017 - Transfer			0	0.0000
	As on 24/02/2017 - Transfer			24	0.0005
	As on 03/03/2017 - Transfer			400	0.0089
	As on 10/03/2017 - Transfer			0	0.0000
	As on 17/03/2017 - Transfer			385	0.0085
	As on 24/03/2017 - Transfer			1297	0.0287
	At the end of the year			703	0.0156
<b>13</b>	<b>Litty Thomas</b>				
	At the beginning of the year	0	0.0000		
	As on 04/11/2016 - Transfer			20000	0.4427
	As on 11/11/2016 - Transfer			29466	0.6522
	As on 18/11/2016 - Transfer			57254	1.2673
	As on 25/11/2016 - Transfer			62757	1.3891
	As on 02/12/2016 - Transfer			79763	1.7655
	At the end of the year			79763	1.7655
<b>14</b>	<b>Madan Bhagchand Melwani</b>				
	At the beginning of the year	68377	1.5135		
	As on 28/10/2016 - Transfer			38377	0.8494
	As on 11/11/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>15</b>	<b>Mamta Sancheti</b>				
	At the beginning of the year	25367	0.5615		
	As on 10/06/2016 - Transfer			25427	0.5628
	As on 24/06/2016 - Transfer			32440	0.7180
	As on 23/09/2016 - Transfer			22000	0.4870
	As on 30/09/2016 - Transfer			18000	0.3984
	As on 28/10/2016 - Transfer			12000	0.2656
	As on 11/11/2016 - Transfer			9000	0.1992
	As on 18/11/2016 - Transfer			10500	0.2324
	As on 09/12/2016 - Transfer			7605	0.1683
	As on 16/12/2016 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>16</b>	<b>Milind K Madhani</b>				
	At the beginning of the year	0	0.0000		
	As on 30/09/2016 - Transfer			15631	0.3460
	As on 07/10/2016 - Transfer			35000	0.7747
	As on 28/10/2016 - Transfer			37000	0.8190
	As on 04/11/2016 - Transfer			40000	0.8854
	As on 18/11/2016 - Transfer			20000	0.4427
	As on 25/11/2016 - Transfer			15000	0.3320
	As on 09/12/2016 - Transfer			30000	0.6640
	As on 16/12/2016 - Transfer			35000	0.7747
	As on 23/12/2016 - Transfer			50000	1.1067



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 20/01/2017 - Transfer			47000	1.0403
	As on 27/01/2017 - Transfer			50000	1.1067
	At the end of the year			50000	1.1067
<b>17</b>	<b>Niraj Investment Company Private Limited</b>				
	At the beginning of the year	67372	1.4912		
	As on 11/11/2016 - Transfer			50372	1.1149
	At the end of the year			50372	1.1149
<b>18</b>	<b>Nitya Pandey</b>				
	At the beginning of the year	13351	0.2955		
	As on 06/01/2017 - Transfer			13349	0.2955
	As on 20/01/2017 - Transfer			0	0.0000
	At the end of the year			0	0.0000
<b>19</b>	<b>Paras Kesharmal Bathia</b>				
	At the beginning of the year	0	0.0000		
	As on 14/10/2016 - Transfer			4000	0.0885
	As on 21/10/2016 - Transfer			4817	0.1066
	As on 28/10/2016 - Transfer			24018	0.5316
	As on 04/11/2016 - Transfer			26518	0.5870
	As on 11/11/2016 - Transfer			24518	0.5427
	As on 25/11/2016 - Transfer			18783	0.4157
	As on 02/12/2016 - Transfer			20783	0.4600
	As on 09/12/2016 - Transfer			21283	0.4711
	As on 23/12/2016 - Transfer			28783	0.6371
	As on 30/12/2016 - Transfer			29783	0.6592
	At the end of the year			29783	0.6592
<b>20</b>	<b>Porinju V Veliyath</b>				
	At the beginning of the year	0	0.0000		
	As on 02/12/2016 - Transfer			50000	1.1067
	As on 23/12/2016 - Transfer			100000	2.2134
	As on 20/01/2017 - Transfer			150000	3.3201
	At the end of the year			150000	3.3201
<b>21</b>	<b>Poushali Sales Private Limited</b>				
	At the beginning of the year	160000	3.5415		
	At the end of the year			160000	3.5415
<b>22</b>	<b>Religare Securities Limited</b>				
	At the beginning of the year	589	0.0130		
	As on 08/04/2016 - Transfer			400	0.0089
	As on 23/09/2016 - Transfer			900	0.0199
	As on 07/10/2016 - Transfer			400	0.0089
	As on 28/10/2016 - Transfer			564	0.0125
	As on 04/11/2016 - Transfer			817	0.0181
	As on 11/11/2016 - Transfer			464	0.0103
	As on 18/11/2016 - Transfer			925	0.0205
	As on 25/11/2016 - Transfer			635	0.0141

**Form No. MGT-9 (Contd.)**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	As on 02/12/2016 - Transfer			3886	0.0860
	As on 09/12/2016 - Transfer			6219	0.1377
	As on 16/12/2016 - Transfer			8371	0.1853
	As on 23/12/2016 - Transfer			21726	0.4809
	As on 30/12/2016 - Transfer			31236	0.6914
	As on 06/01/2017 - Transfer			35207	0.7793
	As on 13/01/2017 - Transfer			35878	0.7941
	As on 20/01/2017 - Transfer			35500	0.7858
	As on 27/01/2017 - Transfer			36706	0.8125
	As on 03/02/2017 - Transfer			34798	0.7702
	As on 10/02/2017 - Transfer			35821	0.7929
	As on 17/02/2017 - Transfer			35958	0.7959
	As on 24/02/2017 - Transfer			35908	0.7948
	As on 10/03/2017 - Transfer			42487	0.9404
	As on 17/03/2017 - Transfer			42755	0.9463
	As on 24/03/2017 - Transfer			1792	0.0397
	At the end of the year			1608	0.0356
<b>23</b>	<b>Shabnam Motihar</b>				
	At the beginning of the year	224115	4.9606		
	As on 30/09/2016 - Transfer			199115	4.4073
	As on 07/10/2016 - Transfer			174115	3.8539
	As on 21/10/2016 - Transfer			166615	3.6879
	As on 28/10/2016 - Transfer			147055	3.2550
	As on 04/11/2016 - Transfer			126855	2.8078
	As on 11/11/2016 - Transfer			91855	2.0331
	As on 18/11/2016 - Transfer			90855	2.0110
	As on 25/11/2016 - Transfer			73702	1.6313
	As on 02/12/2016 - Transfer			39049	0.8643
	As on 09/12/2016 - Transfer			33469	0.7408
	As on 16/12/2016 - Transfer			26469	0.5859
	As on 23/12/2016 - Transfer			21469	0.4752
	As on 06/01/2017 - Transfer			18978	0.4201
	As on 13/01/2017 - Transfer			12836	0.2841
	As on 27/01/2017 - Transfer			2133	0.0472
	As on 10/02/2017 - Transfer			0	0.0000
	At the end of the year			0	0.0000



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
24	<b>Singaraju R</b>				
	At the beginning of the year	0	0.0000		
	As on 24/03/2017 - Transfer			45274	1.0021
	At the end of the year			45274	1.0021
25	<b>Smita Impex LLP</b>				
	At the beginning of the year	20545	0.4547		
	As on 14/10/2016 - Transfer			18215	0.4032
	As on 28/10/2016 - Transfer			10215	0.2261
	As on 11/11/2016 - Transfer			8215	0.1818
	As on 23/12/2016 - Transfer			6215	0.1376
	As on 27/01/2017 - Transfer			0	0.0000
	At the end of the year			0	0.0000
26	<b>Suman Rathi</b>				
	At the beginning of the year	0	0.0000		
	As on 15/07/2016 - Transfer			3000	0.0664
	As on 26/08/2016 - Transfer			4010	0.0888
	As on 02/09/2016 - Transfer			4510	0.0998
	As on 23/09/2016 - Transfer			5190	0.1149
	As on 18/11/2016 - Transfer			19740	0.4369
	As on 30/12/2016 - Transfer			20100	0.4449
	As on 10/02/2017 - Transfer			21000	0.4648
	At the end of the year			21000	0.4648
27	<b>Sundeeprajpal Chhabra</b>				
	At the beginning of the year	0	0.0000		
	As on 23/09/2016 - Transfer			19405	0.4295
	As on 07/10/2016 - Transfer			18155	0.4018
	As on 28/10/2016 - Transfer			20655	0.4572
	As on 04/11/2016 - Transfer			25155	0.5568
	As on 11/11/2016 - Transfer			17155	0.3797
	As on 25/11/2016 - Transfer			16155	0.3576
	As on 09/12/2016 - Transfer			12605	0.2790
	As on 16/12/2016 - Transfer			12505	0.2768
	As on 23/12/2016 - Transfer			4750	0.1051
	As on 20/01/2017 - Transfer			3750	0.0830
	As on 03/02/2017 - Transfer			0	0.0000
	At the end of the year			0	0.0000
28	<b>Varsha Chugh</b>				
	At the beginning of the year	10485	0.2321		
	As on 02/12/2016 - Transfer			12485	0.2763
	As on 30/12/2016 - Transfer			17694	0.3916
	At the end of the year			25694	0.5687

**Form No. MGT-9 (Contd.)**

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
<b>Details of Directors:</b>					
1	<b>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>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 Sujit Chakravorti</b>				
	a) At the beginning of the year	—	—	—	—
	b) Changes during the year	—	—	—	—
	c) At the end of the year	—	—	—	—
4	<b>Shri 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	—	—	—	—

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,977.21	1,272.65	—	5,249.86
ii) Interest due but not paid	—	51.03	—	51.03
iii) Interest accrued but not due	1.45	0.09	—	1.54
<b>Total (i + ii + iii)</b>	<b>3,978.66</b>	<b>1,323.77</b>	—	<b>5,302.43</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	2,620.11	693.82	—	3,313.93
- Reduction	2,074.20	930.27	—	3,004.47
<b>Net Change</b>	<b>545.91</b>	<b>(236.40)</b>		<b>309.46</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,520.56	1,038.11	—	5,558.67
ii) Interest due but not paid	—	49.14	—	49.14
iii) Interest accrued but not due	4.01	0.07	—	4.08
<b>Total (i + ii + iii)</b>	<b>4,524.57</b>	<b>1,087.32</b>	—	<b>5,611.89</b>



## Sarda Plywood Industries Limited

### Form No. MGT-9 (Contd.)

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

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD		Total Amount
		Sudeep Chitlangia, Managing Director	Shri Sohan Lal Yadav, Whole-time Director	
1.	Gross Salary:			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40,50,000	30,00,000	70,50,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,01,000	—	5,01,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission – as % of profit – others, specify	—	—	—
5.	Others, please specify – Club membership	13,792	—	13,792
Total* (A)		45,64,792	30,00,000	75,64,792
Ceiling as per the Act		63,00,000	63,00,000	1,26,00,000

\*As per Cost to the Company

##### B. Remuneration to other directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Sujit Chakravorti	Dr. Kali Kumar Chaudhuri	Shri Ratan Lal Gaggar	Shri Probir Roy	Smt. Sheela Chitlangia	
1.	Independent Directors Fee for attending board/ committee meetings	99,500	72,000	86,000	87,500	N.A	3,45,000
	Total (1)	99,500	72,000	86,000	87,500	N.A	3,45,000
2.	Other Non-Executive Directors Fee for attending board/ committee meetings, commission others, please specify	N.A	N.A	N.A	N.A	50,000	50,000
	Total (2)	-	-	-	-	-	-
	Total (B) – (1+2)	99,500	72,000	86,000	87,500	50,000	3,95,000

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of KMP	
		Ravi Kumar Murarka, CFO & Company Secretary	
1.	<b>Gross salary</b>		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		14,84,750
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		170,068
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		—
2.	Stock Option		—
3.	Sweat Equity		—
4.	Commission – as % of profit – others, specify		—
5.	Others, please specify:		—
	<b>Total</b>		1,654,818

**Form No. MGT-9 (Contd.)**

**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 standalone financial statements

We have audited the accompanying standalone financial statements of Sarda Plywood Industries Limited (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement (in which are incorporated the accounts of Company’s branch at Delhi audited by other Auditors), and a summary of the significant accounting policies and other explanatory information for the year then ended.

#### Management’s responsibility for the standalone financial statements

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

#### Auditor’s responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and its loss and its cash flows for the year ended on that date.

#### Report on other legal and regulatory requirements

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

### **Independent Auditors' Report (Contd.)**

- iv. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors as at 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as at 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 29.2 to the financial statements.
  - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - c. There were no amounts required to be transferred to Investor Education and Protection Fund by the Company.
  - d. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note No. 29.4 to the financial statements.

**For G.P. Agrawal & Co.**

Chartered Accountants

Firm's Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**

Partner

Membership No. 066421

Place of Signature: Kolkata  
Date: 30<sup>th</sup> May, 2017

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

Statement referred to in paragraph 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Sarda Plywood Industries Limited on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017.

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



## Sarda Plywood Industries Limited

### Annexure to the Auditors' Report (Contd.)

- (vi) As per the information and explanations given to us by the management, maintenance of cost records prescribed by the Central Government under sub-section (1) of section 148 of the Act is not applicable to the Company.
- (vii) a) On the basis of our examination, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues, to the extent applicable, with appropriate authorities and no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date of becoming payable.
- b) The disputed statutory dues aggregating to ₹ 1095.18 Lakhs that have not been deposited on account of matters pending before appropriate authorities are as under: -

Sl. No.	Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relate	Forum where the dispute is pending
1.	Delhi Sales Tax Act, 1975	Sales Tax	77,86,548	1990-91	Addl. Commissioner of Sales Tax
2.	Central Sales Tax Act, 1956	Sales Tax	47,51,800	1990-91	Addl. Commissioner of Sales Tax
3.	Central Excise Act, 1944	Excise Duty	15,60,463	2011- 12	Under Appeal Custom, Excise & Service Tax Appellate Tribunal
4.	Central Excise Act, 1944	Service Tax	14,27,388	July'12 to Sept'13	Under Appeal Custom, Excise & Service Tax Appellate Tribunal
5.	Income Tax Act, 1961	Income Tax	87,429	1985-86	Income Tax Appellate Tribunal
6.	Central Excise Act, 1944	Excise Duty	9,36,18,301	April'10 to Dec'15	Asst. Commissioner of Central Excise.
7.	Delhi Jal Board	Water Charges	2,86,220	2016-17	District Judge West Tis, Hazari Court, Delhi
<b>TOTAL</b>			<b>10,95,18,149</b>		

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

For G. P. AGRAWAL & CO.

Chartered Accountants

Firm's Registration No. - 302082E

(CA. RAKESH KUMAR SINGH)

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 30<sup>th</sup> May, 2017

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

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

We have audited the internal financial controls over financial reporting of Sarda Plywood Industries Limited (“the Company”) as of 31<sup>st</sup> March, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm’s Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 30<sup>th</sup> May, 2017



## Sarda Plywood Industries Limited

### BALANCE SHEET as at 31<sup>st</sup> March, 2017

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2	<b>45,206,975</b>		45,206,975	
(b) Reserves and surplus	3	<b>68,249,461</b>	<b>113,456,436</b>	91,089,990	136,296,965
<b>(2) Non - current liabilities</b>					
(a) Long - term borrowings	4	<b>55,132,642</b>		76,487,036	
(b) Deferred Government Grant		<b>13,952,349</b>		-	
(c) Long - term provisions	5	<b>16,417,679</b>	<b>85,502,670</b>	8,138,520	84,625,556
<b>(3) Current liabilities</b>					
(a) Short - term borrowings	6	<b>478,764,034</b>		435,590,609	
(b) Trade payables					
i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28.3)			-	-	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>501,404,039</b>		431,463,920	
(c) Other current liabilities	7	<b>92,332,211</b>		62,525,387	
(d) Short - term provisions	8	<b>1,509,873</b>	<b>1,074,010,157</b>	2,047,812	931,627,728
<b>TOTAL</b>			<b>1,272,969,263</b>		<b>1,152,550,249</b>
<b>II. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Property, plant and equipment	9	<b>138,101,151</b>		134,769,574	
(b) Capital work-in-progress		<b>2,353,407</b>		-	
(c) Intangible assets	10	<b>4,213,789</b>		3,251,215	
		<b>144,668,347</b>		138,020,789	
(d) Non - current investments	11	<b>80,676,854</b>		80,617,354	
(e) Deferred Tax Assets (Net)	12	<b>108,513,575</b>		108,513,575	
(f) Long - term loans and advances	13	<b>20,829,916</b>		21,512,479	
(g) Other non - current assets	14	<b>10,000</b>	<b>354,698,692</b>	10,000	348,674,197
<b>(2) Current assets</b>					
(a) Inventories	15	<b>621,722,473</b>		518,909,031	
(b) Trade receivables	16	<b>201,672,029</b>		214,294,777	
(c) Cash and bank balances	17	<b>3,073,350</b>		3,616,003	
(d) Short - term loans and advances	18	<b>89,282,246</b>		64,171,312	
(e) Other current assets	19	<b>2,520,473</b>	<b>918,270,571</b>	2,884,929	803,876,052
<b>TOTAL</b>			<b>1,272,969,263</b>		<b>1,152,550,249</b>
Significant accounting policies	1				
Other Disclosures	29				

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)  
Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

**STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017**

	Note No.	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
		₹	₹
<b>I. Revenue from operations</b>			
Sale of goods (Gross)	20	<b>2,249,191,240</b>	1,979,225,189
Less: Excise duty (Inclusive of Tea Cess)		<u>187,015,037</u>	<u>156,385,338</u>
Net sale of goods		<b>2,062,176,203</b>	1,822,839,851
Other operating Income	21	<b>12,571,995</b>	973,630
<b>Total Revenue from Operations</b>		<b>2,074,748,198</b>	1,823,813,481
<b>II. Other income</b>	22	<b>8,498,925</b>	502,661
<b>III. Total revenue ( I+II)</b>		<b>2,083,247,123</b>	<b>1,824,316,142</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	<b>1,152,811,741</b>	998,636,236
Purchases of stock-in-trade	24	<b>93,577,745</b>	72,723,198
Changes in inventories of finished goods, work -in-progress and stock-in-trade	25	<b>(49,464,880)</b>	24,860,388
Employee benefits expense	26	<b>280,822,642</b>	227,577,213
Finance costs	27	<b>70,758,661</b>	67,519,567
Depreciation and amortization expense		<b>18,026,795</b>	17,434,532
Other expenses	28	<b>574,216,508</b>	500,156,542
Total expenses		<b>2,140,749,212</b>	1,908,907,676
<b>V. Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>(57,502,089)</b>	<b>(84,591,534)</b>
<b>VI. Exceptional items</b>			
Profit on Sales of Property		<b>37,156,984</b>	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(20,345,105)</b>	<b>(84,591,534)</b>
<b>VIII. Tax expense :</b>			
Deferred tax		<b>-</b>	<b>(27,230,177)</b>
Profit/(Loss) for the year (VII - VIII)		<b>(20,345,105)</b>	<b>(57,361,357)</b>
Earnings per equity share of Rs. 10/- each (Refer Note No. 29.6)			
Basic		<b>(4.50)</b>	(12.70)
Diluted		<b>(4.50)</b>	(12.70)
Significant accounting policies	1		
Other Disclosures	29		

The accompanying notes 1 to 29 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.066421)

Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

On behalf of the Board

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



## Sarda Plywood Industries Limited

### CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before tax	(20,345,105)	(84,591,534)
Adjustments for:		
Depreciation and Amortisation expenses	18,026,795	17,434,532
Provision for diminution in value of Investments	(59,500)	(68,200)
Unspent Liabilities Written Back	(647,720)	
Government Grant	(975,109)	-
Loss on Sale of Property, Plant and Equipment	439,069	191,663
(Profit)/Loss on Sale of Property	(37,156,984)	-
Interest Income	(825,198)	(334,049)
Finance Costs	70,758,661	67,519,567
Dividend Income	(79,125)	(67,484)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>29,135,784</b>	<b>84,495</b>
Increase/(Decrease) in Long Term Provisions	8,279,159	(410,240)
Increase/(Decrease) in Short Term Provisions	(537,939)	1,768,682
Increase/(Decrease) in Other Current Liabilities	20,553,421	6,539,653
Increase/(Decrease) in Trade Payables	70,587,839	(56,867,550)
Decrease/(Increase) in Long Term Loans & Advances	968,564	(3,425,486)
Decrease/(Increase) in Short Term Loans & Advances	(25,110,934)	375,367
Decrease/(Increase) in Non Current Assets	-	
Decrease/(Increase) in Other Current Assets	239,152	(664,002)
Decrease/(Increase) in Inventories	(102,813,442)	(27,023,470)
Decrease/(Increase) in Trade Receivables	12,622,748	83,687,519
<b>Cash generated from Operating activities</b>	<b>13,924,352</b>	<b>4,064,968</b>
Direct Taxes Paid / (Refund)	(286,001)	3,847
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>13,638,351</b>	<b>4,068,815</b>
<b>B. Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment	(27,640,231)	(14,823,863)
Additions to Intangible Fixed Assets	(1,999,392)	(841,667)
Sale of Property, Plant and Equipment	39,187,760	517,390
Sale of Long Term Investments	-	50,000
Interest Income	941,502	379,281
Dividend Income	79,125	67,484
Net Cash flow from/(used in) Investing activities	<b>10,568,764</b>	<b>(14,651,375)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Working Capital Loan	30,456,372	25,662,034
Proceeds of Buyers Credit	36,079,853	20,745,694
Proceeds from Other Short Term Borrowings	(23,362,800)	(12,400,000)
Proceeds from Term Loan	1,466,000	55,028,924
Proceeds from Capital Subsidy	14,927,457	-
Repayment of Term Loan	(13,720,018)	(16,561,561)
Interest Expenses	(65,752,049)	(62,027,770)
Other Borrowing Costs	(4,853,583)	(5,491,797)
Net Cash Flow from/(Used in) Financing Activities	<b>(24,758,768)</b>	<b>4,955,524</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(551,653)</b>	<b>(5,627,036)</b>
Opening Cash and Cash Equivalents	3,566,003	9,193,039
Closing Cash and Cash Equivalents as per Note No. 17	<b>3,014,350</b>	<b>3,566,003</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.

On behalf of the Board

For G. P. AGRAWAL & CO.

Chartered Accountants

(F.R. NO. 302082E)

SUJIT CHAKRAVORTI

Director

DIN. 00066344

CA. RAKESH KUMAR SINGH

(Membership No.066421)

Partner

Place of Signature: Kolkata

Date : 30<sup>th</sup> May, 2017

RAVI KUMAR MURARKA

Chief Financial Officer &  
Company Secretary

SUDEEP CHITLANGIA

Managing Director  
DIN. 00093908

## Notes to Accounts

### Note No. 1

#### Significant Accounting Policies

1. (a) The accounts of the Company have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.
  - (b) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT.
  - (c) Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.
  - (d) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.
  - (e) All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities.
2. (a) Property, plant and equipment have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation.
  - (b) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of property, plant and equipments ) 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 property, plant and equipments 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 Property, Plant and equipments 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 property, plant and equipments 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 related to non-depreciable assets are credited to Capital Reserves. Government grants related to depreciable fixed assets are treated as deferred income which is recognised in the statement profit and loss under the heading 'Other Income' on a systematic and rational basis over the useful life of the asset.
  - (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.



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 2

##### Share capital

	Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		No. of shares	Amount ₹	No. of shares	Amount ₹
<b>(a) Authorised:</b>	Equity shares of ₹ 10/- each	<b>25,000,000</b>	<b>250,000,000</b>	25,000,000	250,000,000
<b>(b) Issued:</b>	Equity shares of ₹ 10/- each	<b>4,697,810</b>	<b>46,978,100</b>	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)	<b>4,517,885</b> <b>5,625</b>	<b>45,178,850</b> <b>28,125</b>	4,517,885 5,625	45,178,850 28,125
<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	<b>4,517,885</b> — <b>4,517,885</b>	<b>45,178,850</b> — <b>45,178,850</b>	4,517,885 — 4,517,885	45,178,850 — 45,178,850
<b>(e)</b>	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.				
<b>(f) Shareholders holding more than 5 % of the equity shares in the Company:</b>					
Name of Shareholder		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016		
		No. of shares held	% of holding	No. of shares held	% of holding
i) Cuckoo Fiscal Services Ltd.		390000	8.63	440000	9.74
ii) Sudeep Chitlangia		358350	7.93	358350	7.93
iii) Jaydeep Chitlangia		344300	7.62	344300	7.62
iv) Abhinandan Fintex (P) Ltd.		275000	6.09	275000	6.09
v) Sheela Chitlangia		271650	6.01	271650	6.01
vi) Hemant Kumar Motihar		20	—	226306	5.00
<b>TOTAL</b>		<b>1639320</b>	<b>36.28</b>	<b>1915401</b>	<b>42.39</b>

#### Note No. 3

##### Reserves and surplus

		As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>(a) Capital Reserve</b>	Balance as per last account		<b>10,618,140</b>		10,618,140
<b>(b) Securities premium account</b>	Balance as per last account		<b>69,574,000</b>		69,574,000
<b>(c) Revaluation reserve</b>	Balance as per last account	<b>2,495,424</b>		2,530,089	
	Less: Transfer to respective assets as per revised AS 10	<b>2,495,424</b>		—	
	Less: Depreciation transfer to Surplus	—		34,665	2,495,424
<b>(d) General reserve*</b>	Balance as per last account		<b>121,684,036</b>		124,485,632
<b>(e) Surplus</b>	Balance as per last account	<b>(113,281,610)</b>		(55,954,918)	
	Add: Profit / (Loss) for the Year	<b>(20,345,105)</b>		(57,391,357)	
	Add: Depreciation transfer from Revaluation Reserve	—	<b>(133,626,715)</b>	34,665	(113,281,610)
			<b>68,249,461</b>		91,089,990

\* 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		As at	
	31 <sup>st</sup> March, 2017	₹	31 <sup>st</sup> March, 2016	₹
<b>Long - term borrowings</b>				
<b>Term Loans</b>				
<b>Secured</b>				
From banks	1,428,924		3,428,924	
From entities other than banks	53,150,000		72,600,000	
<b>Unsecured</b>				
From banks	553,718		176,194	
From entities other than banks	—		281,918	
	<b>55,132,642</b>		<b>76,487,036</b>	

**(a) Nature of securities:**

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

**(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 31/03/2017	Amount of instalment
	Non-Current	Current			
	₹	₹			₹
Secured Loans from Banks	1,428,924 (3,428,924)	2,000,000 (1,200,000)	1 Yr 9 Months@	4	500,000
				2	700,000
				1	28,924#
Secured Loans from entities other than Banks	9,800,000 ( 22,600,000 )	12,800,000 ( 10,400,000 )	1 Yr. 8 Months	8	1,000,000
				8	1,200,000
				4	1,250,000
	43,350,000 ( 50,000,000 )	6,150,000 ( - )		11	500,000
			4 Yr 11 Months	12	650,000
				12	800,000
				12	1,000,000
				8	1,200,000
				4	1,250,000
Unsecured Loans from Banks	- ( 118,947 )	118,947 ( 332,950 )	4 Months	4	30,390 *
	- ( 57,247 )	57,247 ( 323,299 )	2 Months	2	29,000 *
	553,718 ( - )	498,736 ( - )	2 Yrs	24	48,800 *
Unsecured Loans from entities other than Banks	- ( - )	- ( 214,821 )	-	-	-
	- ( 281,918 )	282,599 ( 336,085 )	9 Months	9	33,500 *
<b>Total</b>	<b>55,132,642</b> ( 76,487,036 )	<b>21,907,529</b> ( 12,807,155 )			

Figures in the brackets pertain to previous year.

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



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>Note No. 5</b>		
<b>Long - term provisions</b>		
Provision for employee benefits	<u>16,417,679</u>	<u>8,138,520</u>
	<u><u>16,417,679</u></u>	<u><u>8,138,520</u></u>
<b>Note No. 6</b>		
<b>Short - term borrowings</b>		
Other loans and advances		
Secured		
From banks		
Buyers Credit	85,474,445	49,394,592
Working Capital Loan	<u>291,052,389</u>	<u>376,526,834</u>
Unsecured		
From entities other than banks	<u>102,237,200</u>	<u>125,600,000</u>
	<u><u>478,764,034</u></u>	<u><u>435,590,609</u></u>
<b>Nature of securities:</b>		
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.		
<b>Note No. 7</b>		
<b>Other current liabilities</b>		
Current maturities of long - term debt	21,907,529	12,807,155
(Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)		
Interest accrued and due on borrowings	-	100,788
Interest accrued but not due on borrowings	<u>408,630</u>	<u>154,813</u>
Other payables		
Advances from customers and others	17,731,698	6,166,818
Security deposits	7,278,710	6,955,099
Statutory liabilities	15,689,712	13,249,737
Unpaid salaries and other payroll dues	29,035,131	22,777,518
Others	<u>280,801</u>	<u>70,016,052</u>
	<u><u>92,332,211</u></u>	<u><u>313,459</u></u>
	<u><u>92,332,211</u></u>	<u><u>49,462,631</u></u>
	<u><u>92,332,211</u></u>	<u><u>62,525,387</u></u>

### Note No. 8

#### Short-term provisions

Provision for employee benefits	<u>1,509,873</u>	<u>2,047,812</u>
	<u><u>1,509,873</u></u>	<u><u>2,047,812</u></u>

### Note No. 9

#### PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2016 ₹	Additions ₹	Adjustment ₹	Deductions ₹	As at 31.03.2017 ₹	Upto 31.03.2016 ₹	For the Year ₹	Sales / Adjustment ₹	Upto 31.03.2017 ₹	
Freehold Land	3,165,248	-	1,852,679	-	1,312,569	-	-	-	-	1,312,569
Buildings	75,317,655	-	1,338,983	1,378,658	72,600,014	37,688,193	1,799,968	1,231,878	38,256,283	34,343,731
Plant and Equipments	235,755,866	21,214,800	-	1,509,924	255,460,742	157,666,122	11,463,175	1,378,999	167,750,298	87,710,444
Motor Vehicles	21,417,195	2,461,372	-	2,739,922	21,138,645	12,896,153	1,681,311	1,276,302	13,301,162	7,837,483
Furniture and Fixtures	13,764,012	76,563	-	35,612	13,804,963	9,930,969	698,298	35,612	10,593,655	3,211,308
Office Equipments & Computer	22,303,556	1,534,089	-	536,370	23,301,275	18,772,521	1,347,224	504,086	19,615,659	3,685,616
<b>Sub - total</b>	<b>371,723,532</b>	<b>25,286,824</b>	<b>3,191,662</b>	<b>6,200,486</b>	<b>387,618,208</b>	<b>236,953,958</b>	<b>16,989,976</b>	<b>4,426,877</b>	<b>249,517,057</b>	<b>138,101,151</b>
Capital Work in Progress	-									2,353,407
<b>TOTAL</b>	<b>371,723,532</b>	<b>25,286,824</b>	<b>3,191,662</b>	<b>6,200,486</b>	<b>387,618,208</b>	<b>236,953,958</b>	<b>16,989,976</b>	<b>4,426,877</b>	<b>249,517,057</b>	<b>140,454,558</b>

## Notes to Accounts (Contd.)

### PROPERTY, PLANT AND EQUIPMENT (Previous Year)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2015 ₹	Additions ₹	Adjustment ₹	Deductions ₹	As at 31.03.2016 ₹	Upto 31.03.2015 ₹	For the Year ₹	Sales / Adjustment ₹	Upto 31.03.2016 ₹	As at 31.03.2016 ₹
Freehold Land	3,165,248	-	-	-	3,165,248	-	-	-	-	3,165,248
Buildings	75,234,454	83,201	-	-	75,317,655	35,762,520	1,925,673	-	37,688,193	37,629,462
Plant and Equipments	221,154,809	16,753,451	-	2,152,394	235,755,866	149,343,045	10,350,611	2,027,534	157,666,122	78,089,744
Motor Vehicles	23,003,842	62,900	-	1,649,547	21,417,195	12,064,194	1,930,158	1,098,199	12,896,153	8,521,042
Furniture and Fixtures	13,591,155	172,857	-	-	13,764,012	9,260,789	670,180	-	9,930,969	3,833,043
Office Equipments & Computer	21,375,209	1,504,829	-	576,482	22,303,556	17,740,676	1,575,482	543,637	18,772,521	3,531,035
<b>Sub - total</b>	<b>357,524,717</b>	<b>18,577,238</b>	<b>-</b>	<b>4,378,423</b>	<b>371,723,532</b>	<b>224,171,224</b>	<b>16,452,104</b>	<b>3,669,370</b>	<b>236,953,958</b>	<b>134,769,574</b>
<b>TOTAL</b>	<b>357,524,717</b>	<b>18,577,238</b>	<b>-</b>	<b>4,378,423</b>	<b>371,723,532</b>	<b>224,171,224</b>	<b>16,452,104</b>	<b>3,669,370</b>	<b>236,953,958</b>	<b>134,769,574</b>

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. The carrying amount as on 01/04/2016 has been adjusted with the respective assets as per the provision of AS 10 (as amended).

### Note No : 10

#### INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2016 ₹	Additions ₹	Adjust- ment ₹	Dedu- ctions ₹	As at 31.03.2017 ₹	Upto 31.03.2016 ₹	For the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2017 ₹	As at 31.03.2017 ₹
Computer Softwares (Acquired)	8,614,844	1,999,392	-	-	10,614,236	5,363,629	1,036,818	-	6,400,447	4,213,789
<b>TOTAL</b>	<b>8,614,844</b>	<b>1,999,392</b>	<b>-</b>	<b>-</b>	<b>10,614,236</b>	<b>5,363,629</b>	<b>1,036,818</b>	<b>-</b>	<b>6,400,447</b>	<b>4,213,789</b>

#### INTANGIBLE ASSETS (Previous Year)

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2015 ₹	Additions ₹	Adjust- ment ₹	Dedu- ctions ₹	As at 31.03.2016 ₹	Upto 31.03.2015 ₹	For the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2016 ₹	As at 31.03.2016 ₹
Computer Softwares (Acquired)	7,773,177	841,667	-	-	8,614,844	4,381,201	982,428	-	5,363,629	3,251,215
<b>Sub - total</b>	<b>7,773,177</b>	<b>841,667</b>	<b>-</b>	<b>-</b>	<b>8,614,844</b>	<b>4,381,201</b>	<b>982,428</b>	<b>-</b>	<b>5,363,629</b>	<b>3,251,215</b>

Notes :

#### Intangible Assets

The unamortised amount of Computer Software (Acquired) ₹ 10,614,236/- (Previous year ₹ 8,614,844/-) is to be amortised over a period of 1 - 5 years as the case may be.



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 11

Non-current investments	Particulars	Face value ₹	Number of shares	As at 31st March, 2017 ₹	Number of shares	As at 31st March, 2016 ₹
<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	
Rampur Fertilizers Ltd.	10	61	—	61	—	
SMIFS Capital Markets Ltd.	10	3,500	157,500	3,500	98,000	
United Credit Ltd.	10	1,000	9,032	1,000	9,032	
			<u>168,104</u>		<u>108,604</u>	
<b>b) Unquoted</b>						
i) Fully paid up						
Pro Sports Management Ltd.	1,000	50	—	100	—	
ii) Partly paid up (₹ 60/- called and paid up)						
The Purbanchal Bank Limited	100	200	—	200	—	
			<u>80,676,854</u>		<u>80,617,354</u>	
Aggregate amount of quoted investments						
			<u>1,045,415</u>		<u>1,045,415</u>	
Aggregate amount of unquoted investments						
			<u>80,572,202</u>		<u>80,572,202</u>	
Aggregate provision for diminution in value of investments						
			<u>940,763</u>		<u>1,000,263</u>	
Aggregate market value of quoted investments						
			<u>168,104</u>		<u>110,522</u>	

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

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

#### Note No. 12

##### Deferred tax Assets (Net)

<b>(a) Deferred Tax Assets:</b>						
Expenses allowable for tax purposes when paid			6,204,367		3,525,286	
Carry Forward Loss			<u>116,093,785</u>		<u>113,708,457</u>	
			<u>122,298,152</u>		<u>117,233,743</u>	
<b>(b) Deferred Tax Liabilities:</b>						
Depreciation			<u>13,784,577</u>		<u>8,720,168</u>	
			<u>13,784,577</u>		<u>8,720,168</u>	
<b>Deferred Tax Assets (Net) *</b>						
			<u>108,513,575</u>		<u>108,513,575</u>	

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

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

**Notes to Accounts (Contd.)**

	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
<b>Note No. 13</b>		
<b>Long term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	7,760,973	7,628,583
Capital advances	350,000	163,844
Other loans and advances		
Prepaid Expenses	2,597,398	3,884,508
Advance tax (net)	2,419,341	2,133,340
MAT credit entitlement	7,702,204	7,702,204
	<u><u>20,829,916</u></u>	<u><u>21,512,479</u></u>
<b>Note No. 14</b>		
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Fixed deposits with banks		
(Non current portion with original maturity period of more than 12 months)		
Pledged with Government Authorities	10,000	10,000
	<u><u>10,000</u></u>	<u><u>10,000</u></u>
<b>Note No. 15</b>		
<b>Inventories</b>		
(At lower of cost and net realizable value, unless stated otherwise)		
Raw Materials	247,295,948	217,953,743
Raw Materials in Transit	33,031,378	20,467,432
Stores & Spares and Chemicals	32,159,650	21,316,417
Stores & Spares and Chemicals in Transit	601,020	99,450
Work-in-Progress	65,014,585	54,997,813
Finished Goods	198,651,297	164,046,130
Finished Goods in Transit	10,016,379	7,630,980
Stock in Trade	34,952,216	32,211,969
Stock in Trade in Transit	-	185,097
	<u><u>621,722,473</u></u>	<u><u>518,909,031</u></u>
<b>Note No. 16</b>		
<b>Trade receivables</b>		
(Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from due date *	29,145,697	31,996,638
Other trade receivables	172,526,332	182,298,139
	<u><u>201,672,029</u></u>	<u><u>214,294,777</u></u>
* includes ₹ 4,861,347/- (Previous year ₹ 4,861,347) under litigation.		
<b>Note No. 17</b>		
<b>Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks		
In current accounts	2,297,292	1,643,018
Cheques, drafts on hand	94,590	1,302,847
Cash on hand	622,468	3,014,350
	<u><u>622,468</u></u>	<u><u>3,014,350</u></u>
Other bank balances		
Fixed deposits with banks	59,000	50,000
(Current portion with original maturity period of more than 12 months)	<u><u>3,073,350</u></u>	<u><u>3,616,003</u></u>



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>Note No. 18</b>		
<b>Short - term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	3,757,791	2,153,791
Other loans and advances		
Advance to suppliers and others	68,812,114	52,966,648
Cenvat, Vat and other taxes / duties	10,182,993	5,768,079
Prepaid expenses	6,529,348	3,282,794
	<u><u>89,282,246</u></u>	<u><u>64,171,312</u></u>
<b>Note No. 19</b>		
<b>Other current assets</b>		
Interest accrued but not due	346,185	417,219
Claim Receivable	-	306,517
Taxes and duties refundable	<u><u>2,174,288</u></u>	<u><u>2,161,193</u></u>
	<u><u>2,520,473</u></u>	<u><u>2,884,929</u></u>
<b>Note No. 20</b>		
<b>Revenue from operations</b>		
Sale of goods (Gross)		
A. Finished Goods		
i) Plywood	1,807,914,665	1,602,063,609
ii) Tea	231,336,560	240,501,050
iii) Veneers	<u><u>83,317,752</u></u>	<u><u>2,122,568,977</u></u>
B. Stock-in-trade	126,160,790	109,832,698
i) Plywood	-	266,256
ii) Furniture	<u><u>461,473</u></u>	<u><u>110,098,954</u></u>
C. Others	<u><u>2,249,191,240</u></u>	<u><u>383,519</u></u>
	<u><u>2,249,191,240</u></u>	<u><u>1,979,225,189</u></u>
<b>Note No. 21</b>		
<b>Other operating revenues</b>		
Sales Tax Subsidy	10,505,305	-
Insurance Claims	<u><u>2,066,690</u></u>	<u><u>973,630</u></u>
	<u><u>12,571,995</u></u>	<u><u>973,630</u></u>
<b>Note No. 22</b>		
<b>Other income</b>		
Interest income (Gross)		
Fixed deposits with banks	7,099	6,530
Others	<u><u>818,099</u></u>	<u><u>327,519</u></u>
	<u><u>818,099</u></u>	<u><u>334,049</u></u>
Dividend income		
Long term investment	79,125	67,484
Other non-operating income		
Government Grant	975,109	-
Provision for diminution in value of Investments	59,500	68,200
Rent	66,000	6,000
Unspent liabilities / balances written back	647,720	-
Miscellaneous income	37,081	26,928
Gain on foreign currency transactions and translations	<u><u>5,809,192</u></u>	<u><u>-</u></u>
	<u><u>8,498,925</u></u>	<u><u>502,661</u></u>
<b>Note No. 23</b>		
<b>Cost of materials consumed</b>		
Timber	304,856,066	225,752,112
Veneer	482,167,868	383,695,025
Planks & Beams	138,675,326	134,271,120
Green Leaf	144,217,903	183,004,032
Others	82,894,578	71,913,947
	<u><u>1,152,811,741</u></u>	<u><u>998,636,236</u></u>

**Notes to Accounts (Contd.)**

	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
	₹	₹
<b>Note No. 24</b>		
<b>Purchases of stock-in-trade</b>		
Plywood	93,577,745	72,723,198
	<u>93,577,745</u>	<u>72,723,198</u>
<b>Note No. 25</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>A. Finished Goods</b>		
Opening Stock		
i) Plywood	140,491,096	135,680,989
ii) Tea	18,137,522	7,646,562
iii) Veneer	13,048,492	18,310,820
	<u>171,677,110</u>	<u>161,638,371</u>
Closing Stock		
i) Plywood	150,447,963	140,491,096
ii) Tea	7,403,653	18,137,522
iii) Veneer	50,816,060	13,048,492
	<u>208,667,676</u>	<u>(36,990,566)</u>
	<u>171,677,110</u>	<u>(10,038,739)</u>
<b>B. Stock-in-Trade</b>		
Opening Stock		
i) Plywood	27,231,324	36,666,555
ii) Furniture	5,165,742	5,464,966
	<u>32,397,066</u>	<u>42,131,521</u>
Closing Stock		
i) Plywood	29,786,474	27,231,324
ii) Furniture	5,165,742	5,165,742
	<u>34,952,216</u>	<u>(2,555,150)</u>
	<u>32,397,066</u>	<u>9,734,455</u>
<b>C. Work-in-Progress</b>		
Opening Stock		
i) Plywood	54,997,813	80,202,698
Closing Stock		
i) Plywood	65,014,585	54,997,813
(INCREASE) / DECREASE IN STOCKS	(49,562,488)	24,900,601
Add: Excise Duty & Cess on Stocks *	97,608	(40,213)
NET (INCREASE) / DECREASE IN STOCKS	<u>(49,464,880)</u>	<u>24,860,388</u>
* The amount of Excise Duty & cess shown above represents differential excise duty on opening & closing stock of finished goods.		
<b>Note No. 26</b>		
<b>Employee benefits expense</b>		
Salaries and wages	252,106,980	204,080,482
Contribution to provident and other funds	25,658,508	20,844,546
Staff welfare expense	3,057,154	2,652,185
	<u>280,822,642</u>	<u>227,577,213</u>
<b>Note No. 27</b>		
<b>Finance costs</b>		
Interest expense		
On long term borrowings	11,752,458	6,866,660
On short term borrowings	52,336,509	54,190,905
On others	1,816,111	970,205
Other borrowing costs	65,905,078	62,027,770
	<u>4,853,583</u>	<u>5,491,797</u>
	<u>70,758,661</u>	<u>67,519,567</u>



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 28

##### Other expenses

	Year Ended 31 <sup>st</sup> March, 2017 ₹	Year Ended 31 <sup>st</sup> March, 2016 ₹
Chemicals Consumption	112,983,759	102,287,128
Consumption of stores and spare parts	20,070,622	16,817,756
Consumption of packing materials	10,225,091	11,115,070
Power and fuel	80,156,943	78,957,143
Repairs		
Buildings	703,168	1,035,090
Machinery	8,326,208	6,446,799
Others	<u>1,821,805</u>	<u>10,851,181</u>
	1,136,219	8,618,108
Job Charges	55,229,919	34,196,849
Rent	14,485,052	11,544,321
Electricity	3,321,581	2,420,589
License Fees	7,638,825	10,636,401
Rates & Taxes (excluding taxes on income)	3,019,100	2,070,573
Watch and Ward Expenses	2,616,198	2,512,099
Insurance	4,098,317	3,651,432
Communication Expenses	5,709,266	4,904,187
Travelling & Conveyance	23,707,116	20,588,547
Vehicles Maintenance	7,701,795	7,487,820
Printing & Stationery	1,852,043	1,507,481
Legal and Professional Charges	36,382,802	21,379,715
Human Resource Development Expenses	23,870	6,000
Miscellaneous Expenses	16,460,676	12,970,383
Statutory Auditors' Remuneration		
Audit Fee	191,800	180,850
Tax Audit Fee	70,850	30,150
Certification Fee	<u>83,236</u>	<u>345,886</u>
	95,091	306,091
Charity & Donations	70,000	60,000
Bank charges	2,027,530	1,598,470
Forwarding, Freight, Octroi and Delivery Expenses	63,101,827	59,233,866
Sales Tax	11,154	768,239
Commission on Sales	19,052,327	14,022,053
Brokerage on Sales	2,403,046	2,419,995
Loss on foreign currency transactions and translations	-	4,232,688
Forward Premium amortized	7,080,728	9,938,086
Advertisement, Publicity & Sales Promotion	63,080,090	53,101,762
Loss on Sale / Discard of Fixed Assets	439,069	191,663
Bad Debts	-	537,946
Prior period expenses*	<u>70,695</u>	<u>74,081</u>
	<u><u>574,216,508</u></u>	<u><u>500,156,542</u></u>

\*Details of Prior period expenses :

##### Expenses

Communication Expenses	3,373	-
Forwarding, Freight, Octroi and Delivery Expenses	3,360	-
Travelling & Conveyance	-	74,081
Advertisement Publicity & Sales Promotion	63,962	-
	<u><u>70,695</u></u>	<u><u>74,081</u></u>

## Notes to Accounts (Contd.)

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>Note No. 29</b>		
<b>Other Disclosures</b>		
1. Estimated amount of contract remaining to be executed on Capital Account and not provided for	1,144,600	1,629,844
2. Contingent Liabilities not provided for in respect of :		
a) Uncalled Capital against partly paid-up shares held as investment	8,000	8,000
b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company	111,503,525	85,892,535
Amount Paid against above	1,985,376	1,455,669
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, 2017 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. Details of Specified bank notes (SBNs) held and transacted during the period 8 <sup>th</sup> November, 2016 to 30 <sup>th</sup> December, 2016 are as follows:		

Particulars	Specified bank notes (SBNs)	Other denomination notes #	Total	(₹)
Closing cash in hand as at 8 <sup>th</sup> November, 2016	435,500	1,531,672	1,967,172	
Add: Permitted receipts *	-	3,227,230	3,227,230	
Less: Permitted payments	-	4,027,198	4,027,198	
Less: Amount deposited in banks	435,500	150,000	585,500	
Closing cash in hand as at 30 <sup>th</sup> December, 2016	-	581,705	581,705	
# includes coins				
* includes amount withdrawn from banks				

5. 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".



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 29 (Contd.)

c) Information about Primary Business Segments:

	Plywood	Tea	Others	Unallocated	Total
<b>Segment Revenue</b>	<b>1,844,304,735</b>	<b>230,443,463</b>	<b>-</b>	<b>-</b>	<b>2,074,748,198</b>
	(1,583,775,493)	(239,771,732)	(266,256)		(1,823,813,481)
<b>Segment Results</b>	<b>12,739,335</b>	<b>3,330,215</b>	<b>-536,935</b>	<b>-</b>	<b>15,532,615</b>
	(4,753,623)	(-10,279,135)	(-2,528,179)		(-8,053,691)
<b>Less : Finance Cost</b>					<b>70,758,661</b>
					(67,519,567)
<b>Other unallocable expenditure</b>					<b>2,276,043</b>
<b>net of unallocable income</b>					(9,018,276)
<b>Total Profit / (Loss) before exceptional item and tax</b>					<b>-57,502,089</b>
					(-84,591,534)
<b>Exceptional Items</b>					<b>37,156,984</b>
					(-)
<b>Total Profit / (Loss) before tax</b>					<b>-20,345,105</b>
					(-84,591,534)
<b>Other Information</b>					
<b>Segment Assets</b>	<b>982,982,631</b>	<b>79,043,117</b>	<b>11,285,385</b>	<b>199,658,130</b>	<b>1,272,969,263</b>
	(850,631,338)	(91,035,591)	(11,499,628)	(199,383,692)	(1,152,550,249)
<b>Segment Liabilities</b>	<b>585,333,486</b>	<b>17,966,506</b>	<b>-</b>	<b>556,212,835</b>	<b>1,159,512,827</b>
	(465,227,656)	(25,986,015)	(-)	(525,039,613)	(1,016,253,284)
<b>Capital Expenditure</b>	<b>25,580,315</b>	<b>4,059,308</b>	<b>-</b>	<b>-</b>	<b>29,639,623</b>
	(3,166,249)	(12,499,281)	(-)	(-)	(15,665,530)
<b>Depreciation &amp; Amortisation</b>	<b>12,733,292</b>	<b>4,226,025</b>	<b>126,744</b>		<b>17,086,061</b>
	(13,563,115)	(3,744,673)	(126,744)	(-)	(17,434,532)

#### 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.

	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
	₹	₹
6. In calculating Earnings per share		
a) Numerator used :		
Profit / (Loss) after tax	(20,345,105)	(57,361,357)
b) Denominator used in computing Basic Earning per Share:		
Weighted Average Number of Equity Shares	4,517,885	4,517,885
c) Denominator used in computing Diluted Earning per Share:		
Weighted Average Number of Equity Shares including potential Equity Shares	4,517,885	4,517,885
d) Nominal value of equity shares (₹)	10.00	10.00
e) Basic Earnings per share (a/b) (₹)	(4.50)	(12.70)
f) Diluted Earnings per share (a/c) (₹)	(4.50)	(12.70)

## Notes to Accounts (Contd.)

### Note No. 29 (Contd.)

7. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under "Non Current Investments" under Note No. 11.

### 8. Related Party Disclosures

Particulars of transactions during the year ended 31<sup>st</sup> March, 2017

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
	₹	₹	₹
Rent Received	<b>66,000</b>	-	<b>66,000</b>
	(6,000)	(-)	(6,000)
Remuneration to KMP	(-)	<b>7,564,792</b>	<b>7,564,792</b>
	(-)	(6,724,667)	(6,724,667)
Purchase	-		-
	(133,393)		(133,393)
Interest Paid	<b>3,339,196</b>	-	<b>3,339,196</b>
	(2,811,700)	(-)	(2,811,700)
Licence fee Paid	<b>6,662,000</b>	-	<b>6,662,000</b>
	(9,600,000)	(-)	(9,600,000)
Rent Paid	<b>492,000</b>	-	<b>492,000</b>
	(492,000)	(-)	(492,000)
Loan Taken	<b>33,200,000</b>	-	<b>33,200,000</b>
	(23,100,000)	(-)	(23,100,000)
Refund of Loan	<b>30,062,800</b>	-	<b>30,062,800</b>
	(10,300,000)	(-)	(10,300,000)
Guarantees Obtained	-	<b>20,000,000</b>	<b>20,000,000</b>
	(-)	(50,000,000)	(50,000,000)
Outstanding against Guarantees Obtained	-	<b>653,443,912</b>	<b>653,443,912</b>
	(-)	(612,540,890)	(612,540,890)
Balance Outstanding at the Balance Sheet Date	<b>26,372,620 Cr</b>	-	<b>26,372,620 Cr</b>
	(24,308,924 Cr)	(-)	(24,308,924 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.



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 29 (Contd.)

Disclosure of Material Transactions with Related Parties	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>Rent Received</b>		
Madhya Bharat Papers Ltd.	66,000	6,000
<b>Remuneration to KMP</b>		
Shri Sudeep Chitlangia (Managing Director)	4,564,792	3,724,667
Shri Sohan Lal Yadav (Whole Time Director)	3,000,000	3,000,000
<b>Purchase</b>		
J S M & Company	-	133,393
<b>Interest Paid</b>		
P.S Plywood Products Private Ltd.	2,085,772	973,995
Chitperi Farm Private Ltd.	1,253,424	1,837,705
<b>License Fee Paid</b>		
P.S Plywood Products Private Ltd.	6,662,000	9,600,000
<b>Rent Paid</b>		
J S M & Company	480,000	480,000
Madhya Bharat Papers Ltd.	12,000	12,000
<b>Loan Taken</b>		
P.S Plywood Products Private Ltd.	28,200,000	3,100,000
Chitperi Farm Private Ltd.	5,000,000	20,000,000
<b>Refund of Loan</b>		
P.S Plywood Products Private Ltd.	10,062,800	5,300,000
Chitperi Farm Private Ltd.	20,000,000	5,000,000
<b>Guarantees Obtained</b>		
Sudeep Chitlangia	20,000,000	50,000,000
<b>Outstanding against Guarantees Obtained</b>		
Sudeep Chitlangia	653,443,912	612,540,890
<b>Net Balance Receivable/(Payable)</b>		
Chitperi Farm Private Ltd.	-	(16,328,934)
P.S Plywood Products Private Ltd.	(25,937,200)	(7,800,000)
Shri Sudeep Chitlangia	(264,180)	-
Shri Sohan Lal Yadav	(171,240)	(179,990)

#### Names of related parties & description of relationship

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

9. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:  
There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets :  
a) No provision for Contingent Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.  
b) The Contingent Liabilities mentioned at SI No.2 are dependent upon Court decision / out of court settlement / disposal of appeals etc.
11. Disclosure pursuant to AS - 15 (revised 2005) on “Employee Benefits”

#### Defined Contribution Plan:

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

	2016-17 (₹)	2015-16 (₹)
Employers' Contribution to Provident Fund & Pension Fund	14,585,027	12,198,344
Employers' Contribution to Superannuation Fund	672,146	316,634

## Notes to Accounts (Contd.)

### Note No. 29 (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 :

	2016-17			2015-16		
	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	3,380,028	99,579	1,500,330	2,574,493	84,056	1,301,166
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	1,963,450	34,078	515,110	1,441,143	41,594	531,117
4 Expected Return on Plan Asset	1,966,041	-	-	2,028,793	-	-
5 Curtailment Cost	-	-	-	-	-	-
6 Settlement Cost	-	-	-	-	-	-
7 Actuarial gain / (loss) recognized in the year	(5,480,229)	(30,824)	(2,792,883)	(5,057,104)	175,455	(1,693,902)
8 Net Expense Recognised in Statement of Profit and Loss	8,857,666	164,481	4,808,323	7,043,947	(49,805)	3,526,185
<b>II. Change in Present Value of Defined Benefit Obligation:</b>						
1 Present Value of Defined Benefit Obligation at the Beginning of the year	27,861,271	454,370	8,084,569	20,948,594	504,175	8,317,186
2 Acquisition Adjustment	-	-	-	-	-	-
3 Interest Cost	1,963,450	34,078	515,110	1,441,143	41,594	531,117
4 Past Service Cost	-	-	-	-	-	-
5 Current Service Cost	3,380,028	99,579	1,500,330	2,574,493	84,056	1,301,166
6 Curtailment Cost	-	-	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Benefits Paid	3,363,883	-	2,432,868	6,960,376	-	3,758,802
9 Actuarial Gain (Losses)	(5,556,340)	(30,824)	(2,792,883)	(9,857,417)	175,455	(1,693,902)
10 Present Value of Obligation at the End of the year	35,397,206	618,851	10,460,024	27,861,271	454,370	8,084,569
<b>III. Change in Fair Value of Plan Assets</b>						
1 Plan Assets at the Beginning of the year	26,213,878	NA	NA	24,591,435	NA	NA
2 Acquisition Adjustment	-	NA	NA	-	NA	NA
3 Settlement	-	NA	NA	-	NA	NA
4 Expected Return on Plan Assets	1,966,041	NA	NA	2,028,793	NA	NA
5 Actual Company Contribution	3,656,382	NA	NA	1,753,713	NA	NA
6 Actual Benefits Paid	3,363,883	NA	NA	6,960,376	NA	NA
7 Actuarial Gains/(Losses)	(76,111)	NA	NA	(4,800,313)	NA	NA
8 Plan Assets at the End of the year	28,548,529	NA	NA	26,213,878	NA	NA
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet</b>						
1 Present value of Defined Benefit Obligation	35,397,206	618,851	10,460,024	27,861,271	454,370	8,084,569
2 Fair Value on Plan Assets	28,548,529	NA	NA	26,213,878	NA	NA
3 Funded Status (Surplus/(deficit))	(6,848,677)	NA	NA	(1,647,393)	NA	NA
4 Unrecognised past service cost	-	-	-	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	(6,848,677)	(618,851)	(10,460,024)	(1,647,393)	(454,370)	(8,084,569)
<b>V. Actuarial Assumptions</b>						
1 Discount Rate (per annum)	7.50%	7.50%	7.50%	8.25%	8.25%	8.25%
2 Expected rate of return on plan assets (per annum)	7.50%	NA	NA	8.25%	NA	NA
3 Salary Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4 Retirement/ Superannuation Age	60	60	60	60	60	60
5 Mortality	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08	IALM 2006-08
	ULT	ULT	ULT	ULT	ULT	ULT
<b>VI. Major Category of Plan Assets as a % of the Total Plan Assets</b>						
Administered by Life Insurance Corporation of India	100%	NA	NA	100%	NA	NA



## Sarda Plywood Industries Limited

### Notes to Accounts (Contd.)

#### Note No. 29 (Contd.)

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

The Expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial Year 2016-17

##### 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

		2014-15		2013-14	
1	Present value of Defined Benefit Obligation	20,948,594	504,175	8,317,186	20,263,571
2	Fair Value on Plan Assets	24,591,435	NA	NA	22,623,176
3	Funded Status (Surplus/(deficit))	3,642,841	NA	NA	2,359,605
		2012-13			
1	Present value of Defined Benefit Obligation	18,895,225	316,728	4,429,630	
2	Fair Value on Plan Assets	18,311,864	NA	NA	
3	Funded Status (Surplus/(deficit))	(583,361)	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. 26.

		Year ended		Year ended 31 <sup>st</sup> March 2016
		31 <sup>st</sup> March 2017	₹	
<b>12. Value of Imports on C.I.F. basis</b>		<b>560,973,638</b>		490,063,241
Raw Materials		-		16,614,979
Trading Goods				76,735
Machinery & Spares		<b>228,496</b>		
<b>13. Expenditure in Foreign Currency</b>		<b>1,252,867</b>		194,342
Interest				
Net loss on foreign currency transactions and translations		<b>7,080,728</b>		14,170,774
(Including forward premium amortized)				
Travelling		<b>1,492,658</b>		1,919,422
Others		<b>329,254</b>		229,847
<b>14. Value of Raw Materials Consumed</b>		<b>43%</b>	<b>499,659,001</b>	49%
Indigenous		<b>57%</b>	<b>653,152,740</b>	51%
Imported		<b>100%</b>	<b>1,152,811,741</b>	100%
				<b>998,636,236</b>
<b>15. Value of Stores &amp; Spare Parts and Chemicals Consumed</b>		<b>82%</b>	<b>109,319,187</b>	73%
Indigenous		<b>18%</b>	<b>23,735,194</b>	27%
Imported		<b>100%</b>	<b>133,054,381</b>	100%
				<b>119,104,854</b>

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

As per our report of even date attached.

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

On behalf of the Board  
**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)  
Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

## **Independent Auditors' Report to the Members**

### **Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of Sarda Plywood Industries Limited ("the Company") and its associate, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended (hereinafter referred to as "the consolidated financial statements").

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

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

### **Auditor's responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India for the consolidated state of affairs of the Company and its associates as at 31<sup>st</sup> March, 2017 and its consolidated profit and its consolidated cash flows for the year ended on that date.

### **Other Matters**

The consolidated financial statements also include the share of net profit of Rs. 5,51,228/- for the year ended 31<sup>st</sup> March, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associate, is based solely on the reports of the other auditors.

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



### Independent Auditors' Report (Contd.)

#### Report on other legal and regulatory requirements

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

- i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- ii. In our opinion, proper books of account as required by law relating to the preparation of aforesaid consolidated financial statements have been kept by so far as it appears from our examination of those books and the reports of the other auditors.
- iii. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- v. On the basis of the written representations received from the directors of the Company as at 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the Company and its associate company is disqualified as at 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- vii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its associate – Refer Note No. 18.1 to the consolidated financial statements.
  - b. The Company and its associate company incorporated in India did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the investor education and protection fund by the Company and its associate company incorporated in India.
- viii. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note No.29.4 to the consolidated financial statements.

For **G. P. AGRAWAL & CO.**  
Chartered Accountants  
Firm's Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**  
Partner  
Membership No. 066421

Place of Signature: Kolkata  
Date: 30<sup>th</sup> May, 2017

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2017, we have audited the internal financial controls over financial reporting of Sarda Plywood Industries Limited ("the Company") and its associate company as of that date.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Company and its associate company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design,

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

implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

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

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

Chartered Accountants

Firm's Registration No. - 302082E

**(CA. RAKESH KUMAR SINGH)**

Partner

Membership No. 066421

Place of Signature: Kolkata

Date: 30<sup>th</sup> May, 2017



## Sarda Plywood Industries Limited

### CONSOLIDATED BALANCE SHEET as at 31<sup>st</sup> March, 2017

Particulars	Note No.	As at 31.03.2017		As at 31.03.2016	
		₹	₹	₹	₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
(a) Share capital	2	<b>45,206,975</b>		45,206,975	
(b) Reserves and surplus	3	<b>70,511,741</b>	<b>115,718,716</b>	92,801,042	138,008,017
<b>(2) Non - current liabilities</b>					
(a) Long - term borrowings	4	<b>55,132,642</b>		76,487,036	
(b) Deferred Government Grant		<b>13,952,349</b>		-	
(c) Long - term provisions	5	<b>16,417,679</b>	<b>85,502,670</b>	8,138,520	84,625,556
<b>(3) Current liabilities</b>					
(a) Short - term borrowings	6	<b>478,764,034</b>		435,590,609	
(b) Trade payables					
i) Total outstanding dues of micro enterprises and small enterprises (Refer Note No. 28.3)			-	-	
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>501,404,039</b>		431,463,920	
(c) Other current liabilities	7	<b>92,332,211</b>		62,525,387	
(d) Short - term provisions	8	<b>1,509,873</b>	<b>1,074,010,157</b>	2,047,812	931,627,728
<b>TOTAL</b>			<b>1,275,231,543</b>		<b>1,154,261,301</b>
<b>II. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Property, plant and equipment	9	<b>138,101,151</b>		134,769,574	
(b) Capital work-in-progress		<b>2,353,407</b>		-	
(c) Intangible assets	10	<b>4,213,789</b>		3,251,215	
		<b>144,668,347</b>		138,020,789	
(d) Non - current investments	11	<b>82,939,134</b>		82,328,406	
(e) Deferred Tax Assets (Net)	12	<b>108,513,575</b>		108,513,575	
(f) Long - term loans and advances	13	<b>20,829,916</b>		21,512,479	
(g) Other non - current assets	14	<b>10,000</b>	<b>356,960,972</b>	10,000	350,385,249
<b>(2) Current assets</b>					
(a) Inventories	15	<b>621,722,473</b>		518,909,031	
(b) Trade receivables	16	<b>201,672,029</b>		214,294,777	
(c) Cash and bank balances	17	<b>3,073,350</b>		3,616,003	
(d) Short - term loans and advances	18	<b>89,282,246</b>		64,171,312	
(e) Other current assets	19	<b>2,520,473</b>	<b>918,270,571</b>	2,884,929	803,876,052
<b>TOTAL</b>			<b>1,275,231,543</b>		<b>1,154,261,301</b>
Significant accounting policies	1				
Other Disclosures	29				

The accompanying notes 1 to 29 are an integral part of the Financial Statements.

As per our report of even date attached.

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)

Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31<sup>st</sup> March, 2017**

	Note No.	Year ended 31 <sup>st</sup> March, 2017	Year ended 31 <sup>st</sup> March, 2016
		₹	₹
<b>I. Revenue from operations</b>			
Sale of goods (Gross)	20	<b>2,249,191,240</b>	1,979,225,189
Less: Excise duty (Inclusive of Tea Cess)		<b>187,015,037</b>	<b>156,385,338</b>
Net sale of goods		<b>2,062,176,203</b>	1,822,839,851
Other operating Income	21	<b>12,571,995</b>	973,630
<b>Total Revenue from Operations</b>		<b>2,074,748,198</b>	1,823,813,481
<b>II. Other income</b>	22	<b>8,498,925</b>	502,661
<b>III. Total revenue ( I+II)</b>		<b>2,083,247,123</b>	<b>1,824,316,142</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	23	<b>1,152,811,741</b>	998,636,236
Purchases of stock-in-trade	24	<b>93,577,745</b>	72,723,198
Changes in inventories of finished goods,			
Work -in-progress and stock-in-trade	25	<b>(49,464,880)</b>	24,860,388
Employee benefits expense	26	<b>280,822,642</b>	227,577,213
Finance costs	27	<b>70,758,661</b>	67,519,567
Depreciation and amortization expense		<b>18,026,795</b>	17,434,532
Other expenses	28	<b>574,216,508</b>	500,156,542
<b>Total expenses</b>		<b>2,140,749,212</b>	<b>1,908,907,676</b>
<b>V. Profit/(Loss) before exceptional items and tax (III - IV)</b>		<b>(57,502,089)</b>	(84,591,534)
<b>VI. Exceptional items</b>			
Profit on Sales of Property		<b>37,156,984</b>	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(20,345,105)</b>	(84,591,534)
<b>VIII. Tax expense :</b>			
Deferred tax		<b>-</b>	(27,230,177)
<b>IX. Profit/(Loss) after tax but before share in results of Associate(VII-VIII)</b>		<b>(20,345,105)</b>	(57,361,357)
<b>X. Share of Profit of Associate</b>		<b>551,228</b>	495,563
<b>XI. Profit/(Loss) for the year (IX-X)</b>		<b>(19,793,877)</b>	(56,865,794)
Earnings per equity share of ₹ 10/- each (Refer Note No. 29.6)			
Basic		(4.38)	(12.59)
Diluted		(4.38)	(12.59)
Significant accounting policies	1		
Other Disclosures	29		

The accompanying notes 1 to 29 are an integral part of the Financial Statements.  
As per our report of even date attached.

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)  
Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



## Sarda Plywood Industries Limited

### CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017

	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before tax	(20,345,105)	(84,591,534)
<b>Adjustments for:</b>		
Depreciation and Amortisation expenses	18,026,795	17,434,532
Provision for diminution in value of Investments	(59,500)	(68,200)
Unspent Liabilities Written Back	(647,720)	
Government Grant	(975,109)	-
Loss on Sale of Property, Plant and Equipment	439,069	191,663
(Profit)/Loss on Sale of Property	(37,156,984)	-
Interest Income	(825,198)	(334,049)
Finance Costs	70,758,661	67,519,567
Dividend Income	(79,125)	(67,484)
<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>29,135,784</b>	<b>84,495</b>
Increase/(Decrease) in Long Term Provisions	8,279,159	(410,240)
Increase/(Decrease) in Short Term Provisions	(537,939)	1,768,682
Increase/(Decrease) in Other Current Liabilities	20,553,421	6,539,653
Increase/(Decrease) in Trade Payables	70,587,839	(56,867,550)
Decrease/(Increase) in Long Term Loans & Advances	968,564	(3,425,486)
Decrease/(Increase) in Short Term Loans & Advances	(25,110,934)	375,367
Decrease/(Increase) in Non Current Assets	-	-
Decrease/(Increase) in Other Current Assets	239,152	(664,002)
Decrease/(Increase) in Inventories	(102,813,442)	(27,023,470)
Decrease/(Increase) in Trade Receivables	12,622,748	83,687,519
<b>Cash generated from Operating activities</b>	<b>13,924,352</b>	<b>4,064,968</b>
Direct Taxes Paid / (Refund)	(286,001)	3,847
<b>Net Cash Flow from/(used in) Operating Activities</b>	<b>13,638,351</b>	<b>4,068,815</b>
<b>B. Cash Flow from Investing Activities</b>		
Additions to Property, Plant and Equipment	(27,640,231)	(14,823,863)
Additions to Intangible Fixed Assets	(1,999,392)	(841,667)
Sale of Property, Plant and Equipment	39,187,760	517,390
Sale of Long Term Investments	-	50,000
Interest Income	941,502	379,281
Dividend Income	79,125	67,484
<b>Net Cash flow from/(used in) Investing activities</b>	<b>10,568,764</b>	<b>(14,651,375)</b>

**CONSOLIDATED CASH FLOW STATEMENT for the year ended 31<sup>st</sup> March, 2017**

	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Working Capital Loan	30,456,372	25,662,034
Proceeds of Buyers Credit	36,079,853	20,745,694
Proceeds from Other Short Term Borrowings	(23,362,800)	(12,400,000)
Proceeds from Term Loan	1,466,000	55,028,924
Proceeds from Capital Subsidy	14,927,457	-
Repayment of Term Loan	(13,720,018)	(16,561,561)
Interest Expenses	(65,752,049)	(62,027,770)
Other Borrowing Costs	(4,853,583)	(5,491,797)
<b>Net Cash Flow from/(Used in) Financing Activities</b>	<b>(24,758,768)</b>	<b>4,955,524</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(551,653)</b>	<b>(5,627,036)</b>
Opening Cash and Cash Equivalents	3,566,003	9,193,039
<b>Closing Cash and Cash Equivalents as per Note No. 17</b>	<b>3,014,350</b>	<b>3,566,003</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.

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)  
Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



### Notes to Consolidated Financial Statements

#### NOTE NO. 1

#### BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

##### A. Principles of Consolidation

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

##### B. Significant accounting policies

1. (a) The consolidated financial statements of the Company and its Associate have been prepared on the concept of going concern and on accrual basis except that insurance and other claims / refunds / subsidies are being accounted for / adjusted in the books as and when settled. Accounts have also been prepared in accordance with the generally accepted accounting principles in India and provisions of the Companies Act, 2013.  
(b) Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. Gross Sales is inclusive of Excise Duty & exclusive of Sales Tax / VAT .  
(c) Short-term employee benefits (benefits which are payable before the end of twelve months after the end of the period in which the employees render service) are measured at cost.  
(d) Long-term employee benefits (benefits which are payable after the end of twelve months from the end of the period in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit Method on the basis of annual third party actuarial valuations.  
(e) All Assets and Liabilities have been classified as current or non-current as per the respective Company's normal operating cycle and other criteria set out in the Schedule III to the Companies' Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company and its Associate has ascertained its operating cycle as less than 12 months for the purpose of current and non-current classification of assets and liabilities
2. (a) Property, plant and equipment have been stated at cost (net of Cenvat) as increased by attributable direct and indirect expenses less accumulated depreciation / amortisation.  
(b) Expenditure (including financing cost relating to borrowed funds for construction or acquisition of property, plant and equipments ) 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 property, plant and equipments 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 Property, Plant and equipments 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 property, plant and equipments as prescribed under Part C of Schedule II to the Companies Act, 2013.

**Notes to Consolidated Financial Statements (Contd.)**

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 related to non-depreciable assets are credited to Capital Reserves. Government grants related to depreciable fixed assets are treated as deferred income which is recognised in the statement profit and loss under the heading 'Other Income' on a systematic and rational basis over the useful life of the asset.  
 (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.



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

#### Note No. 2

##### Share capital

	Particulars	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		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	4,517,885 5,625	45,178,850 28,125
<b>(d) Reconciliation of number and amount of equity shares outstanding :</b>			45,206,975		45,206,975
	At the beginning of the year	4,517,885	45,178,850	4,517,885	45,178,850
	Add: Issued during the year	—	—	—	—
	At the end of the year	4,517,885	45,178,850	4,517,885	45,178,850
<b>(e)</b>	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.				
<b>(f) Shareholders holding more than 5 % of the equity shares in the Company:</b>					
Name of Shareholder		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016		
		No. of shares held	% of holding	No. of shares held	% of holding
i)	Cuckoo Fiscal Services Ltd.	390000	8.63	440000	9.74
ii)	Sudeep Chitlangia	358350	7.93	358350	7.93
iii)	Jaydeep Chitlangia	344300	7.62	344300	7.62
iv)	Abhinandan Fintex (P) Ltd.	275000	6.09	275000	6.09
v)	Sheela Chitlangia	271650	6.01	271650	6.01
vi)	Hemant Kumar Motihar	20	—	226101	5.00
	<b>TOTAL</b>	<b>1639320</b>	<b>36.28</b>	<b>1915401</b>	<b>42.39</b>

#### Note No. 3

##### Reserves and surplus

		As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
		₹	₹	₹	₹
<b>(a) Capital Reserve</b>	Balance as per last account		10,618,140		10,618,140
<b>(b) Securities premium account</b>	Balance as per last account		69,574,000		69,574,000
<b>(c) Revaluation reserve</b>	Balance as per last account	2,495,424		2,530,089	
	Less: Transfer to respective assets as per revised AS 10	2,495,424		—	
	Less: Depreciation transfer to Surplus	—	—	34,665	2,495,424
<b>(d) General reserve*</b>	Balance as per last account		121,684,036		121,684,036
<b>(e) Surplus</b>	Balance as per last account	(111,570,558)		(54,739,429)	
	Add: Profit / (Loss) for the Year	(19,793,877)		(56,865,794)	
	Add: Depreciation transfer from Revaluation Reserve	—	(131,364,435)	34,665	(111,570,558)
			<b>70,511,741</b>		<b>92,801,042</b>

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

**Notes to Consolidated Financial Statements (Contd.)**

**Note No. 4**

	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
	₹	₹
<b>Long - term borrowings</b>		
<b>Term Loans</b>		
<b>Secured</b>		
From banks	1,428,924	3,428,924
From entities other than banks	<b>53,150,000</b>	72,600,000
<b>Unsecured</b>		
From banks	<b>553,718</b>	176,194
From entities other than banks	–	281,918
	<b>55,132,642</b>	<b>76,487,036</b>

**(a) Nature of securities:**

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

**(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 31/03/2017	Amount of instalment
	Non-Current	Current			
	₹	₹			₹
Secured Loans from Banks	1,428,924 (3,428,924)	2,000,000 (1,200,000)	1 Yr 9 Months@	4	500,000
				2	700,000
				1	28,924#
Secured Loans from entities other than Banks	9,800,000 (22,600,000)	12,800,000 (10,400,000)	1 Yr. 8 Months	8	1,000,000
				8	1,200,000
				4	1,250,000
				11	500,000
			4 Yr 11 Months	12	650,000
				12	800,000
				12	1,000,000
				8	1,200,000
				4	1,250,000
Unsecured Loans from Banks	-	118,947 (332,950)	4 Months	4	30,390 *
	-	57,247 (323,299)	2 Months	2	29,000 *
	553,718 ( - )	498,736 ( - )	2 Yrs	24	48,800 *
Unsecured Loans from entities other than Banks	-	-	-	-	-
	-	282,599 (336,085)	9 Months	9	33,500 *
<b>Total</b>	<b>55,132,642</b> (76,487,036)	<b>21,907,529</b> (12,807,155)			

Figures in the brackets pertain to previous year.

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



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

	As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016							
	₹	₹	₹	₹						
<b>Note No. 5</b>										
<b>Long - term provisions</b>										
Provision for employee benefits	<u>16,417,679</u>		<u>8,138,520</u>							
	<u>16,417,679</u>		<u>8,138,520</u>							
<b>Note No. 6</b>										
<b>Short - term borrowings</b>										
Other loans and advances										
Secured										
From banks										
Buyers Credit	85,474,445		49,394,592							
Working Capital Loan	<u>291,052,389</u>	376,526,834	<u>260,596,017</u>	309,990,609						
Unsecured										
From entities other than banks	<u>102,237,200</u>		<u>125,600,000</u>							
	<u>478,764,034</u>		<u>435,590,609</u>							
<b>Nature of securities:</b>										
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.										
<b>Note No. 7</b>										
<b>Other current liabilities</b>										
Current maturities of long - term debt	<u>21,907,529</u>		<u>12,807,155</u>							
(Refer Note No. 4 (a) & (b) for nature of securities and terms of repayment)										
Interest accrued and due on borrowings	-		100,788							
Interest accrued but not due on borrowings	<u>408,630</u>		<u>154,813</u>							
Other payables										
Advances from customers and others	<u>17,731,698</u>		<u>6,166,818</u>							
Security deposits	<u>7,278,710</u>		<u>6,955,099</u>							
Statutory liabilities	<u>15,689,712</u>		<u>13,249,737</u>							
Unpaid salaries and other payroll dues	<u>29,035,131</u>		<u>22,777,518</u>							
Others	<u>280,801</u>	<u>70,016,052</u>	<u>313,459</u>	<u>49,462,631</u>						
	<u>92,332,211</u>		<u>62,525,387</u>							
<b>Note No. 8</b>										
<b>Short-term provisions</b>										
Provision for employee benefits	<u>1,509,873</u>		<u>2,047,812</u>							
	<u>1,509,873</u>		<u>2,047,812</u>							
<b>Note No. 9</b>										
<b>PROPERTY, PLANT AND EQUIPMENT</b>										
PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2016 ₹	Additions ₹	Adjustment ₹	Deductions ₹	As at 31.03.2017 ₹	Upto 31.03.2016 ₹	For the Year ₹	Sales / Adjustment ₹	Upto 31.03.2017 ₹	As at 31.03.2017 ₹
Freehold Land	3,165,248	-	1,852,679	-	1,312,569	-	-	-	-	1,312,569
Buildings	75,317,655	-	1,338,983	1,378,658	72,600,014	37,688,193	1,799,968	1,231,878	38,256,283	34,343,731
Plant and Equipments	235,755,866	21,214,800	-	1,509,924	255,460,742	157,666,122	11,463,175	1,378,999	167,750,298	87,710,444
Motor Vehicles	21,417,195	2,461,372	-	2,739,922	21,138,645	12,896,153	1,681,311	1,276,302	13,301,162	7,837,483
Furniture and Fixtures	13,764,012	76,563	-	35,612	13,804,963	9,930,969	698,298	35,612	10,593,655	3,211,308
Office Equipments & Computer	22,303,556	1,534,089	-	536,370	23,301,275	18,772,521	1,347,224	504,086	19,615,659	3,685,616
<b>Sub - total</b>	<b>371,723,532</b>	<b>25,286,824</b>	<b>3,191,662</b>	<b>6,200,486</b>	<b>387,618,208</b>	<b>236,953,958</b>	<b>16,989,976</b>	<b>4,426,877</b>	<b>249,517,057</b>	<b>138,101,151</b>
Capital Work in Progress										2,353,407
<b>TOTAL</b>	<b>371,723,532</b>	<b>25,286,824</b>	<b>3,191,662</b>	<b>6,200,486</b>	<b>387,618,208</b>	<b>236,953,958</b>	<b>16,989,976</b>	<b>4,426,877</b>	<b>249,517,057</b>	<b>140,454,558</b>

**Notes to Consolidated Financial Statements (Contd.)**

**PROPERTY, PLANT AND EQUIPMENT (Previous Year)**

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2015 ₹	Additions ₹	Adjustment ₹	Deductions ₹	As at 31.03.2016 ₹	Upto 31.03.2015 ₹	For the Year ₹	Sales / Adjustment ₹	Upto 31.03.2016 ₹	As at 31.03.2016 ₹
Freehold Land	3,165,248	-	-	-	3,165,248	-	-	-	-	3,165,248
Buildings	75,234,454	83,201	-	-	75,317,655	35,762,520	1,925,673	-	37,688,193	37,629,462
Plant and Equipments	221,154,809	16,753,451	-	2,152,394	235,755,866	149,343,045	10,350,611	2,027,534	157,666,122	78,089,744
Motor Vehicles	23,003,842	62,900	-	1,649,547	21,417,195	12,064,194	1,930,158	1,098,199	12,896,153	8,521,042
Furniture and Fixtures	13,591,155	172,857	-	-	13,764,012	9,260,789	670,180	-	9,930,969	3,833,043
Office Equipments & Computer	21,375,209	1,504,829	-	576,482	22,303,556	17,740,676	1,575,482	543,637	18,772,521	3,531,035
<b>Sub - total</b>	<b>357,524,717</b>	<b>18,577,238</b>	<b>-</b>	<b>4,378,423</b>	<b>371,723,532</b>	<b>224,171,224</b>	<b>16,452,104</b>	<b>3,669,370</b>	<b>236,953,958</b>	<b>134,769,574</b>
Capital Work in Progress	-									-
<b>TOTAL</b>	<b>357,524,717</b>	<b>18,577,238</b>	<b>-</b>	<b>4,378,423</b>	<b>371,723,532</b>	<b>224,171,224</b>	<b>16,452,104</b>	<b>3,669,370</b>	<b>236,953,958</b>	<b>134,769,574</b>

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. The carrying amount as on 01/04/2016 has been adjusted with the respective assets as per the provision of AS 10 (as amended).

**Note No : 10**

**INTANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2016 ₹	Additions ₹	Adjust-ment ₹	Dedu-ctions ₹	As at 31.03.2017 ₹	Upto 31.03.2016 ₹	For the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2017 ₹	As at 31.03.2017 ₹
Computer Softwares (Acquired)	8,614,844	1,999,392	-	-	10,614,236	5,363,629	1,036,818	-	6,400,447	4,213,789
<b>TOTAL</b>	<b>8,614,844</b>	<b>1,999,392</b>	<b>-</b>	<b>-</b>	<b>10,614,236</b>	<b>5,363,629</b>	<b>1,036,818</b>	<b>-</b>	<b>6,400,447</b>	<b>4,213,789</b>

**INTANGIBLE ASSETS- Previous Year**

PARTICULARS	GROSS BLOCK					DEPRECIATION				NET BLOCK
	As at 01.04.2015 ₹	Additions ₹	Adjust-ment ₹	Dedu-ctions ₹	As at 31.03.2016 ₹	Upto 31.03.2015 ₹	For the Year ₹	Sales/ Adjustment ₹	Upto 31.03.2016 ₹	As at 31.03.2016 ₹
Computer Softwares (Acquired)	7,773,177	841,667	-	-	8,614,844	4,381,201	982,428	-	5,363,629	3,251,215
<b>Sub - total</b>	<b>7,773,177</b>	<b>841,667</b>	<b>-</b>	<b>-</b>	<b>8,614,844</b>	<b>4,381,201</b>	<b>982,428</b>	<b>-</b>	<b>5,363,629</b>	<b>3,251,215</b>

Notes :

**Intangible Assets**

The unamortised amount of Computer Software (Acquired) ₹ 10,614,236/- (Previous year ₹ 8,614,844/-) is to be amortised over a period of 1 - 5 years as the case may be.



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

#### Note No. 11

Non-current investments	Particulars	Face value ₹	Number of shares	As at 31st March, 2017 ₹	Number of shares	As at 31st March, 2016 ₹
<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	
(include goodwill ₹ 95,55,695)						
Add :						
Accumulated share in profit of the associate at the beginning of the year			1,711,052		1,215,489	
Share in profit of the associate during the year			551,228		495,563	
			<u>82,771,030</u>		<u>82,219,802</u>	
<b>Other Investments</b>						
<b>a) Quoted, Fully paid up</b>						
Assam Petro-Chemicals Ltd.	10	200	1,572	200	1,572	
SMIFS Capital Markets Ltd.	10	3,500	157,500	3,500	98,000	
United Credit Ltd.	10	1,000	9,032	1,000	9,032	
			<u>168,104</u>		<u>108,604</u>	
<b>b) Unquoted</b>						
i) Fully paid up						
Pro Sports Management Ltd.	1,000	50	-	50	-	
ii) Partly paid up (₹ 60/- called and paid up)						
The Purbanchal Bank Limited	100	200	-	200	-	
			<u>82,939,134</u>		<u>82,328,406</u>	
Aggregate amount of quoted investments			1,045,415		1,045,415	
Aggregate amount of unquoted investments			82,771,030		82,219,802	
Aggregate provision for diminution in value of investments			940,763		1,000,263	
Aggregate market value of quoted investments			168,104		110,522	

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

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

#### Note No. 12

##### Deferred Tax Assets (Net)

<b>(a) Deferred Tax Assets:</b>	
Expenses allowable for tax purposes when paid	6,204,367
Carry Forward Loss	116,093,785
	<u>122,298,152</u>
<b>(b) Deferred Tax Liabilities:</b>	
Depreciation	13,784,577
	<u>13,784,577</u>
<b>Deferred Tax Assets (Net) *</b>	<b><u>108,513,575</u></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 Consolidated Financial Statements (Contd.)**

	As at 31st March, 2017	As at 31st March, 2016
	₹	₹
<b>Note No. 13</b>		
<b>Long term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	7,760,973	7,628,583
Capital advances	350,000	163,844
Other loans and advances		
Prepaid Expenses	2,597,398	3,884,508
Advance tax (net)	2,419,341	2,133,340
MAT credit entitlement	7,702,204	7,702,204
	<u><u>20,829,916</u></u>	<u><u>21,512,479</u></u>
<b>Note No. 14</b>		
<b>Other non-current assets</b>		
(Unsecured, considered good)		
Fixed deposits with banks		
(Non current portion with original maturity period of more than 12 months)		
Pledged with Government Authorities	10,000	10,000
	<u><u>10,000</u></u>	<u><u>10,000</u></u>
<b>Note No. 15</b>		
<b>Inventories</b>		
(At lower of cost and net realizable value, unless stated otherwise)		
Raw Materials	247,295,948	217,953,743
Raw Materials in Transit	33,031,378	20,467,432
Stores & Spares and Chemicals	32,159,650	21,316,417
Stores & Spares and Chemicals in Transit	601,020	99,450
Work-in-Progress	65,014,585	54,997,813
Finished Goods	198,651,297	164,046,130
Finished Goods in Transit	10,016,379	7,630,980
Stock in Trade	34,952,216	32,211,969
Stock in Trade in Transit	-	185,097
	<u><u>621,722,473</u></u>	<u><u>518,909,031</u></u>
<b>Note No. 16</b>		
<b>Trade receivables</b>		
(Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from due date *	29,145,697	31,996,638
Other trade receivables	172,526,332	182,298,139
	<u><u>201,672,029</u></u>	<u><u>214,294,777</u></u>
* includes ₹ 4,861,347/- (Previous year ₹ 4,861,347) under litigation.		
<b>Note No. 17</b>		
<b>Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks		
In current accounts	2,297,292	1,643,018
Cheques, drafts on hand	94,590	1,302,847
Cash on hand	622,468	3,014,350
	<u><u>622,468</u></u>	<u><u>3,014,350</u></u>
Other bank balances		
Fixed deposits with banks	59,000	50,000
(Current portion with original maturity period of more than 12 months)	<u><u>3,073,350</u></u>	<u><u>3,616,003</u></u>



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
<b>Note No. 18</b>		
<b>Short - term loans and advances</b>		
(Unsecured, considered good)		
Security deposits	3,757,791	2,153,791
Other loans and advances		
Advance to suppliers and others	68,812,114	52,966,648
Cenvat, Vat and other taxes / duties	10,182,993	5,768,079
Prepaid expenses	6,529,348	3,282,794
	<u><u>89,282,246</u></u>	<u><u>64,171,312</u></u>
<b>Note No. 19</b>		
<b>Other current assets</b>		
Interest accrued but not due	346,185	417,219
Claim Receivable	-	306,517
Taxes and duties refundable	2,174,288	2,161,193
	<u><u>2,520,473</u></u>	<u><u>2,884,929</u></u>
<b>Note No. 20</b>		
<b>Revenue from operations</b>		
Sale of goods (Gross)		
A. Finished Goods		
i) Plywood	1,807,914,665	1,602,063,609
ii) Tea	231,336,560	240,501,050
iii) Veneers	83,317,752	2,122,568,977
	<u><u>2,122,568,977</u></u>	<u><u>26,178,057</u></u>
B. Stock-in-trade	126,160,790	109,832,698
i) Plywood	-	126,160,790
ii) Furniture	461,473	266,256
C. Others	-	110,098,954
	<u><u>461,473</u></u>	<u><u>383,519</u></u>
	<u><u>2,249,191,240</u></u>	<u><u>1,979,225,189</u></u>
<b>Note No. 21</b>		
<b>Other operating revenues</b>		
Sales Tax Subsidy	10,505,305	-
Insurance Claims	2,066,690	973,630
	<u><u>12,571,995</u></u>	<u><u>973,630</u></u>
<b>Note No. 22</b>		
<b>Other income</b>		
Interest income (Gross)		
Fixed deposits with banks	7,099	6,530
Others	818,099	327,519
	<u><u>818,099</u></u>	<u><u>334,049</u></u>
Dividend income		
Long term investment	79,125	67,484
Other non-operating income		
Government Grant	975,109	-
Provision for diminution in value of Investments	59,500	68,200
Rent	66,000	6,000
Unspent liabilities / balances written back	647,720	-
Miscellaneous income	37,081	26,928
Gain on foreign currency transactions and translations	5,809,192	-
	<u><u>5,809,192</u></u>	<u><u>502,661</u></u>
<b>Note No. 23</b>		
<b>Cost of materials consumed</b>		
Timber	304,856,066	225,752,112
Veneer	482,167,868	383,695,025
Planks & Beams	138,675,326	134,271,120
Green Leaf	144,217,903	183,004,032
Others	82,894,578	71,913,947
	<u><u>1,152,811,741</u></u>	<u><u>998,636,236</u></u>

**Notes to Consolidated Financial Statements (Contd.)**

	<b>Year ended 31<sup>st</sup> March, 2017</b>	<b>Year ended 31<sup>st</sup> March, 2016</b>
	₹	₹
<b>Note No. 24</b>		
<b>Purchases of stock-in-trade</b>		
Plywood	93,577,745	72,723,198
	<u>93,577,745</u>	<u>72,723,198</u>
<b>Note No. 25</b>		
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<b>A. Finished Goods</b>		
Opening Stock		
i) Plywood	140,491,096	135,680,989
ii) Tea	18,137,522	7,646,562
iii) Veneer	13,048,492	18,310,820
	<u>171,677,110</u>	<u>161,638,371</u>
Closing Stock		
i) Plywood	150,447,963	140,491,096
ii) Tea	7,403,653	18,137,522
iii) Veneer	50,816,060	13,048,492
	<u>208,667,676</u>	<u>(36,990,566)</u>
	<u>171,677,110</u>	<u>(10,038,739)</u>
<b>B. Stock-in-Trade</b>		
Opening Stock		
i) Plywood	27,231,324	36,666,555
ii) Furniture	5,165,742	5,464,966
	<u>32,397,066</u>	<u>42,131,521</u>
Closing Stock		
i) Plywood	29,786,474	27,231,324
ii) Furniture	5,165,742	5,165,742
	<u>34,952,216</u>	<u>(2,555,150)</u>
	<u>32,397,066</u>	<u>9,734,455</u>
<b>C. Work-in-Progress</b>		
Opening Stock		
i) Plywood	54,997,813	80,202,698
Closing Stock		
i) Plywood	65,014,585	54,997,813
(INCREASE) / DECREASE IN STOCKS	(49,562,488)	24,900,601
Add: Excise Duty & Cess on Stocks *	97,608	(40,213)
NET (INCREASE) / DECREASE IN STOCKS	<u>(49,464,880)</u>	<u>24,860,388</u>
* The amount of Excise Duty & cess shown above represents differential excise duty on opening & closing stock of finished goods.		
<b>Note No. 26</b>		
<b>Employee benefits expense</b>		
Salaries and wages	252,106,980	204,080,482
Contribution to provident and other funds	25,658,508	20,844,546
Staff welfare expense	3,057,154	2,652,185
	<u>280,822,642</u>	<u>227,577,213</u>
<b>Note No. 27</b>		
<b>Finance costs</b>		
Interest expense		
On long term borrowings	11,752,458	6,866,660
On short term borrowings	52,336,509	54,190,905
On others	1,816,111	970,205
Other borrowing costs	65,905,078	62,027,770
	<u>4,853,583</u>	<u>5,491,797</u>
	<u>70,758,661</u>	<u>67,519,567</u>



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

#### Note No. 28

##### Other expenses

	Year Ended 31 <sup>st</sup> March, 2017 ₹	Year Ended 31 <sup>st</sup> March, 2016 ₹
Chemicals Consumption	112,983,759	102,287,128
Consumption of stores and spare parts	20,070,622	16,817,756
Consumption of packing materials	10,225,091	11,115,070
Power and fuel	80,156,943	78,957,143
Repairs		
Buildings	703,168	1,035,090
Machinery	8,326,208	6,446,799
Others	<u>1,821,805</u>	<u>10,851,181</u>
	1,136,219	8,618,108
Job Charges	55,229,919	34,196,849
Rent	14,485,052	11,544,321
Electricity	3,321,581	2,420,589
License Fees	7,638,825	10,636,401
Rates & Taxes (excluding taxes on income)	3,019,100	2,070,573
Watch and Ward Expenses	2,616,198	2,512,099
Insurance	4,098,317	3,651,432
Communication Expenses	5,709,266	4,904,187
Travelling & Conveyance	23,707,116	20,588,547
Vehicles Maintenance	7,701,795	7,487,820
Printing & Stationery	1,852,043	1,507,481
Legal and Professional Charges	36,382,802	21,379,715
Human Resource Development Expenses	23,870	6,000
Miscellaneous Expenses	16,460,676	12,970,383
Statutory Auditors' Remuneration		
Audit Fee	191,800	180,850
Tax Audit Fee	70,850	30,150
Certification Fee	<u>83,236</u>	<u>345,886</u>
	95,091	306,091
Charity & Donations	70,000	60,000
Bank charges	2,027,530	1,598,470
Forwarding, Freight, Octroi and Delivery Expenses	63,101,827	59,233,866
Sales Tax	11,154	768,239
Commission on Sales	19,052,327	14,022,053
Brokerage on Sales	2,403,046	2,419,995
Loss on foreign currency transactions and translations	-	4,232,688
Forward Premium amortized	7,080,728	9,938,086
Advertisement, Publicity & Sales Promotion	63,080,090	53,101,762
Loss on Sale / Discard of Fixed Assets	439,069	191,663
Bad Debts	-	537,946
Prior period expenses*	<u>70,695</u>	<u>74,081</u>
	<u><u>574,216,508</u></u>	<u><u>500,156,542</u></u>

\*Details of Prior period expenses :

Expenses		
Communication Expenses	3,373	-
Forwarding, Freight, Octroi and Delivery Expenses	3,360	-
Travelling & Conveyance	-	74,081
Advertisement Publicity & Sales Promotion	<u>63,962</u>	<u>-</u>
	<u><u>70,695</u></u>	<u><u>74,081</u></u>

**Notes to Consolidated Financial Statements (Contd.)**

	As at 31 <sup>st</sup> March, 2017 ₹	As at 31 <sup>st</sup> March, 2016 ₹
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**Note No. 29**

**Other Disclosures**

1. Estimated amount of contract remaining to be executed on Capital Account and not provided for **1,144,600** 1,629,844
2. Contingent Liabilities not provided for in respect of :
  - a) Uncalled Capital against partly paid-up shares held as investment **8,000** 8,000
  - b) Demand raised by Govt. authorities in respect of Taxes and Duties and contested by the Company **111,503,525** 85,892,535
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, 2017 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. Details of Specified bank notes (SBNs) held and transacted during the period 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 are as follows:

Particulars	Specified bank notes (SBNs)	Other denomination notes #	Total	(₹)
Closing cash in hand as at 8 <sup>th</sup> November, 2016	435,500	1,531,672	1,967,172	
Add: Permitted receipts *	-	3,227,230	3,227,230	
Less: Permitted payments	-	4,027,198	4,027,198	
Less: Amount deposited in banks	435,500	150,000	585,500	
Closing cash in hand as at 30 <sup>th</sup> December, 2016	-	581,705	581,705	
# includes coins				
* includes amount withdrawn from banks				

5. 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".



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

#### Note No. 29 (Contd.)

c) Information about Primary Business Segments:

	Plywood	Tea	Others	Unallocated	Total
<b>Segment Revenue</b>	<b>1,833,799,430</b>	<b>230,443,463</b>	<b>-</b>	<b>-</b>	<b>2,064,242,893</b>
	(1,583,775,493)	(239,771,732)	(266,256)	-	(1,823,813,481)
<b>Segment Results</b>	<b>12,739,335</b>	<b>3,330,215</b>	<b>-536,935</b>	<b>-</b>	<b>15,532,615</b>
	(4,753,623)	(-10,279,135)	(-2,528,179)	-	(-8,053,691)
<b>Less : Finance Cost</b>					<b>70,758,661</b>
					(67,519,567)
<b>Other unallocable expenditure</b>					<b>2,276,043</b>
<b>net of unallocable income</b>					(9,018,276)
<b>Total Profit / (Loss) before exceptional item and tax</b>					<b>-57,502,089</b>
					(-84,591,534)
<b>Exceptional Items</b>					<b>37,156,984</b>
					(-)
<b>Total Profit / (Loss) before tax</b>					<b>-20,345,105</b>
					(-84,591,534)
<b>Less : Tax expenses</b>					<b>-</b>
					(27,230,177)
<b>Profit/ (Loss) after tax but before share in results of Associate</b>					<b>-20,345,105</b>
					(-57,361,357)
<b>Share of profit of Associate</b>					<b>551,228</b>
					(495,563)
<b>Profit / (Loss) for the year</b>					<b>-19,793,877</b>
					(-56,865,794)
<b>Other Information</b>					
<b>Segment Assets</b>	<b>982,982,631</b>	<b>79,043,117</b>	<b>11,285,385</b>	<b>199,658,130</b>	<b>1,272,969,263</b>
	(850,631,338)	(91,035,591)	(11,499,628)	(201,094,744)	(1,154,261,301)
<b>Segment Liabilities</b>	<b>585,333,486</b>	<b>17,966,506</b>	<b>-</b>	<b>556,212,835</b>	<b>1,159,512,827</b>
	(465,227,656)	(25,986,015)	(-)	(525,039,613)	(1,016,253,284)
<b>Capital Expenditure</b>	<b>25,580,315</b>	<b>4,059,308</b>	<b>-</b>	<b>-</b>	<b>29,639,623</b>
	(3,166,249)	(12,499,281)	(-)	(-)	(15,665,530)
<b>Depreciation &amp; Amortisation</b>	<b>12,733,292</b>	<b>4,226,025</b>	<b>126,744</b>	<b>-</b>	<b>17,086,061</b>
	(13,563,115)	(3,744,673)	(126,744)	(-)	(17,434,532)

#### 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.

	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
6. In calculating Earnings per share		
a) Numerator used :		
Profit / (Loss) after tax	<b>(19,793,877)</b>	(56,865,794)
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>(4.38)</b>	(12.59)
f) Diluted Earnings per share (a/c) (₹)	<b>(4.38)</b>	(12.59)

## Notes to Consolidated Financial Statements (Contd.)

### Note No. 29 (Contd.)

7. Details of Investment covered under section 186(4) of the Companies Act 2013 are given under "Non Current Investments" under Note No. 11.

### 8. Related Party Disclosures

Particulars of transactions during the year ended 31<sup>st</sup> March, 2017

Nature of Transactions	Associates/ Enterprises over which KMP and his relatives have significant influence	Key Management Personnel	Total
	₹	₹	₹
Rent Received	66,000	-	66,000
	(6,000)	(-)	(6,000)
Remuneration to KMP	(-)	7,564,792	7,564,792
	(-)	(6,724,667)	(6,724,667)
Purchase	-		-
	(133,393)		(133,393)
Interest Paid	3,339,196	-	3,339,196
	(2,811,700)	(-)	(2,811,700)
Licence fee Paid	6,662,000	-	6,662,000
	(9,600,000)	(-)	(9,600,000)
Rent Paid	492,000	-	492,000
	(492,000)	(-)	(492,000)
Loan Taken	33,200,000	-	33,200,000
	(23,100,000)	(-)	(23,100,000)
Refund of Loan	30,062,800	-	30,062,800
	(10,300,000)	(-)	(10,300,000)
Guarantees Obtained	-	20,000,000	20,000,000
	(-)	(50,000,000)	(50,000,000)
Outstanding against Guarantees Obtained	-	653,443,912	653,443,912
	(-)	(612,540,890)	(612,540,890)
Balance Outstanding at the Balance Sheet Date	26,372,620 Cr	-	26,372,620 Cr
	(24,308,924 Cr)	(-)	(24,308,924 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.



## Sarda Plywood Industries Limited

### Notes to Consolidated Financial Statements

#### Note No. 29 (Contd.)

Disclosure of Material Transactions with Related Parties	Year ended 31 <sup>st</sup> March, 2017 ₹	Year ended 31 <sup>st</sup> March, 2016 ₹
<b>Rent Received</b>		
Madhya Bharat Papers Ltd.	66,000	6,000
<b>Remuneration to KMP</b>		
Shri Sudeep Chitlangia (Managing Director)	4,564,792	3,724,667
Shri Sohan Lal Yadav (Whole Time Director)	3,000,000	3,000,000
<b>Purchase</b>		
J S M & Company	-	133,393
<b>Interest Paid</b>		
P.S Plywood Products Private Ltd.	2,085,772	973,995
Chitperi Farm Private Ltd.	1,253,424	1,837,705
<b>License Fee Paid</b>		
P.S Plywood Products Private Ltd.	6,662,000	9,600,000
<b>Rent Paid</b>		
J S M & Company	480,000	480,000
Madhya Bharat Papers Ltd.	12,000	12,000
<b>Loan Taken</b>		
P.S Plywood Products Private Ltd.	28,200,000	3,100,000
Chitperi Farm Private Ltd.	5,000,000	20,000,000
<b>Refund of Loan</b>		
P.S Plywood Products Private Ltd.	10,062,800	5,300,000
Chitperi Farm Private Ltd.	20,000,000	5,000,000
<b>Guarantees Obtained</b>		
Sudeep Chitlangia	20,000,000	50,000,000
<b>Outstanding against Guarantees Obtained</b>		
Sudeep Chitlangia	653,443,912	612,540,890
<b>Net Balance Receivable/(Payable)</b>		
Chitperi Farm Private Ltd.	-	(16,328,934)
P.S Plywood Products Private Ltd.	(25,937,200)	(7,800,000)
Shri Sudeep Chitlangia	(264,180)	-
Shri Sohan Lal Yadav	(171,240)	(179,990)

#### Names of related parties & description of relationship

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

9. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :  
There are no transactions (except related party transactions) which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
10. Disclosure pursuant to AS-29 on Provisions, Contingent Liabilities and Contingent Assets :  
a) No provision for Contingent Liabilities was made during the year and no provision was outstanding at the beginning and at the end of the year.  
b) The Contingent Liabilities mentioned at SI No.2 are dependent upon Court decision / out of court settlement / disposal of appeals etc.
11. Disclosure pursuant to AS - 15 (revised 2005) on “Employee Benefits”

#### Defined Contribution Plan:

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

	2016-17 (₹)	2015-16 (₹)
Employers' Contribution to Provident Fund & Pension Fund	14,585,027	12,198,344
Employers' Contribution to Superannuation Fund	672,146	316,634

## Notes to Consolidated Financial Statements (Contd.)

### Note No. 29 (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 :

	2016-17			2015-16		
	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	3,380,028	99,579	1,500,330	2,574,493	84,056	1,301,166
2 Past Service Cost	-	-	-	-	-	-
3 Interest Cost	1,963,450	34,078	515,110	1,441,143	41,594	531,117
4 Expected Return on Plan Asset	1,966,041	-	-	2,028,793	-	-
5 Curtailment Cost	-	-	-	-	-	-
6 Settlement Cost	-	-	-	-	-	-
7 Actuarial gain / (loss) recognized in the year	(5,480,229)	(30,824)	(2,792,883)	(5,057,104)	175,455	(1,693,902)
8 Net Expense Recognised in Statement of Profit and Loss	8,857,666	164,481	4,808,323	7,043,947	(49,805)	3,526,185
<b>II. Change in Present Value of Defined Benefit Obligation:</b>						
1 Present Value of Defined Benefit Obligation at the Beginning of the year	27,861,271	454,370	8,084,569	20,948,594	504,175	8,317,186
2 Acquisition Adjustment	-	-	-	-	-	-
3 Interest Cost	1,963,450	34,078	515,110	1,441,143	41,594	531,117
4 Past Service Cost	-	-	-	-	-	-
5 Current Service Cost	3,380,028	99,579	1,500,330	2,574,493	84,056	1,301,166
6 Curtailment Cost	-	-	-	-	-	-
7 Settlement Cost	-	-	-	-	-	-
8 Benefits Paid	3,363,883	-	2,432,868	6,960,376	-	3,758,802
9 Actuarial Gain (Losses)	(5,556,340)	(30,824)	(2,792,883)	(9,857,417)	175,455	(1,693,902)
10 Present Value of Obligation at the End of the year	35,397,206	618,851	10,460,024	27,861,271	454,370	8,084,569
<b>III. Change in Fair Value of Plan Assets</b>						
1 Plan Assets at the Beginning of the year	26,213,878	NA	NA	24,591,435	NA	NA
2 Acquisition Adjustment	-	NA	NA	-	NA	NA
3 Settlement	-	NA	NA	-	NA	NA
4 Expected Return on Plan Assets	1,966,041	NA	NA	2,028,793	NA	NA
5 Actual Company Contribution	3,656,382	NA	NA	1,753,713	NA	NA
6 Actual Benefits Paid	3,363,883	NA	NA	6,960,376	NA	NA
7 Actuarial Gains/(Losses)	(76,111)	NA	NA	(4,800,313)	NA	NA
8 Plan Assets at the End of the year	28,548,529	NA	NA	26,213,878	NA	NA
<b>IV. Net Asset/(Liability) recognized in the Balance Sheet</b>						
1 Present value of Defined Benefit Obligation	35,397,206	618,851	10,460,024	27,861,271	454,370	8,084,569
2 Fair Value on Plan Assets	28,548,529	NA	NA	26,213,878	NA	NA
3 Funded Status (Surplus/(deficit))	(6,848,677)	NA	NA	(1,647,393)	NA	NA
4 Unrecognised past service cost	-	-	-	-	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	(6,848,677)	(618,851)	(10,460,024)	(1,647,393)	(454,370)	(8,084,569)
<b>V. Actuarial Assumptions</b>						
1 Discount Rate (per annum)	7.50%	7.50%	7.50%	8.25%	8.25%	8.25%
2 Expected rate of return on plan assets (per annum)	7.50%	NA	NA	8.25%	NA	NA
3 Salary Increases	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
4 Retirement/ Superannuation Age	60	60	60	60	60	60
5 Mortality	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT	IALM 2006-08 ULT
<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



**Notes to Accounts (Contd.)**

**Note No. 29 (Contd.)**

**VII. Expected Employer's Contribution** The Expected contributions for Defined Benefit Plan for the next financial year for the next year will be in line with Financial Year 2016-17

**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**

1 Present value of Defined Benefit Obligation	NA
2 Fair Value on Plan Assets	NA
3 Funded Status (Surplus/(deficit))	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. 26.

12. The Board of Directors in its meeting held on 16<sup>th</sup> September, 2016 had approved the Scheme of amalgamation ("the Scheme") of P S Plywood Products Pvt. Ltd., an associate of the Company, into the Company with effect from 1<sup>st</sup> April 2016. The petition for merger has been filed with the Hon'ble National Company Law Tribunal, Kolkata Bench upon obtaining the approval from the Bombay Stock Exchange. Pending requisite approvals, merger has not been accounted in the financial statements.
13. The Consolidated Financial Statements include the financial statements of the Company and its Associate. Associate over which the Company exercises significant influence is considered for preparation of the Consolidated Financial Statements as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

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

Name of the Party & Nature of relationship	Country of Origin	% Holding	
		As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
Associate			
P. S. Plywood Products Private Limited (w.e.f. 26th October, 2006)	India	46.67%	46.67%

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

(Amount in ₹)

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss (Profit after tax)	
	As % of consolidated net assets	Amount (₹)	As % of consolidated profit or loss	Amount (₹)
<b>Parent</b>				
Sarda Plywood Industries Limited	98.05%	113,456,436	-102.78%	(20,345,105)
	(98.76%)	(136,296,965)	(-100.87%)	(-57,361,357)
<b>Associate (investment as per equity method)</b>				
<b>Indian:</b>				
P. S. Plywood Products Private Limited	1.95%	2,262,280	2.78%	551,228
	(1.24%)	(17,11,052)	(0.87%)	(495,563)
<b>TOTAL</b>	<b>100.00%</b>	<b>115,718,716</b>	<b>100.00%</b>	<b>(19,793,877)</b>
	(100%)	(138,008,017)	(100%)	(-56,865,794)

Notes:

a) Figures in the brackets pertain to previous year.

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.

On behalf of the Board

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

**SUJIT CHAKRAVORTI**  
Director  
DIN. 00066344

**CA. RAKESH KUMAR SINGH**  
(Membership No.066421)  
Partner  
Place of Signature: Kolkata  
Date : 30<sup>th</sup> May, 2017

**RAVI KUMAR MURARKA**  
Chief Financial Officer &  
Company Secretary

**SUDEEP CHITLANGIA**  
Managing Director  
DIN. 00093908



## **Sarda Plywood Industries Limited**

### Note:





**Sarda Plywood Industries Ltd.**

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