

IWP

# THE INDIAN WOOD PRODUCTS CO. LTD.

Registered Office : 9, Brabourne Road, Kolkata - 700 001

6<sup>th</sup> October, 2018

To  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

Scrip Code: 540954

Dear Sir,

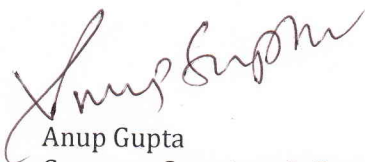
Sub: - Submission of Annual Report to Stock Exchanges pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the financial year ended 31<sup>st</sup> March 2018, which has been duly approved and adopted by the Members as per the provisions of the Companies Act, 2013 at the Annual General Meeting of the Company held on Monday, 17<sup>th</sup> September 2018.

You are requested to take the same on record.

Thanking You

Yours Faithfully  
For The Indian Wood Products Co. Ltd



Anup Gupta  
Company Secretary & Compliance Officer  
Membership No- A36061

Enclose: As above

# **THE INDIAN WOOD PRODUCTS COMPANY LIMITED**



**98<sup>TH</sup> ANNUAL REPORT  
&  
ACCOUNTS  
2017-18**



Since 1919



*Swaad bhi swasth bhi*



## Traditional uses of Katha

- Sore throat
- Constipation
- Skin Disorders
- Diabetes
- Ulcer @ mouth
- Fights Obesity
- Dental Paste
- As an Anti-Oxidant



GOING FORWARD WITH  
THE SPICES

Since 1919

*Swaad bhi swasth bhi*



ISO 22000:2005 and HACCP Certified Company.

The Indian Wood Products Co Ltd. "Spices Division" - H - 229, Sector - 2, Bawana, New Delhi - 110039



**THE INDIAN WOOD PRODUCTS COMPANY LIMITED**  
**STANDALONE**  
**FIVE YEAR PROGRESS AT A GLANCE**

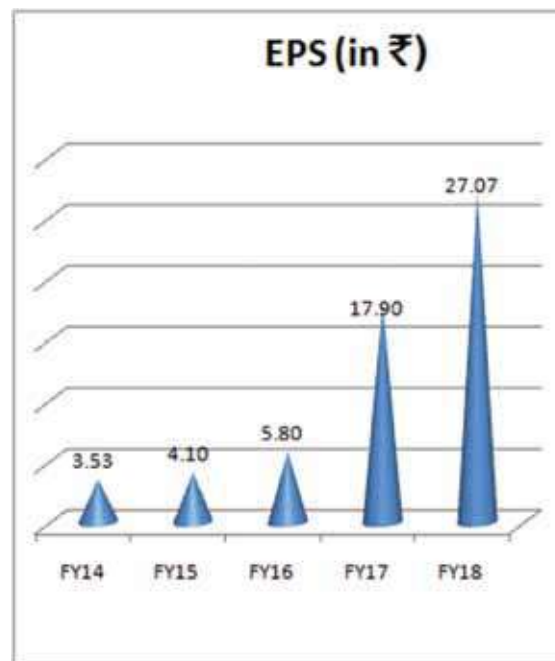
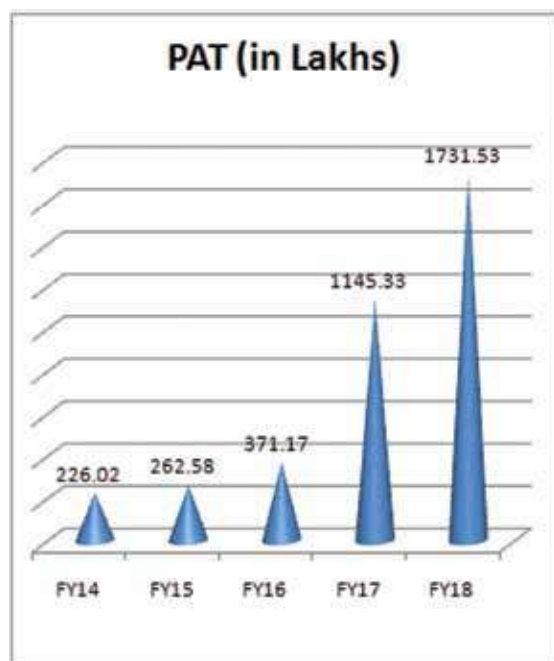
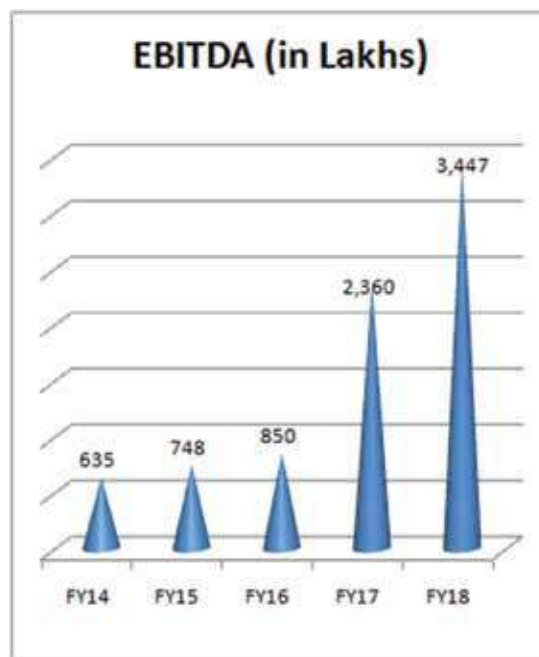
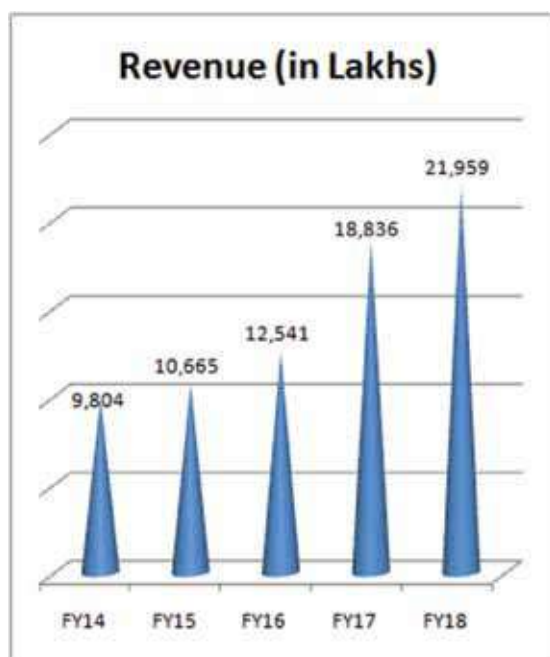
(Rs. In Lacs)

|    |                                              | 2013 - 14 | 2014 - 15 | 2015 - 16 | 2016 - 17 | 2017 - 18       |
|----|----------------------------------------------|-----------|-----------|-----------|-----------|-----------------|
| 1  | Turnover/Revenue                             | 9803.60   | 10665.04  | 12540.95  | 18835.99  | <b>21958.50</b> |
| 2  | Profit Before Depreciation<br>Interest & Tax | 635.48    | 748.02    | 850.41    | 2360.08   | <b>3447.00</b>  |
| 3  | Interest                                     | 163.48    | 202.20    | 210.94    | 307.53    | <b>505.83</b>   |
| 4  | Depriciation                                 | 101.11    | 151.86    | 149.36    | 223.07    | <b>278.01</b>   |
| 5  | Profit Before Tax                            | 370.89    | 393.96    | 490.11    | 1829.48   | <b>2663.16</b>  |
| 6  | Tax                                          | 144.87    | 131.38    | 118.94    | 684.15    | <b>931.63</b>   |
| 7  | Net Profit                                   | 226.02    | 262.58    | 371.17    | 1145.33   | <b>1731.53</b>  |
| 8  | Rate of Dividend (%)                         | 10.00     | 12.50     | 12.50     | 6.00      | <b>12.5*</b>    |
| 9  | Equity                                       | 119.88    | 137.13    | 160.23    | 640.03    | <b>640.03</b>   |
| 10 | Reserve & Surplus                            | 1474.42   | 1773.07   | 30345.43  | 30921.21  | <b>32608.32</b> |
| 11 | Earning Per Share In Rs.                     | 3.53      | 4.10      | 5.80      | 17.90     | <b>27.07</b>    |

\* Proposed

Note: Figure has been recasted or regrouped

## THE INDIAN WOOD PRODUCTS COMPANY LIMITED





# **AC MOBILE MEDICAL VAN**

**A CSR INITIATIVE**

**(For the benifits of Local Villages of Barielly, UP)**



## *From the desk of Chairman*

Dear Fellow Shareholders,

It is with great delight and a sense of profound satisfaction that I present the 98th Annual Report of your company. IWP was established in the year 1919 and that we are reaching towards our journey of 100 years in next year. At this juncture, I place on record my deep gratitude to all the shareholders for such a long association and making your company a leading Katha manufacturer in India. I immensely value your trust and we would endeavour to live up to your faith.

The global economy is growing at its fastest pace post 2010. The world economy is expected to strengthen further in 2018 and 2019, with economic growth projected to rise to about 4%, from 3.7% in 2017. Indian economy has maintained strong growth in FY 2018 – the Gross Domestic Product growth was 6.7%, with a strong 7.7% increase in the last quarter of the year. With the 'One Nation, One Tax' GST regime being implemented, and gradually stabilising by the second half of the year, the economy witnessed upsurge in investments, consumption, as well as government spending.

At IWP, we have again delivered outstanding performances on both financial and operational front. During the last year, the IWP team has produced outstanding results. I take this opportunity to share with you the Company's performance this year along with some key business highlights as under:

### **Financial Highlights (April -March) FY2018**

- ◆ Consolidated revenue for the year is INR 21959 Lakhs, as compared to INR18836 Lakhs in previous year.
- ◆ EBITDA is INR 3447 Lakhs for FY2018, as compared to INR 2360 Lakhs in previous year.

### **Business Highlights**

- ◆ Our Business grew by 17% over FY2018.
- ◆ Our operational performance at our all production units were excellent.

I am also pleased to share that the shareholders now is having an active trading



platform for trading in the equity shares of the Company on BSE Limited as the Company's equity shares have been listed and admitted for trading on BSE Limited (BSE) w.e.f February 21, 2018.

We're proud of our accomplishments, but we want to do far more. We are not merely trying to continue to be a leading manufacturer of Katha in India. We want to setup new industry benchmark through our Research and Development (R&D) initiatives. Towards this end, we have started the commercial production of from gambier through solvent extraction at PT Sumatra Resources International, at Pangklan, West Sumatra Indonesia, a unit owned by our joint venture company namely Agro and Spice Pte. Ltd., Singapore. 100% production from this plant will be imported and consumed by our Company for manufacturing of better quality Katha.

Further, we are also going to set up a New Katha manufacturing unit at Jammu & Kashmir. SIDCO (A J&K Govt. Undertaking) has allotted 35 Canals of land in the State of Jammu & Kashmir in Sambha District for setting up the manufacturing plant. We are in the process of getting regulatory clearance for our proposed plant. In the coming years, we will be focusing on expanding our R&D and manufacturing capacity.

We are also diversifying our business in processing of different spices. A feasibility study for the same has been completed and we are in the process of launching of the spices under our brand name 'IWP'.

As a corporate citizen, we strive to conduct our business in a manner that is sustainable and inclusive. We work to protect the planet and respond to important social issues. We are committed to a clean environment, thus, always ensured best of measures are implanted for environmental safety across all our operational units.

IWP believes in the shared value creation and interdependency of business and society at large. IWP is committed to social development and progress of the society and wish to make a positive difference in the society and lives of people. In the last year, we have spent INR. 20.30 Lakhs for maintaining quality of soil, health care and swatch bharat as our CSR expenditure.

Our employees are our core resource and we are continuously evolving policies to strengthen our employee value proposition. I thank our employees for their dedication and commitment to the Company.

Sharing the past one year with you has inspired hope and confidence about the future. Looking forward, we only see greater opportunity ahead as we increase our capacity and diversify our activities.

I wish to thank each one of you for your continued support and confidence in IWP and the Board of Directors for their guidance. We continue to stay focused and build a strong business at IWP as we solicit your unstinted support.

Yours Sincerely

**K. K. Mohta**

**Chairman & Managing Director**

**DIN : 00702306**

**Date : 31st July, 2018**

**Place : Kolkata**



## CORPORATE INFORMATION

### Board of Directors

#### *Chairman & Managing Director*

Krishna Kumar Mohta

#### *Whole Time Director & CEO*

Bharat Mohta

#### *Executive Director*

Krishna Kumar Damani

#### *Chief Financial Officer (CFO)*

Raj Kumar Agarwal

#### *Non Executive Non Independent Director*

R. P. Chetani

#### *Independent Director*

Sanjay Kumar Maheswary

Vinod Kumar Maheswary

Vinod Mimani

Drisha Poddar

#### *Company Secretary (CS)*

Anup Gupta

#### *Audit Committee*

|                         |          |
|-------------------------|----------|
| Sanjay Kumar Maheswary  | Chairman |
| Vinod Kumar Maheswary   | Member   |
| Rajendra Prasad Chetani | Member   |

#### *Nomination and Remuneration Committee*

|                         |          |
|-------------------------|----------|
| Sanjay Kumar Maheswary  | Chairman |
| Vinod Kumar Maheswary   | Member   |
| Rajendra Prasad Chetani | Member   |

#### *Stakeholders Relationship Committee*

|                         |          |
|-------------------------|----------|
| Rajendra Prasad Chetani | Chairman |
| Bharat Mohta            | Member   |
| Sanjay Kumar Maheswary  | Member   |
| Vinod Kumar Maheswary   | Member   |

#### *CSR Committee*

|                      |          |
|----------------------|----------|
| Krishna Kumar Mohta  | Chairman |
| Bharat Mohta         | Member   |
| Krishna Kumar Damani | Member   |
| Vinod Mimani         | Member   |

#### *Bankers*

1. Union Bank of India, Bareilly
2. DBS Bank, Kolkata
3. CITI Bank, Kolkata

#### *Statutory Auditor*

Agarwal Sanjay & Company  
Room No. 1, 1st Floor  
59, Bentinck Street  
Kolkata- 700 069

#### *Registered Office*

Bombay Mutual Building  
9, Brabourne Road, 7th Floor,  
Kolkata – 700 001  
CIN L20101WB1919PLC003557  
Phone :- 8232023820  
Fax :- (033) 2242 – 6799  
Email :- iwpcal1@cal2.vsnl.net.in  
Website:- www.iwpkatha.com

#### *Registrar*

M/s Niche Technologies (P) Ltd  
D-511, Bagree Market,  
71, B. R. B. Basu Sarani  
Kolkata – 700 001  
Tel :- (033) 2235 7270, 2234 3576  
Fax :- (033) 2215 6823  
Email-nichetechpl@nichetechpl.com



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**ANNUAL GENERAL MEETING ON MONDAY 17TH SEPTEMBER, 2018**

**AT**

**BHARATIYA BHASHA PARISHAD AT 3.30 P. M.**



## MANAGEMENT DISCUSSION & ANALYSIS

FY2018 represents fiscal year 2017-18, from 1 April 2017 to 31 March 2018, and analogously for FY2017 and previously such labeled years.

### Global economic overview

In 2017, a decade after the global economy collapsed, a revival manifested where in major economies expanded, ongoing Euro-zone growth, modest growth in Japan, late revival in China and improving realities in Russia and Brazil. The result was an estimated 3.7% global economic growth in 2017, some 60 bps higher than the previous year. [Source: World Economic Outlook, January 2018] [e: estimated f: forecasted]

### Global Outlook

Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%. [Source: WEO, IMF]

### Indian economic overview

After registering GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for slower growth estimated at 6.7% in 2017-18 (7.7% in the last quarter of 2017-18). The year under review was marked by structural reforms by the Government. In addition to GST introduction, the year witnessed significant resolution of problems associated with bank non-performing assets, FDI liberalization, bank recapitalization and opening of coal mines to private sector. After remaining in negative territory for a couple of years, export growth rebounded in 2016-17 and strengthened in 2017-18; foreign exchange reserves rose to an all-time high of US \$ 426 billion in April 2018.

### Key government initiatives

- The Central Government announced capital infusion of Rs. 2.1 Lakh Crore in public sector banks.
- The country was ranked at the hundredth position, an improvement of 30 places in the World Bank's Ease of Doing Business 2017 report, a result of the Central Government's pro-reform agenda.
- The Government of India launched GST in July 2017, with the vision of creating a unified market. Under this regime, various goods and services were taxed as per five slabs (28%, 18%, 12%, 5% and zero tax).
- Foreign direct investment increased from approximately USD 24 billion in FY2012 to approximately USD 60 billion in FY2017, an all-time high.
- The government opened coal mining to private sector firms for commercial use.

### Economic prospects

India's gross domestic product (GDP) is expected to reach US \$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040.

India's unemployment rate is expected to be 3.5 per cent in 2018. Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come



up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

### Indian Katha Industry

Katha & Cutch are extracted from wood of Khair tree. Acacia is the botanical name of this tree and it has different varieties like Acacia Sundra, Acacia Catechuoides & Acacia Catechu. The overall size of the Katha industry is about 2000 crores p.a. with the organized segment being approx. 30%. These species of tree are mainly concentrated in Uttar Pradesh, Bihar, Gujarat, Maharashtra, J&K, Punjab and Himachal Pradesh. Manufacture of Katha is an important forest-based traditional industry in India.

Katha an astringent and is used in paan and in medicinal and ayurvedic preparations. Cutch is a by-product of Katha and is used as tanning material, as an additive and preservatives by many industries.

Katha is being produced in the country since long and it is a mass consumption item as it is used in preparation of paan all over the country. It has got medicinal values as well and is used in ayurvedic preparations as it cures itching, indigestion and is effective in skin disorder, ulcer, boils, piles, throat diseases and diabetic Therapy etc. On the other hand, cutch has various industrial applications. It is one of the important sources of vegetable tanning materials, used extensively as an additive to the drilling mud used for oil drilling and for preservation of sailing rods, fishing nets, mail bags etc. Thus, both products are versatile with varied application.

The demand for quality Katha is growing significantly. Our company continues to be leading player in Katha industry.

### Operations

#### A. Katha Division

Our company is a strong player in the organized section of Katha Industry in India with a market share of approx. 35%. Subsequent to GST & E-Way bill implementation the market share of the unorganized sector is coming down. We also expect our market share to increase in the coming years in view of the new plant coming up in J&K. The EBITDA in the current year has increased on the account of economies of scale, reduction in energy cost and higher quality Katha production. Going forward we expect the better EBITDA.

Gambier extract through solvent extraction unit set up in Indonesia through our Joint Venture company in Singapore has commenced production during the current year and going forward with the help of this we expect improvement better Quality of Katha.

Achieving ultimate customer satisfaction is the prime outlook of the Company. To materialize this, the organization has adopted stringent quality control tests from intermediate stages of input of raw materials till output of finished products. To achieve this, we have qualified team of 20 engineers & chemists who monitor the operation and the quality. We are well equipped with laboratory facilities and modern equipment's such as HPTLC, GLC, Polarimeters, TLC, Spectrophotometer, Moisture meter, Hygroscopes besides Kjeldahl extractor etc.

To set up a New Katha manufacturing unit at Jammu & Kashmir, SIDCO (A J&K Govt. Undertaking) based on Company's application has confirmed the allotment of 35 Canals of land in the State of Jammu & Kashmir in Sambha District. In this regard, the Company has paid a lease value amounting to Rs. 245 Lakhs to SIDCO and the license by forest department is awaited. The project is being funded through a mix of debt and internal accruals. Total cost of the project will be approx. Rs. 26 Crores and the installed capacity of the proposed unit will be at 1200 MT.

The company also owns a research lab having plant & equipment's for Pilot Plant scale research for improving quality & research.

#### B. Spices Division – New business vertical

The market size of spices business in India about Rs.1.5 Lac Crores p.a. out of which only a small portion is in the organized sector. The growth of the organized sector has been approx. 25% CAGR over the past 5 years which is massive opportunity going forward.



The Company is entering retailing of the packed spices to begin with in East & Central U.P. and Assam. The company has been whole-selling & Retailing of Katha in several states for e.g. U.P., Assam, Telangana, Delhi, Rajasthan & West Bengal being a pioneer manufacturer since 1919. There is also STRONG brand awareness of IWP Katha amongst the distributors, super stockists of spices including Kirana, since there is overlapping to a great extent of traders involved in Katha & Spices.

During FY2018, the Company has undertaken feasibility study and decided to diversify its activities in the business of processing of different spices. Accordingly, the same was duly approved by the shareholders of the Company vide their special resolution dated February 15, 2018. The spices business is expected to commence by the end of second quarter FY2019.

#### Opportunities:

- Growing and untapped market can be ventured
- Potential for up-gradation of technologies of production
- Absence of large player in organized sector

#### Threats:

- Growing competition from the other similar manufacturers
- Threat of cheap import from outside countries cannot be ignored
- Government policy may change to ban the Guttka/ PAN masala being the major consumer of Katha

#### Future Outlook

- Use of alternative raw material instead of Catechu Plant for manufacturing Katha
- Increasing demand for quality Katha

#### Financial and operational Performance:

##### Production Performance:

At present, the Company has only one business segment viz.manufacturing of Katha. Our Company is one of the leading manufacturers of Katha in India. Our company has recorded a total revenue from operation of Rs.21959 lacs, being 100% of the turnover.

The operational performance of the Company during the period under review was satisfactory. We intend to achieve sustainable and profitable growth through our consistent efforts.

#### Operating Results:

Key highlights of financial performance for the Company for the financial year 2017-18 on standalone basis are tabulated below:

| (Rs. in Lacs)                                                |          |          |          |
|--------------------------------------------------------------|----------|----------|----------|
| Particulars                                                  | FY2018   | FY2017   | FY2016   |
| Sales and Other Income                                       | 21958.50 | 18835.99 | 12540.95 |
| Earnings before interest, tax, depreciation and amortisation | 3447.00  | 2360.08  | 850.41   |
| Profit before Tax                                            | 2663.16  | 1829.48  | 490.11   |
| Profit after Tax                                             | 1731.53  | 1145.33  | 371.17   |
| EPS                                                          | 27.07    | 17.90    | 5.80     |



On consolidated basis, revenue from operations for FY 2017-18 at Rs.21958.50 Lakhs. Profit after tax ("PAT") for the year was Rs 1586.99 Lakhs.

### Risks and Concern

**Risk and its management:** Risk accompanies prospects. As a responsible corporate, it is the endeavor of the management to minimize the risks inherent in the business with the view to maximize returns from business situations.

**The architecture:** At the heart of the Company's risk mitigation strategy is a comprehensive and integrated risk management framework that comprises prudential norms, structured reporting and control. This approach ensures that the risk management discipline is centrally initiated by the senior management but prudently decentralized across the organization, percolating to managers at various organizational levels helping them mitigate risks at the transactional level.

**The discipline:** The Company has clearly identified and segregated its risks into separate components, namely operational, financial, strategic and growth execution. All the identified risks are inter-linked with the Annual Business Plans of the Company, so as to facilitate Company-wide reviews.

**The review:** A Risk Management Committee of the Board of Directors, comprising Board Members, has been constituted to review periodically updates on identified risks, implementation of mitigation plans and adequacy thereof, identification of new risk areas etc.

The Board of Directors also reviews the Risk identification process and mitigation plans regularly. A senior executive has been entrusted at all the levels of business operation in the Company whose role is not only to identify the Risk but also to educate about the identified risk and to develop Risk Management culture within the business.

**Key counter measures:** The Company has institutionalized certain risk mitigation procedures outline as under:

- Roles and responsibilities of the various entities in relation to risk management have been clearly laid down. A range of responsibilities, from the strategic to the operational, is specified therein. These role definitions, inter alia, are aimed at ensuring formulation of appropriate risk management policies and procedures, their effective implementation, independent monitoring and reporting by internal audit.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with proper risk profiling.
- Wherever possible and necessary, appropriate insurance cover is taken for financial risk mitigation. Confirmation of compliance with applicable statutory requirements are obtained from the respective unit/divisions and subjected to an elaborate verification process.
- Quarterly reports on statutory compliances, duly certified, are submitted to the Audit Committee as well as the Board of Directors for review.
- Status of Demand/Notices on the Company, under various Acts and Rules, as well as status of litigations are reported to the Board of Directors every quarter.

### Internal Control Systems

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.



The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

### Corporate Social Responsibility

Company's CSR policy covers activities in the field of eradication of extreme hunger and poverty, promotion of education, promotion of gender equality, empowerment of women, improvement of mental health, slum area development and rural development projects, employment enhancing vocational skills, ensuring environmental sustainability, sanitation including contribution to Swatch Bharat Kosh set up by the Central Government, ensuring animal welfare, contribution to the Prime Ministers National Relief Fund or any other project set up by the Central Government.

During FY2018, in compliance with Section 135 of the Act, an amount of Rs.19.27 lakhs (including 2.77 lakhs of the previous year) is required to be spent by the Company in CSR activities. The Company has spent Rs.20.30 lakhs on CSR activities covering maintaining quality of soil, health care and swatch Baharat.

### Human Resources and Industrial Relations

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of the Company. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company spends large efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "great people create great organization" has been at the core of the Company's approach to its people.

### Cautionary Statement

Statements in this Management Discussion and Analysis report detailing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, raw material prices, finished goods prices, cyclical demand and pricing in the Company's products and their principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries with which the Company conducts business and other factors such as litigation and / or labor negotiations.



## BOARD'S REPORT

FY2018 represents fiscal year 2017-18, from 1 April 2017 to 31 March 2018, and analogously for FY2017 and previously such labeled years.

Dear Shareholders,

Your Directors have pleasure in presenting their 98th Annual Report together with the Audited Accounts for the year ended 31 March, 2018.

### 1. FINANCIAL HIGHLIGHTS/PERFORMANCE OF THE COMPANY

Key highlights of financial performance of the Company for the FY2018 are as under:

(₹ in lacs)

| Particulars                         | Standalone |          | Consolidated |          |
|-------------------------------------|------------|----------|--------------|----------|
|                                     | FY2018     | FY2017   | FY2018       | FY2017   |
| Revenue from Operations             | 21958.50   | 18835.99 | 21958.50     | 18835.99 |
| Profit Before Tax (PBT)             | 2663.16    | 1829.48  | 2518.62      | 1831.92  |
| Tax expenses                        | 931.63     | 684.15   | 931.63       | 684.15   |
| Profit After Tax (PAT)              | 1731.53    | 1145.33  | 1586.99      | 1147.77  |
| Earnings Per Shares                 | 27.07      | 17.90    | 24.81        | 17.94    |
| Equity Share Capital                | 640.03     | 640.03   | 640.03       | 640.03   |
| Other Equity / Reserves and Surplus | 32608.32   | 30921.18 | 32461.61     | 30923.60 |

### 2. DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.1.25 per equity shares, i.e.12.5% on the paid up Share Capital of the Company, for FY2018, subject to approval of the shareholders at the ensuing Annual General Meeting. The dividend, if approved at the ensuing 98th Annual General Meeting (AGM), will be paid to those shareholders whose names appear on the register of members of the Company as on 10/09/2018. The AGM is scheduled to be held on 17/09/2018.

### 3. RESERVES

Transfer to reserve is optional for the Company, thus, during FY2018, our Company has not transferred any sum to the General Reserve.

### 4. REVIEW OF OPERATIONS AND STATE OF AFFAIRS

The Board of the Directors of your Company is pleased to inform that the Company has closed FY2018 recording another year of robust operational and financial growth. The Company has achieved a growth of 17% in revenue. The increase in revenue is primarily on account of the higher turnover with increased level of production. The Company's EBIDTA stood at Rs. 3447.00 Lakhs in FY2018 as compared to Rs. 2360.08 Lakhs in the previous year and the net profit stood at Rs. 1733.33 Lakhs in FY2018 Lakhs as against Rs. 1077.83 Lakhs in the previous fiscal. The growth in the EBIDTA and net profit are on account of reduction in the cost of production.

The operational performances at our Bareilly, Kundli and Vadodara units were excellent.

To meet the continuous increase in demand of quality Katha your Company has decided to set up a New Katha manufacturing unit at Jammu & Kashmir. Accordingly, SIDCO (A J&K Govt. Undertaking) based on Company's application has confirmed the allotment of 35 Canals of land in the State of Jammu & Kashmir in Sambha District.



In this regards, the Company has paid a lease value amounting to Rs. 245 Lakhs to SIDCO and the license by forest department is awaited. The project is being funded through a mix of debt and internal accruals. Total cost of the project will be approx. Rs. 26 Crores and the installed capacity of the proposed unit will be at 1200 MT.

During FY2018, the Company has undertaken feasibility study and decided to diversify its activities in the business of processing of different spices. Accordingly, the same was duly approved by the shareholders of the Company vide their special resolution dated February 15, 2018. The spices business is expected to commence by the end of second quarter FY 2019.

Our Company is committed to a clean environment and, thus, always strives to ensure the best measures are implanted to ensure environmental safety. The best of environment, safety and pollution control measures are implemented across all our manufacturing units and that the measures adopted are adequate. The management continuously reviews the measures adopted and their efficiency to ensure environmental safety.

The operational performance and results are provided in "Management Discussion and Analysis Report" as a separate section in this Annual Report.

## **5. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

No significant and material orders have been passed by the Regulators, Courts, or Tribunals impacting the going concern status of the Company and its operation in the future.

For further details on Indirect Tax Cases, please refer Note No. 43 & 44 to the notes to the accounts.

## **6. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THIS REPORT**

With effect from April 17, 2018, the commercial production of Gambier extracts through solvent extraction has started at PT Sumatra Resources International, at Pangkalan, West Sumatra Indonesia, a unit owned by our joint venture company namely Agro and Spice Pte. Ltd., Singapore. 100% production from this plant will be imported and consumed by our Company for manufacturing of better quality Katha. It is expected to benefit the Company by cost reduction and improved quality of Katha.

## **7. ALTERATION OF MEMORANDUM AND ARTICLES OF ASSOCIATION**

During FY2018, the object clause in the Memorandum and Articles of Association of the Company has been amended by inserting a new clause pursuant to the special resolution passed on February 15, 2018, through postal ballot to enable the Company to venture in the business of spices.

## **8. SHARE CAPITAL**

There is no Change in the Share Capital of Company during FY2018. The Paid-up Share Capital of the Company as on 31 March 2018 comprises of 63, 97,272 Equity shares of Rs.10/-each.

## **9. HOLDING, SUBSIDIARIES, ASSOCIATES & JOINT VENTURE**

Your Company has no holding, subsidiary & associates company as on 31 March 2018.

The Company has one overseas joint venture namely Agro Spice & Trading Pte Limited, Singapore, as on 31 March 2018, which is engaged in the business of trading of spices. PT Sumatra Resources International is a subsidiary of the said joint venture Agro Spice & Trading Pte Limited. PT Sumatra Resources International is incorporated and engaged in the business of manufacturing of Catechins from Gambier with the use of innovative technology. The entire production of PT Sumatra Resources International will be imported and consumed by our Company.



A statement containing the salient features of the financial statement of joint venture Company in the prescribed format **AOC-1** is annexed herewith as “**Annexure - 1**”.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of joint venture, are available on the website of the Company. These documents will also be available for inspection till the date of the AGM during the business hours at the Registered Office of the Company.

## 10. INDIAN ACCOUNTING STANDARD

Your Company has adopted Indian Accounting Standard (IndAS) with effect from April 1, 2017, pursuant to the Companies (Indian Accounting Standards) Rules 2015 notified by the Ministry of Corporate Affairs. The Financial Statement for the year ended March 31, 2018 included in this Annual Report has been prepared in accordance with the IndAS. The Financial Statement for the year ended March 31, 2016 and March 31, 2017 have also been restated to comply with IndAS to make them comparable.

## 11. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

Internal Audit is conducted by an Independent Professional Firm of Chartered Accountants. The Internal Audit Reports are reviewed and discussed with the senior management team. The representative of Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee meetings. The measures as suggested by the Audit Committee are implemented as per the direction of the Audit Committee.

The controls comprises of:

- a) Officials of the Company have defined authority and responsibilities within which they perform their duty;
- b) All the Banking transactions are under joint authority and no individual authorization is given;
- c) Maker-checker system is in place.
- d) Any deviations from the previously approved matter require fresh prior approval.

M/s. R. K. D. S. and Associates, Chartered Accountants, has been appointed to carry out Internal Audit of the Company for the financial year 2018-19.

## 12. LISTING OF SHARES AT BSE LIMITED

The equity shares of the Company were listed only on The Calcutta Stock Exchange Limited (CSE). There was no trading platform for the shareholders of the Company on CSE.

We are pleased to inform you that the Company has got its equity shares listed and admitted for trading on BSE Limited (BSE) under BSE's Direct Listing norms. The equity shares of the Company are listed and traded on BSE w.e.f February 21, 2018. The shareholders are now able to trade in the equity shares of the Company on BSE.

## 13. FIXED DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review. Further, the Company does not have any outstanding amount qualified as deposit as on March 31, 2018.

## 14. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In term of requirements of Regulation 34(2)(e) of SEBI (LODR) Regulation 2015 a Management Discussion and Analysis Report are set out as separate section in this Annual report which forms an integral part of this report.



## 15. REPORT ON CORPORATE GOVERNANCE

In term of Regulation 34(3) of the listing Regulations, a Report on Corporate Governance together with a certificate from Practicing Company Secretary regarding compliance with the requirements of Corporate Governance is included as a separate section and form an integral part of this report.

## 16. DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm and state that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to materials departures;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and the Profit of the Company for that period;
- iii) The Directors had 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 had prepared the annual accounts on a going concern basis;
- v) That the Directors had laid down internal financial controls in the Company that are adequate and were operating effectively; and
- vi) The Directors have devised proper systems to ensure Compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## 17. CORPORATE SOCIAL RESPONSIBILITY

Your Company is conscious of its Social Responsibility and the environment in which it operates. Over the years, the Company aimed towards improving the life of the people.

Company's CSR policy covers activities in the field of eradication of extreme hunger and poverty, promotion of education, promotion of gender equality, empowerment of women, improvement of mental health, slum area development and rural development projects, employment enhancing vocational skills, ensuring environmental sustainability, animal welfare, sanitation including contribution to Swachh Bharat Kosh set up by the Central Government, contribution to the Prime Ministers National Relief Fund or any other project set up by the Central Government.

During FY2018, in compliance with Section 135 of the Act, an amount of Rs. 19.27 lakhs (including Rs. 2.77 lakhs of the previous year) is required to be spent by the Company in CSR activities. The Company has spent Rs. 20.30 lakhs on CSR activities covering maintaining quality of soil, mobile medical van for local villagers and Swachhalaya under Swatch Bharat Scheme.

The CSR Policy may be accessed on the Company's website at: [http://www.iwpkatha.com/files/IWP\\_CSR\\_Policy.pdf](http://www.iwpkatha.com/files/IWP_CSR_Policy.pdf)

The Annual Report on CSR activities is annexed herewith as **Annexure - 2** and forms a part of this Annual Report.

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and under the Articles of Association of the Company, Mr. K K Damani (DIN 01385252), Executive Director of the Company, retire by rotation and being eligible offer himself for re-appointment.



Mr. K K Mohta (DIN 00702306), Whole time Director, has been re-appointed for a further period of 3 (three) years w.e.f. April 1, 2018 as Chairman & Managing Director of the Company as approved by the Shareholders on February 15, 2018.

Mr. Bharat Mohta (DIN 00392090), Whole time Director of the Company designated as CEO of the Company has been re-appointed for a further period of 3 (three) years w.e.f. April 1, 2018 as approved by the shareholders on February 15, 2018.

Mr. K K Damani (DIN 01385252), Whole time Director, has been re-appointed for a further period of 3 (three) years w.e.f. April 15, 2018 designated as Executive Director of the Company as approved by the Shareholders on February 15, 2018

The criteria for selection of Directors and remuneration policy are disclosed in the Corporate Governance section which forms part of this Annual Report.

The details of programs or familiarization training of Independent Directors with the Company, their roles, right & responsibility, nature of the Industry in which Company operates and related matters are available on the Company's website [www.iwpkatha.com](http://www.iwpkatha.com)

Mr. Anup Gupta, Company Secretary and Mr. R K Agarwal, Chief Financial Officer continued to function as Key Managerial Personnel's during the year under review.

## 19. DECLARATIONS BY INDEPENDENT DIRECTORS

In accordance with the provisions of Section 149(7) of the Companies Act, 2013, the Independent Directors have confirmed to the Company that he or she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (the Listing Regulations) as amended.

## 20. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, Regulation 17(10) of the Listing Regulations and in line with our corporate governance guidelines, peer evaluation of all Board members, annual performance evaluation of its own performance, as well as the evaluation of the working of Board's Committees was undertaken. This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance and effective functioning of the Board and its Committees. The evaluation process, inter alia, considers attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

## 21. MEETING OF THE BOARD OF DIRECTORS

During the year under review, the Board met 8(eight) times. The details of the Board meetings are provided in the Report on Corporate Governance, which forms a part of this Annual Report.



The intervening gap between two consecutive meetings was within the limit prescribed under the Companies Act, 2013.

### Meeting of the Independent Directors

During FY2018, one meeting of Independent Directors was held without the presence of the Executive Directors or Management Personnel on March 28, 2018. At such meeting, the Independent Directors have discussed, among other matters, the performance of the Company, flow of information to the Board, strategy, leadership strengths, compliance, governance, HR related matters and performance of Executive Directors.

## 22. AUDIT COMMITTEE

The Audit Committee of the Board comprises of:

| Name of Directors           | Category                               |
|-----------------------------|----------------------------------------|
| Mr. Sanjay Kumar Maheswary  | Independent Director                   |
| Mr. Vinod Kumar Maheshwary  | Independent Director                   |
| Mr. Rajendra Prasad Chetani | Non-Executive Non-Independent Director |

During the year under review, there has been no instance where the recommendations of the Audit Committee have not been accepted by the Board. The details of the Audit Committee meetings are provided in the Report on Corporate Governance, which forms part of this Annual Report.

## 23. VIGIL MECHANISM

The Company has adopted a vigil mechanism named Whistle Blower Policy for directors and employees to report genuine concerns, which shall provide adequate safeguards against victimization of persons who use such mechanism. Under this policy, we encourage our employee to report any reporting of fraudulent financial or other information to the stakeholders, any conduct that results in violation of the Company's Code of Business Conduct, to management (on an anonymous basis, if employees so desire).

Likewise, under this policy, we have prohibited discrimination, retaliation or harassment of any kind against any employee who, based on the employee's reasonable belief that such conduct or practice have occurred or are occurring, reports that information or participates in the said investigation.

This meets the requirement under Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations.

No individual in the Company has been denied access to the Audit Committee or its Chairman during the FY2018.

## 24. AUDITORS AND AUDITORS' REPORT

M/s. Agarwal Sanjay & Company, Chartered Accountants, (Firm Registration No. 329088E) were appointed as Statutory Auditors of the company by the members at the 97th Annual General Meeting held on 18 September 2017 for a term of 5 consecutive years subject to ratification by the Members at every Annual General Meeting.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.e.f 7 May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive Annual general Meeting and no ratification of appointment of Statutory Auditor is required at the ensuing AGM.



The Statutory Audit Report does not contain any qualification reservation or adverse remark or disclaimer made by Statutory Auditors. The notes to the accounts referred to in the Auditors' Report are self-explanatory and, therefore, do not call for any further comments.

## 25. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company had appointed Mohd. Shahnawaz (Membership No. 21427 CP No. 15076), Practicing Company Secretary, to carry out the secretarial Audit of the Company for the FY2018. The Secretarial Audit Report submitted by him, for FY2018 is annexed herewith marked as **Annexure - 3** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark, and, therefore, do not call for any further comments.

## 26. NOMINATIONS AND REMUNERATION COMMITTEE

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management Personnel and their remuneration. The Remuneration Policy is included in the Corporate Governance Report, which forms part of this Annual Report.

## 27. REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNELS (KMP)/ EMPLOYEES

Disclosures relating to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with rules 5(1) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, is annexed herewith as **'Annexure - 4'** and forms part of this Board's report.

The particulars of Managerial remuneration as stated in section 197(12) of the Companies Act, 2013 read with rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, is annexed herewith as **'Annexure- 5'** and forms part of this Board's report.

## 28. RISK MANAGEMENT POLICY

Your Company's Risk Management Framework is designed to enable risks to be identified, assessed and mitigated appropriately. The Risk Management framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Company has constituted a Risk Management Committee. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

## 29. EXTRACT OF ANNUAL RETURN

The Extract of the Annual Return in prescribed Form No. MGT – 9 as required under section 92(3) of the Companies Act, 2013 is included in this report and annexed herewith as **'Annexure -6'** and forms a part of the Board's Report.

## 30. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any Loan or Guarantee covered under the provisions of Section 186 of the Companies Act, 2013. The details of Investments are disclosed in the Note No.4 to the standalone financial statements, which are within the prescribed statutory limits.

## 31. RELATED PARTY TRANSACTIONS

Pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contractual arrangement entered into by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as **'Annexure – 7'** and the same forms part of this report.



The details of related party transaction are disclosed in the notes to the financial statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [www.iwpkatha.com](http://www.iwpkatha.com)

### 32. DISCLOSURES AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESS) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. During the FY2018, no complain had been received.

### 33. PARTICULARS OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO.

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in the **Annexure - 8** to this Report.

### 34. HUMAN RESOURCES

Our employees are our core resource and the Company has continuously evolved policies to strengthen its employee value proposition. Your Company was able to attract and retain best talent in the market and the same can be felt in the past growth of the Company. The Company is constantly working on providing the best working environment to its Human Resources with a view to inculcate leadership, autonomy and towards this objective; your company makes all efforts on training. Your Company shall always place all necessary emphasis on continuous development of its Human Resources. The belief "Great People create Great Organization" has been at the core of the Company's approach to its people.

### 35. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

### 36. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their sincere thanks to the Governments, Financial Institutions, Bankers and Customers for their co-operation and assistance extended.

Your Directors also wish to express their deep appreciation for the integrity and hard work of all the employees of the Company at all levels to cope-up the challenging scenario and strive for the growth of our Company.

The Board also takes this opportunity to express their deep gratitude for the continued co-operation and support received from the shareholders.

**For and on behalf of the Board**

**Bharat Mohta**  
WTD & CEO  
DIN - 00392090

**K K Damani**  
Executive Director  
DIN - 01385252

**Kolkata**  
**30 May 2018**

**Form AOC-1**

(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****Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

|    | <b>Name of associates/Joint Ventures</b>                                   | <b>M/s Agro and Spice Trading Pte Ltd, Singapore</b> |
|----|----------------------------------------------------------------------------|------------------------------------------------------|
| 1  | Latest audited Balance Sheet Date                                          | 31.03.2018                                           |
| 2. | Date on which the Associates or Joint Venture was associated or acquired   | 18th April, 2016                                     |
| 3  | Shares of Associate/Joint Ventures held by the company on the year end     |                                                      |
|    | No.                                                                        | 1150050                                              |
|    | Amount of Investment in Associates/Joint Venture                           | Rs. 7,55,56,353.65                                   |
|    | Extend of Holding%                                                         | 50%                                                  |
| 4  | Description of how there is significant influence                          | Through Shareholding                                 |
| 5  | Reason why the associate/joint venture is not consolidated                 | Consolidated                                         |
| 6  | Net worth attributable to shareholding as per latest audited Balance Sheet | Rs. 6,21,72,436/-                                    |
| 7  | Profit/Loss for the year                                                   |                                                      |
|    | i. Considered in Consolidation                                             | (Rs. 1,49,13,381/-)                                  |
|    | ii. Not Considered in Consolidation                                        | NIL                                                  |

1. Above named Joint Venture are yet to commence operation - NIL
2. Names of joint ventures which have been liquidated or sold during the year: NIL

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

|                    |                     |                    |
|--------------------|---------------------|--------------------|
| <b>K.K. Damani</b> | <b>Bharat Mohta</b> | <b>R.P.Chetani</b> |
| Executive Director | WTD & CEO           | Director           |
| DIN:01385252       | DIN: 00392090       | DIN: 00392215      |

**Kolkata**  
**May 30, 2018**

|                         |                   |
|-------------------------|-------------------|
| <b>R.K. Agarwal</b>     | <b>Anup Gupta</b> |
| Chief Financial Officer | Company Secretary |



## ANNEXURE - 2

**Annual Report on Corporate Social Responsibility (CSR) activities  
for the financial year ended on 31st March 2018**

|    |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1  | A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.                                                    | <p>Corporate Social Responsibility (CSR) was introduced by the Companies Act, 2013, but was followed by the Company since long to serve society. However from F.Y. 2017 the CSR become applicable to the Company. Accordingly a CSR Committee was formed and the policy was framed in accordance with the provisions of the Companies Act, 2013 and Rules framed there under in line with Schedule VII of the said Act. Our CSR Policy covers activities in the field of health, education, environment, conservation, sustainability and social business projects. For the Financial year ended on 31st March 2018 the Company has spent on the Projects / programs as per the policy and is fully described in annexure A.</p> <p>The weblink for CSR Policy is <a href="http://www.iwpkatha.com/csr_policy.pdf">http://www.iwpkatha.com/csr_policy.pdf</a></p> |
| 2  | The Composition of the CSR Committee                                                                                                                                                                                                             | <p>1. Mr. K K Mohta – Chairman and MD</p> <p>2. Mr.K K Damani – Executive Director</p> <p>3. Mr.Bharat Mohta – Whole Time Director and CEO</p> <p>4. Mr.Vinod Mimani - Independent Director</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 3. | Average net Profit of the Company for last three financial years                                                                                                                                                                                 | Rs.824.74 Lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 4. | Prescribed CSR Expenditure<br>(two percent of the amount as in item 3 above)                                                                                                                                                                     | Rs.16.50 Lakhs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 5  | <p>Details of CSR Spent during the financial year</p> <p>(1) Total Amount to be spent for the Financial year</p> <p>(2) Amount Spent</p> <p>(3) Amount unspent if any</p> <p>(4) Manner in which the amount spent during the financial year.</p> | <p>Rs.19.27 Lacs (Including 2.77 Lacs unspent amount of FY 2017)</p> <p>Rs. 20.30 Lacs</p> <p>NIL</p> <p>The manner in which the amount is spent is detailed in the Annexure A</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

**For and on behalf of the Board**

**Bharat Mohta**

*WTD & CEO*

DIN - 00392090

**K K Damani**

*Executive Director*

DIN - 01385252

**Kolkata**

**30 May 2018**

**Annexure A**

| S.N | CSR Project or activity identified | Sector in which the Project is covered                                      | Project or programs<br>(1) Local Area or other<br>(2) State and District where the projects programs was undertaken | Amount outlay (budget) Project or programs wise | Amount spend on the projects or programs direct / Overhead | Cumulative expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|-----|------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------|---------------------------------------------------|-----------------------------------------------------|
| 1   | Soil Health Initiative             | Promoting Recycling & Self Sustained farming by maintaining quality of soil | Devari Village in Jaunpur, UP                                                                                       | Rs.3.10 Lacs                                    | Rs. 3.10 Lacs                                              | Rs. 3.10 Lacs                                     | Through Eco Friendly Living Foundation              |
| 2   | Health Care Initiatives            | Promoting Mobile Medical Van                                                | Local Area and for Village of Bareilly U.P                                                                          | Rs.19.36 Lacs                                   | Rs.16.12 Lacs                                              | Rs.16.12 Lacs                                     | Through Khushhali Foundation                        |
| 3   | Infrastructure                     | Swatch Bharat Mission/ Sanitation                                           | Chawad Goan and for Local Area of Bareilly                                                                          | Rs. 1.08 Lacs                                   | Rs. 1.08 Lacs                                              | Rs. 1.08 Lacs                                     | Directly by the Company                             |

**For and on behalf of the Board****Kolkata**  
**30 May 2018****Bharat Mohta**  
*WTD & CEO*  
DIN - 00392090**K K Damani**  
*Executive Director*  
DIN - 01385252



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members  
THE INDIAN WOOD PRODUCTS CO LTD  
CIN: L20101WB1919PLC003557  
9 Brabourne Road, 7th floor,,  
Kolkata – 700 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Indian Wood Products Co Ltd** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2018 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **Not applicable to the Company during the Audit Period;**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI (ICDR) Regulations, 2009);- **Not Applicable to the Company during the Audit Period**



- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 - **Not applicable to the Company during the Audit Period;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not applicable to the Company during the Audit Period;**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not applicable to the Company during the Audit Period;**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations 2015 (herewith referred as Listing Regulations); and
- (vi) Other specifically applicable laws to the Company.
- a. Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention And Control of Pollution) Act, 1981;
  - b. Factories Act, 1948;
  - c. Food Safety and Standards Act, 2006; and
  - d. Boiler Act 1923 & Indian Boiler Regulation, 1950

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors.
- All decisions at Board Meetings and Committee Meetings are carried out unanimously and recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that 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.

I further report that during the audit period, there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.:

- a. The shareholders of the Company through postal ballot, result of which declared on April 13, 2017, have approved the followings:
  - i. Increase in Authorized Share Capital of the Company and consequential amendment to the Memorandum of Association of the Company;
  - ii. Re-appointment of Mr. Krishna Kumar Mohta (DIN 00702306) as Whole-Time Director designated as Chairman and Managing Director of the Company
  - iii. Revision in the remuneration of Mr. Bharat Mohta (DIN 00392090) and his re-designation as Chief Executive Officer (CEO) of the Company
  - iv. Re-appointment of Mr. Krishna Kumar Damani (DIN 01385252) as Whole-Time Director designated as Executive Director of the Company
  - v. Appointment of Ms. Drisha Poddar (DIN 07729080) as an Independent Director of the Company
- b. The shareholders of the Company through postal ballot, result of which declared on February 15, 2018, have approved the followings:
  - i. Amendment in the Object Clause of the Memorandum of Association of the Company.
  - ii. Re-appointment of Mr. Krishna Kumar Mohta (DIN: 00702306) as Whole-Time Director designated as Chairman and Managing Director of the Company
  - iii. Re-appointment of Mr. Bharat Mohta (DIN 00392090) as Whole-Time Director designated as Chief Executive Officer (CEO) of the Company
  - iv. Re-appointment of Mr. Krishna Kumar Damani (DIN 01385252) as Whole-Time Director designated as Executive Director of the Company
- c. The equity shares of the Company has been listed and admitted to dealings on BSE limited w.e.f. Wednesday, February 21, 2018, under BSE Limited's Direct Listing norms.

**M Shahnawaz & Associates**

*Practicing Company Secretary*

**Md. Shahnawaz**

*Proprietor*

Membership No.: 21427

CP No.: 15076

Kolkata, May 30, 2018

**ANNEXURE- 4****INFORMATION PURSUANT 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**

- (i) **The ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial year 2017-18**

| Sr. No | Name of Director     | Designation                    | Ratio of remuneration of each Director to the Median Remuneration |
|--------|----------------------|--------------------------------|-------------------------------------------------------------------|
| 1      | Krishna Kumar Mohta  | Chairman and Managing Director | 34.78                                                             |
| 2      | Bharat Mohta         | Whole Time Director and CEO    | 32.07                                                             |
| 3      | Krishna Kumar Damani | Executive Director             | 16.19                                                             |

- (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**

| Sr. No | Name of Director and KMP | Designation                              | Percentage increase in Remuneration |
|--------|--------------------------|------------------------------------------|-------------------------------------|
| 1      | Krishna Kumar Mohta      | Chairman and Managing Director           | 89.82                               |
| 2      | Bharat Mohta             | Whole Time Director and CEO              | 150.00                              |
| 3      | Krishna Kumar Damani     | Executive Director                       | 319.45                              |
| 4      | Raj Kumar Agarwal        | Chief Financial Officer                  | 20.67                               |
| 5      | Anup Gupta               | Company Secretary and Compliance Officer | 53.91                               |

- (iii) **Percentage increase in the median remuneration of all employees in the financial year 2017-18:**

The percentage increase in the median remuneration of employees in the financial year 2017-18 was Nil. Since median remuneration of non managerial employees is not comparable due to increase in number of employees from 271 to 302.

- (iv) **Number of permanent employees on the rolls of the Company as on March 31, 2018:**

There were 302 permanent employees on the rolls of the Company as on March 31, 2018.

- (v) **Comparison of average percentage increase in salary of employees other than Key Managerial Personnel and the percentage increase in the remuneration paid to Key Managerial Personnel.**

Average salary increase of non managerial employees is not comparable due to average percentile increase in the salaries in the last Financial Year 2017-18 was Nil. The Median Salary taken in 2017-18 is Rs. 449551 (Number of Employee 302) compare to Median Salary taken for the previous year was Rs. 451747 (Number of Employees- 271). However, the average increase in the managerial remuneration during the year is 126.77%

- (vi) **Affirmation that the remuneration is as per the Notification and Remuneration Policy of the Company:**

It is hereby affirmed that the remuneration paid to all the Director, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2018 were as per the Nomination and Remuneration Policy of the Company.

**For and on behalf of the Board**

Kolkata  
30 May 2018

**Bharat Mohta**  
WTD & CEO  
DIN - 00392090

**K K Damani**  
Executive Director  
DIN - 01385252

**ANNEXURE- 5**

**Statement of Particulars of employees pursuant to the provisions of Section 197(12) of the Companies Act, 2013 with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018**

**Top 10 Employees including those Employed throughout the financial year, under review and were in receipt of remuneration aggregating not less than Rs. 1,02,00,000 per annum**

| Sr No. | Name                     | Designation                                     | Nature of Employment Whether Contractual or Otherwise | Qualification and Experience of the Employee including previous employment              | Age (Years) | Date of Commence of Employment | Remuneration received (Rs. in Lakhs) | The Last employment held before joining the Company     | The Percentage of equity share held |
|--------|--------------------------|-------------------------------------------------|-------------------------------------------------------|-----------------------------------------------------------------------------------------|-------------|--------------------------------|--------------------------------------|---------------------------------------------------------|-------------------------------------|
| 1      | Mr. Krishna Kumar Mohta  | Chairman and Managing Director                  | Permanent                                             | Bachelor of Science from Calcutta University, 50 Years                                  | 70          | 29.05.1980                     | 156.18                               | NA                                                      | 2.75                                |
| 2      | Mr. Bharat Mohta         | Whole Time Director and Chief Executive Officer | Permanent                                             | Bachelor of Commerce from Calcutta University and Business Diploma from ICFAI, 25 Years | 43          | 01.04.2012                     | 144.21                               | AEW Ltd                                                 | 11.86                               |
| 3      | Mr. Krishna Kumar Damani | Executive Director                              | Permanent                                             | B. Tech (Hons.) Chem. Engg., 48 Years                                                   | 69          | 15.04.1998                     | 72.84                                | BEC Food Ltd (A unit of Bhilai Engineering Corpoartion) | NA                                  |
| 4      | Mr. Rajiv Mundra         | Vice President-Marketing                        | Permanent                                             | Bachelor of Commerce, 34 years                                                          | 55          | 01.04.2005                     | 54.04                                | Bareilly Chemicals Pvt. Ltd                             | NA                                  |
| 5      | Mr. Ravi Chandak         | Sr. Manager (Commercial)                        | Permanent                                             | C.A. & M.B.A, 25 Years                                                                  | 50          | 10.03.1998                     | 22.47                                | Orient Fans Ltd.                                        | NA                                  |
| 6      | Mr. Raj Kumar Agarwal    | Chief Financial Officer                         | Permanent                                             | B.Com & LLB, 47 Years                                                                   | 67          | 31.07.1982                     | 20.01                                | AEW Ltd.                                                | NA                                  |
| 7      | Mr. Anand Kumar Rai      | Sr. Manager (HR & Admin)                        | Permanent                                             | M.A. (Social Work), PHD & LLB, 20 Years                                                 | 42          | 07.05.2012                     | 17.45                                | MJP Rohail Khand university                             | NA                                  |



| Sr No. | Name                       | Designation            | Nature of Employment Whether Contractual or Otherwise | Qualification and Experience of the Employee including previous employment | Age (Years) | Date of Commence of Employment | Remuneration received (Rs. in Lakhs) | The Last employment held before joining the Company | The Percentage of equity share held |
|--------|----------------------------|------------------------|-------------------------------------------------------|----------------------------------------------------------------------------|-------------|--------------------------------|--------------------------------------|-----------------------------------------------------|-------------------------------------|
| 8      | Mr. Jagdish Chandra Tiwari | Sr. Manager Production | Permanent                                             | B.S.C & M.S.C , 28 Years                                                   | 51          | 30.07.1999                     | 16.90                                | Mahesh Udyog (BDM)                                  | NA                                  |
| 9      | Mr. Ajit Kumar Acharya     | Secretarial Officer    | Permanent                                             | M.Com & LLB, 47 Years                                                      | 66          | 01.08.1980                     | 16.88                                | Modern Indian Construction Co. Ltd                  | NA                                  |
| 10     | Mr. Ram Kumar Binnani      | Sr. Commercial Manager | Permanent                                             | M.Com , 30 Years                                                           | 51          | 21.07.1993                     | 15.24                                | Kothari Trading & Investment Co. Pvt. Ltd.          | NA                                  |

**Notes :**

- 1 None of the employees employed for part of the financial year 2017-18,were in receipt of remuneration for any part of the financial year, at a rate which , in aggregate, was not less than Rs. 8.50 Lakhs (Rupees eight Lakhs and fifty thousand) per month.
- 2 Except for Mr. Krishna Kumar Mohta & Bharat Mohta , none of the employees mentioned above are related to any of the Directors of the Company within the meaning of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provision, if any.
- 3 All appointment are terminable by notice on either side.
- 4 Remuneration includes salary, bonus, commission, various allowances, performances incentive, contribution to provident fund and superannuation fund and taxable value of perquisite but excludes provision for gratuity and leave encashment.
- 5 The terms of Service of Mr. Krishna Kumar Mohta, Mr. Bharat Mohta and Mr. Krishna Kumar Damani are governed by the Special Resolution, passed by the shareholders of the Company dated February 15, 2018

**For and on behalf of the Board**

**Kolkata  
30 May 2018**

**Bharat Mohta**  
*WTD & CEO*  
DIN - 00392090

**K K Damani**  
*Executive Director*  
DIN - 01385252



## EXTRACT OF ANNUAL RETURN

### FORM NO. MGT 9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.

As on financial year ended on 31.03.2018

#### I. REGISTRATION & OTHER DETAILS:

|    |                                                                            |                                                                                                                                                                                  |
|----|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | CIN                                                                        | L20101WB1919PLC003557                                                                                                                                                            |
| 2. | Registration Date                                                          | 23-12-1919                                                                                                                                                                       |
| 3. | Name of the Company                                                        | THE INDIAN WOOD PRODUCTS CO LTD                                                                                                                                                  |
| 4. | Category/Sub-category of the Company                                       | Company having Share Capital                                                                                                                                                     |
| 5. | Address of the Registered office & contact details                         | Bombay Mutual Building<br>9, Brabourne Road, 7th Floor,<br>Kolkata – 700 001 (West Bengal)<br>Phone- 033 8232023820<br>Fax 033 22426799                                          |
| 6. | Whether listed company                                                     | Yes with The Calcutta Stock Exchange Ltd. & BSE Ltd.                                                                                                                             |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Niche Technologies Pvt Ltd.<br>D-511, Bagree Market, 5th Floor<br>71, B.R.B.Basu Road, Kolkata – 700 001<br>Phones: 033 22343576, 22357270<br>e-mail nichetechpl@nichetechpl.com |

#### 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)

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--------------------------------------------------|---------------------------------|------------------------------------|
| 1      | Katha                                            | 0325003                         | 98.7%                              |
| 2      | Cutch                                            | 0325004                         | 1.3%                               |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES.

| S.No. | Name and address of the Company | CIN/GLN | Holding/ Subsidiary / Associates | % of Shares held | Applicable Section |
|-------|---------------------------------|---------|----------------------------------|------------------|--------------------|
| N I L |                                 |         |                                  |                  |                    |



FORM NO. MGT 9 (Contd.)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)**

**A) Category-wise Share Holding**

| Category of Shareholders                                                 | No. of Shares held at the beginning of the year [As on 31-March-2017] |          |         |                   | No. of Shares held at the end of the year [As on 31-March-2018] |          |         |                   | % Change during the year |
|--------------------------------------------------------------------------|-----------------------------------------------------------------------|----------|---------|-------------------|-----------------------------------------------------------------|----------|---------|-------------------|--------------------------|
|                                                                          | Demat                                                                 | Physical | Total   | % of Total Shares | Demat                                                           | Physical | Total   | % of Total Shares |                          |
| A. Promoters                                                             |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| (1) Indian                                                               |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| a) Individual/ HUF                                                       | 3086960                                                               | 400      | 3087360 | 48.26             | 3086856                                                         | 0        | 3086856 | 48.26             | 0                        |
| b) Central Govt                                                          | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| c) State Govt(s)                                                         | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| d) Bodies Corp.                                                          | 1401196                                                               | 0        | 1401196 | 21.90             | 1401196                                                         | 0        | 1401196 | 21.90             | 0                        |
| e) Banks / FI                                                            | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| f) Any other                                                             | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| Total shareholding of Promoter (A)                                       | 4488156                                                               | 400      | 4488556 | 70.16             | 4488052                                                         | 0        | 4488052 | 70.16             | 0                        |
| B. Public Shareholding                                                   |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| 1. Institutions                                                          |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| a) Mutual Funds                                                          | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| b) Banks / FI                                                            | 33004                                                                 | 7168     | 40172   | 0.63              | 33004                                                           | 7168     | 40172   | 0.63              | 0                        |
| c) Central Govt                                                          | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| d) State Govt(s)                                                         | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| e) Venture Capital Funds                                                 | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| f) Insurance Companies                                                   | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| g) FIIs                                                                  | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| h) Foreign Venture Capital Funds                                         | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| i) Others (specify)                                                      | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| Sub-total (B)(1):-                                                       | 33004                                                                 | 7168     | 40172   | 0.63              | 33004                                                           | 7168     | 40172   | 0.63              | 0                        |
| 2. Non-Institutions                                                      |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| a) Bodies Corp.                                                          |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| i) Indian                                                                | 82167                                                                 | 19804    | 101971  | 1.60              | 131327                                                          | 11812    | 143139  | 2.23              | 0.63                     |
| ii) Overseas                                                             | 0                                                                     | 0        | 0       | 0                 | 0                                                               | 0        | 0       | 0                 | 0                        |
| b) Individuals                                                           |                                                                       |          |         |                   |                                                                 |          |         |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 534730                                                                | 714707   | 1249437 | 19.53             | 627876                                                          | 579106   | 1206982 | 18.87             | (0.66)                   |

**FORM NO. MGT 9 (Contd.)**

| Category of Shareholders                                                         | No. of Shares held at the beginning of the year [As on 31-March-2017] |               |                |                   | No. of Shares held at the end of the year [As on 31-March-2018] |               |                |                   | % Change during the year |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------|---------------|----------------|-------------------|-----------------------------------------------------------------|---------------|----------------|-------------------|--------------------------|
|                                                                                  | Demat                                                                 | Physical      | Total          | % of Total Shares | Demat                                                           | Physical      | Total          | % of Total Shares |                          |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 334500                                                                | 25828         | 360328         | 5.63              | 331454                                                          | 12297         | 343751         | 5.37              | (0.26)                   |
| c) Others (specify)                                                              | 0                                                                     | 0             | 0              | 0                 | 0                                                               | 0             | 0              | 0                 | 0                        |
| Non Resident Indians                                                             | 236                                                                   | 156572        | 156808         | 2.45              | 0                                                               | 156572        | 156572         | 2.45              | 0                        |
| Overseas Corporate Bodies                                                        | 0                                                                     | 0             | 0              | 0                 | 0                                                               | 0             | 0              | 0                 | 0                        |
| Foreign Nationals                                                                | 0                                                                     | 0             | 0              | 0                 | 0                                                               | 0             | 0              | 0                 | 0                        |
| Clearing Members                                                                 | 0                                                                     | 0             | 0              | 0                 | 18604                                                           | 0             | 18604          | 0.29              | 0.29                     |
| Trusts                                                                           | 0                                                                     | 0             | 0              | 0                 | 0                                                               | 0             | 0              | 0                 | 0                        |
| Foreign Bodies - D R                                                             | 0                                                                     | 0             | 0              | 0                 | 0                                                               | 0             | 0              | 0                 | 0                        |
| <b>Sub-total (B)(2):-</b>                                                        | <b>951633</b>                                                         | <b>916911</b> | <b>1868544</b> | <b>29.21</b>      | <b>1109261</b>                                                  | <b>759787</b> | <b>1869048</b> | <b>29.21</b>      | <b>0</b>                 |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>984637</b>                                                         | <b>924079</b> | <b>1908716</b> | <b>29.84</b>      | <b>1142265</b>                                                  | <b>766955</b> | <b>1909220</b> | <b>29.84</b>      | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | <b>-</b>                                                              | <b>-</b>      | <b>-</b>       | <b>-</b>          | <b>-</b>                                                        | <b>-</b>      | <b>-</b>       | <b>-</b>          | <b>-</b>                 |
| <b>Grand Total (A+B+C)</b>                                                       | <b>5472793</b>                                                        | <b>924479</b> | <b>6397272</b> | <b>100</b>        | <b>5630317</b>                                                  | <b>766955</b> | <b>6397272</b> | <b>100</b>        | <b>0</b>                 |

**B) Shareholding of Promoter-**

| SN | 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 the 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  | Arvind Engg Works Ltd   | 60840                                     | 0.95                             | Nil                                              | 60840                               | 0.95                             | Nil                                              | -                                        |
| 2  | Indian Glass & Ele. Ltd | 120000                                    | 1.88                             | Nil                                              | 120000                              | 1.88                             | Nil                                              | -                                        |
| 3  | Security Co Ltd         | 1220356                                   | 19.08                            | Nil                                              | 1220356                             | 19.08                            | Nil                                              | -                                        |
| 4  | Avanti Mohta            | 752616                                    | 11.77                            | Nil                                              | 752616                              | 11.77                            | Nil                                              | -                                        |
| 5  | Bharat Mohta            | 758900                                    | 11.86                            | Nil                                              | 758900                              | 11.86                            | Nil                                              | -                                        |
| 6  | Bharat Mohta HUF        | 455000                                    | 7.11                             | Nil                                              | 455000                              | 7.11                             | Nil                                              | -                                        |
| 7  | Krishna Kumar Mohta     | 176320                                    | 2.75                             | Nil                                              | 176320                              | 2.75                             | Nil                                              | -                                        |
| 8  | Krishna Kumar Mohta HUF | 28000                                     | 0.44                             | Nil                                              | 28000                               | 0.44                             | Nil                                              | -                                        |
| 9  | Ram Ratan Mohta         | 504                                       | 0                                | Nil                                              | 0                                   | 0                                | Nil                                              | -                                        |
| 10 | Savita Mohta            | 916020                                    | 14.32                            | Nil                                              | 916020                              | 14.32                            | Nil                                              | -                                        |
|    | <b>Total</b>            | <b>4488556</b>                            | <b>70.16</b>                     | <b>Nil</b>                                       | <b>4488052</b>                      | <b>70.16</b>                     | <b>Nil</b>                                       | <b>-</b>                                 |



FORM NO. MGT 9 (Contd.)

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

| SN | Particulars                                                        | 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>At the beginning of the year 1.4.2017</b>                       | 4488556                                   | 70.16                            |                                         |                                  |
|    | Changes during the year<br>Transmission of Share<br>Dt. 21.07.2017 | 504                                       | 0                                | 4488052                                 | 70.16                            |
|    | <b>At the end of the year 31.03.2018</b>                           |                                           |                                  | <b>4488052</b>                          | <b>70.16</b>                     |

**D) Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | 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  | S.M.Genl.Sir Kaiser Shum S Jung          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  | 67128                                     | 1.05                             |                                         |                                  |
|    | Change during the year                   | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b> |                                           |                                  | <b>67128</b>                            | <b>1.05</b>                      |
| 2  | Shri Bhupendra Prasad Shah               |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  | 60064                                     | 0.94                             |                                         |                                  |
|    | Change during the year                   | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b> |                                           |                                  | <b>60064</b>                            | <b>0.94</b>                      |
| 3  | Vinaben Jivanlal Patel                   |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  | 41168                                     | 0.64                             |                                         |                                  |
|    | Change during the year                   | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b> |                                           |                                  | <b>41168</b>                            | <b>0.64</b>                      |



## FORM NO. MGT 9 (Contd.)

| SN | 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 |
| 4  | Konark Towers Private Limited            |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 0                                         | 0.00                             |                                         |                                  |
|    | Change during the year                   |          |                                           |                                  |                                         |                                  |
|    | 03/11/2017                               | Purchase | 3000                                      | 0.05                             | 3000                                    | 0.05                             |
|    | 10/11/2017                               | Purchase | 21900                                     | 0.34                             | 24900                                   | 0.39                             |
|    | 24/11/2017                               | Purchase | 3000                                      | 0.05                             | 27900                                   | 0.44                             |
|    | 08/12/2017                               | Purchase | 1272                                      | 0.02                             | 29172                                   | 0.46                             |
|    | 15/12/2017                               | Purchase | 5700                                      | 0.09                             | 34872                                   | 0.55                             |
|    | 22/12/2017                               | Purchase | 300                                       | 0.00                             | 35172                                   | 0.55                             |
|    | 29/12/2017                               | Purchase | 1000                                      | 0.02                             | 36172                                   | 0.57                             |
|    | 05/01/2018                               | Purchase | 500                                       | 0.00                             | 36672                                   | 0.57                             |
|    | 23/02/2018                               | Purchase | 2228                                      | 0.04                             | 38900                                   | 0.61                             |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>38900</b>                            | <b>0.61</b>                      |
| 5  | National Insurance Co Ltd                |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 33004                                     | 0.52                             |                                         |                                  |
|    | Change during the year                   |          | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>33004</b>                            | <b>0.52</b>                      |
| 6  | Durga Prasad Kedia                       |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 32400                                     | 0.51                             |                                         |                                  |
|    | Change during the year                   |          | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>32400</b>                            | <b>0.51</b>                      |
| 7  | JMS Mining Services Private Limited      |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 0                                         | 0.00                             |                                         |                                  |
|    | Change during the year                   |          |                                           |                                  |                                         |                                  |
|    | 23/03/2018                               | Purchase | 6250                                      | 0.10                             | 6250                                    | 0.10                             |
|    | 31/03/2018                               | Purchase | 23816                                     | 0.37                             | 30066                                   | 0.47                             |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>30066</b>                            | <b>0.47</b>                      |



FORM NO. MGT 9 (Contd.)

| SN | 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 |
| 8  | Mahendra Girdharilal                     |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 29848                                     | 0.47                             |                                         |                                  |
|    | Change during the year                   |          |                                           |                                  |                                         |                                  |
|    | 16/03/2018                               | Sale     | (967)                                     | 0.02                             | 28881                                   | 0.45                             |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>28881</b>                            | <b>0.45</b>                      |
| 9  | Jai Kishan Mohta                         |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 31724                                     | 0.50                             |                                         |                                  |
|    | Change during the year                   |          |                                           |                                  |                                         |                                  |
|    | 09/03/2018                               | Sale     | (5803)                                    | 0.09                             | 25921                                   | 0.41                             |
|    | 16/03/2018                               | Sale     | (521)                                     | 0.01                             | 25400                                   | 0.40                             |
|    | 23/03/2018                               | Sale     | (200)                                     | 0.00                             | 25200                                   | 0.40                             |
|    | 31/03/2018                               | Sale     | (607)                                     | 0.01                             | 24593                                   | 0.39                             |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>24593</b>                            | <b>0.39</b>                      |
| 10 | Arun Kumar Gupta                         |          |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017  |          | 2000                                      | 0.03                             |                                         |                                  |
|    | Change during the year                   |          |                                           |                                  |                                         |                                  |
|    | 22/09/2017                               | Purchase | 30000                                     | 0.47                             | 32000                                   | 0.50                             |
|    | 01/12/2017                               | Sale     | (2000)                                    | 0.03                             | 30000                                   | 0.47                             |
|    | 23/02/2018                               | Sale     | (6100)                                    | 0.10                             | 23900                                   | 0.37                             |
|    | <b>At the end of the year 31.03.2018</b> |          |                                           |                                  | <b>23900</b>                            | <b>0.37</b>                      |



## FORM NO. MGT 9 (Contd.)

## E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel<br>(Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)) | 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  | Mr. Bharat Kumar Mohta                                                                                                                                                                                                                             |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 758900                                    | 11.89                            |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>758900</b>                           | <b>11.89</b>                     |
| 2  | Krishna Kumar Mohta                                                                                                                                                                                                                                |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 176320                                    | 2.77                             |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>176320</b>                           | <b>2.77</b>                      |
| 3  | Raj Kumar Agarwal                                                                                                                                                                                                                                  |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 228                                       | 0.00                             |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>228</b>                              | <b>0.00</b>                      |
| 4  | Rajendra Prasad Chetani                                                                                                                                                                                                                            |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 456                                       | 0.01                             |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>456</b>                              | <b>0.01</b>                      |
| 5  | Mr. Sanjay Kumar Maheswary                                                                                                                                                                                                                         |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 400                                       | 0.01                             |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>400</b>                              | <b>0.01</b>                      |
| 6  | Mr.Vinod Mimani                                                                                                                                                                                                                                    |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 1200                                      | 0.02                             |                                         |                                  |
|    | Change during the year (Sale)                                                                                                                                                                                                                      | (1200)                                    | 0.02                             | 0                                       | 0.00                             |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>0</b>                                | <b>0.00</b>                      |
| 7  | Mr Vinod Kumar Maheshwry                                                                                                                                                                                                                           |                                           |                                  |                                         |                                  |
|    | At the beginning of the year 01.04.2017                                                                                                                                                                                                            | 200                                       | 0.00                             |                                         |                                  |
|    | Change during the year                                                                                                                                                                                                                             | NO CHANGES DURING THE YEAR                |                                  |                                         |                                  |
|    | <b>At the end of the year 31.03.2018</b>                                                                                                                                                                                                           |                                           |                                  | <b>200</b>                              | <b>0.00</b>                      |



**V) INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in lacs)

|                                                            | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits | Total<br>Indebtedness |
|------------------------------------------------------------|-------------------------------------|--------------------|----------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |          |                       |
| i) Principal Amount                                        | 2910.89                             | 1220.50            | 0        | 4131.39               |
| ii) Interest due but not paid                              | 2.02                                | 0                  | 0        | 2.02                  |
| iii) Interest accrued but not due                          | 0                                   | 27.73              | 0        | 27.73                 |
| <b>Total (i+ii+iii)</b>                                    | 2912.91                             | 1248.23            |          | 4161.14               |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |          |                       |
| * Addition                                                 | 646.00                              | 0                  | 0        | 646.00                |
| * Reduction                                                | 0                                   | 716.73             | 0        | 716.73                |
| <b>Net Change</b>                                          |                                     |                    |          | (70.73)               |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |          |                       |
| i) Principal Amount                                        | 3546.68                             | 531.50             | 0        | 4078.18               |
| ii) Interest due but not paid                              | 12.23                               | 0                  | 0        | 12.23                 |
| iii) Interest accrued but not due                          | 0                                   | 0                  | 0        | 0                     |
| <b>Total (i+ii+iii)</b>                                    | 3558.91                             | 531.50             | 0        | 4090.41               |

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

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

(₹ in lacs)

| SN. | Particulars of Remuneration                                                         | Name of MD/WTD/ Manager |                  |                  | Total Amount |
|-----|-------------------------------------------------------------------------------------|-------------------------|------------------|------------------|--------------|
|     |                                                                                     | Mr. K. K. Mohta         | Mr. Bharat Mohta | Mr. K. K. Damani |              |
| 1   | Gross salary                                                                        | 120.00                  | 96.00            | 72.63            | 288.63       |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 36.18                   | 48.00            | 0.06             | 84.24        |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0                       | 0                | 0                | 0            |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             |                         |                  |                  | 0            |
| 2   | Stock Option                                                                        | 0                       | 0                | 0                | 0            |
| 3   | Sweat Equity                                                                        |                         |                  |                  | 0            |
| 4   | Commission                                                                          |                         |                  |                  |              |
|     | - as % of profit                                                                    | 0                       | 0                | 0                | 0            |
|     | - others, specify...                                                                |                         |                  |                  |              |
| 5   | Others, please specify                                                              | 0                       | 0                | 0                | 0            |
|     | <b>Total (A)</b>                                                                    | 156.18                  | 144.00           | 72.69            | 372.87       |

**B. Remuneration to other directors**

| SN.                           | Particulars of Remuneration                  | Name of Directors |                   |                   |              |              | Total Amount |
|-------------------------------|----------------------------------------------|-------------------|-------------------|-------------------|--------------|--------------|--------------|
|                               |                                              | Mr. R P Chetani   | Mr. S K Maheswary | Mr.V M Maheshwary | Mr. V Mimani | Mrs.D Poddar |              |
| 1                             | Independent Directors                        |                   |                   |                   |              |              |              |
|                               | Fee for attending board / committee meetings | 0                 | 0.60*             | 0.60*             | 0.42*        | 0.05         | 1.68*        |
|                               | Commission                                   | 0                 | 0                 | 0                 | 0            | 0            | 0            |
|                               | Others, please specify                       | 0                 | 0                 | 0                 | 0            | 0            | 0            |
|                               | Total (1)                                    | 0                 | 0.60*             | 0.60*             | 0.42*        | 0.05         | 1.68*        |
| 2                             | Other Non-Executive Directors                |                   |                   |                   |              |              |              |
|                               | Fee for attending board / committee meetings | 0.60*             | 0                 | 0                 | 0            | 0            | 0.60*        |
|                               | Commission                                   | 0                 | 0                 | 0                 | 0            | 0            | 0            |
|                               | Others, please specify                       | 0                 | 0                 | 0                 | 0            | 0            | 0            |
|                               | Total (2)                                    | 0.60*             | 0                 | 0                 | 0            | 0            | 0.60*        |
|                               | Total (B)=(1+2)                              | 0.60*             | 0.60*             | 0.60*             | 0.42*        | 0.05         | 2.29         |
| Total Managerial Remuneration |                                              |                   |                   |                   |              |              |              |

\* Rounded off for Rs. 500.00

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD** (₹ in lacs)

| SN | Particulars of Remuneration                                                         | Key Managerial Personnel |                |       |
|----|-------------------------------------------------------------------------------------|--------------------------|----------------|-------|
|    |                                                                                     | C F O                    | CS             | Total |
| 1  | Gross salary                                                                        | Mr. R K Agarwal          | Mr. Anup Gupta |       |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 17.13                    | 3.62           | 20.75 |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 2.72                     | 0.32           | 3.04  |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | 0                        | 0              | 0     |
| 2  | Stock Option                                                                        | 0                        | 0              | 0     |
| 3  | Sweat Equity                                                                        | 0                        | 0              | 0     |
| 4  | Commission                                                                          | 0                        | 0              | 0     |
|    | - as % of profit                                                                    |                          |                |       |
|    | - others specify                                                                    | 0                        | 0              | 0     |
| 5  | Others, please specify                                                              | 0                        | 0              | 0     |
|    | Total                                                                               | 19.85                    | 3.94           | 23.79 |

**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) |
|----------------------------------|------------------------------|-------------------|-----------------------------------------------------------|------------------------------|------------------------------------|
| Penalty                          |                              |                   | <b>NIL</b>                                                |                              |                                    |
| Punishment                       |                              |                   |                                                           |                              |                                    |
| Compounding                      |                              |                   |                                                           |                              |                                    |
| <b>OTHER OFFICERS IN DEFAULT</b> |                              |                   |                                                           |                              |                                    |
| Penalty                          |                              |                   |                                                           |                              |                                    |
| Punishment                       |                              |                   |                                                           |                              |                                    |
| Compounding                      |                              |                   |                                                           |                              |                                    |

**For and on behalf of the Board****Kolkata  
30 May 2018****Bharat Mohta**  
*WTD & CEO*  
DIN - 00392090**K K Damani**  
*Executive Director*  
DIN - 01385252

**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 transaction under third proviso thereto.

**1. Details of contracts or arrangements or transaction not at Arm's length basis.**

| Sl. No. | Particulars                                                                                                       | Details |
|---------|-------------------------------------------------------------------------------------------------------------------|---------|
| a       | Name(s) of the related party & Nature of relationship                                                             | NIL     |
| b       | Nature of Contracts/arrangements/transaction                                                                      | NIL     |
| c       | Duration of the Contract/arrangement/transaction                                                                  | NIL     |
| d       | Salient terms of the contracts or arrangement or transaction including the value, if any                          | NIL     |
| e       | Justification for entering into such contracts or arrangements or transactions'                                   | NIL     |
| f       | Date of approval by the Board                                                                                     | NIL     |
| g       | Amount paid as advance, if any                                                                                    | NIL     |
| h       | Date on which the special resolution was passed in General Meeting as required under first proviso to section 188 | NIL     |

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

| Sl. No. | Particulars                                             | Details                                                          |
|---------|---------------------------------------------------------|------------------------------------------------------------------|
| a       | Name(s) of the related party & Nature of relationship   | Mrs. Savita Mohta<br>Spouse of<br>Mr. K. K. Mohta- Chairman & MD |
| b       | Nature of contracts/arrangements/transaction            | Rent Agreement                                                   |
| c       | Duration of the contracts/arrangements/transaction      | 11 Months - Agreement Terminated                                 |
| d       | Salient terms of the contracts/arrangements/transaction | Rent Payable Monthly                                             |
| e       | Date of approval by the Board                           | 12th November, 2016                                              |
| f       | Amount paid as advance, if any                          | NIL                                                              |

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

**K.K. Damani**  
Executive Director  
DIN:01385252

**Bharat Mohta**  
WTD & CEO  
DIN: 00392090

**R.P.Chetani**  
Director  
DIN: 00392215

**Kolkata**  
**May 30, 2018**

**R.K. Agarwal**  
Chief Financial Officer

**Anup Gupta**  
Company Secretary



## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO ETC.

Information on conservation of Energy Technology absorption, Foreign Exchange and outgo as required to be disclosed U/s. 134 of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014

### A. CONSERVATION OF ENERGY

|       |                                                                        |                                                                                                                                                                                 |
|-------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)   | The Step taken or impact on energy conservation                        | Energy Conservation continues to receive priority attention at all level. The Company ensures use of energy efficient equipments and appliance in operations to conserve energy |
| (ii)  | The Step taken by the Company for utilizing alternate source of Energy | The Company had been utilizing spent wooden chips and spent Cashew Husk along with waste chips of popular/Eucalyptus in place of Coal.                                          |
| (iii) | The Capital Investment on Energy Conservation Equipments               | The Company is in the process of installing improved Refrigeration system in our manufacturing process. This will result in saving of energy.                                   |

### B. TECHNOLOGY ABSORPTION

| (i)                   | The efforts made towards technology absorption                                                                          | Updation of technology is a continuous process. Company is continuously adopting and implementing new and upgraded technology in operations                                                                                        |  |              |              |                     |     |          |                       |             |            |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--------------|--------------|---------------------|-----|----------|-----------------------|-------------|------------|
| (ii)                  | the benefits derived like product improvement, cost reduction, product development or import substitution               | The use of improved technology resulted in improvement in quality of Katha.                                                                                                                                                        |  |              |              |                     |     |          |                       |             |            |
| (iii)                 | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) | No imported technology is available.                                                                                                                                                                                               |  |              |              |                     |     |          |                       |             |            |
| (iv)                  | Expenditure incurred on Research & Development                                                                          | <table> <tr> <th></th><th>2017-18 (Rs)</th><th>2016-17 (Rs)</th></tr> <tr> <td>Capital Expenditure</td><td>NIL</td><td>40,847/-</td></tr> <tr> <td>Recurring Expenditure</td><td>25,87,482/-</td><td>5,39,229/-</td></tr> </table> |  | 2017-18 (Rs) | 2016-17 (Rs) | Capital Expenditure | NIL | 40,847/- | Recurring Expenditure | 25,87,482/- | 5,39,229/- |
|                       | 2017-18 (Rs)                                                                                                            | 2016-17 (Rs)                                                                                                                                                                                                                       |  |              |              |                     |     |          |                       |             |            |
| Capital Expenditure   | NIL                                                                                                                     | 40,847/-                                                                                                                                                                                                                           |  |              |              |                     |     |          |                       |             |            |
| Recurring Expenditure | 25,87,482/-                                                                                                             | 5,39,229/-                                                                                                                                                                                                                         |  |              |              |                     |     |          |                       |             |            |

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The export market is not consistent and favorable for Katha. Moreover, as per the past trend the ratio of Export Sales to domestic Sales of the company is neither significant nor material. The Company has exported Katha of Rs. 52.47 Lacs during the year. However, Company is regularly importing Raw Materials for its consumption resulting in earnings / outgo as under:

|             | 2017-18 (Rs)   | 2016-17 (Rs)   |
|-------------|----------------|----------------|
| 1. Earnings | 52,47,164/-    | NIL            |
| 2. Outgo    | 75,62,53,724/- | 68,32,82,731/- |

For and on behalf of the Board

Kolkata  
30 May 2018

**Bharat Mohta**  
WTD & CEO  
DIN - 00392090

**K K Damani**  
Executive Director  
DIN - 01385252



## CORPORATE GOVERNANCE REPORT

**FY2018 represents fiscal year 2017-18, from 1 April 2017 to 31 March 2018, and analogously for FY2017 and previously such labeled years.**

### PHILOSOPHY ON CODE OF GOVERNANCE

The Indian Wood Products Co. Limited (IWP), 'the Company' firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty and accountability and help the Company in its goal to maximize value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Our Company is committed to the adoption of and adherence to the Corporate Governance practices at all times which are essentially aimed at ensuring transparency in all dealings and focused on enhancement of long-term shareholder value. Our Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity.

Our Company considers it absolutely essential to abide by the laws and regulations of the land in letter and spirit and is committed to the highest standards of Corporate Governance and be considered as a good corporate citizen of the Country.

Our Company complies with the corporate governance provisions as specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

This chapter of the annual report together with information given under the chapters entitled 'Management Discussion and Analysis' and 'Additional Shareholders' Information' constitute the compliance report of the Company on Corporate Governance for FY 2018.

### SHAREHOLDERS

The Companies Act, 2013 and the SEBI Listing Regulations stipulates the governance mechanism by shareholders in terms of passing of ordinary and special resolutions, voting rights, participation in the corporate actions such as bonus, declaration of dividend, etc. Your Company has in place the process to ensure that the shareholders of the Company are well informed of both on financial and non-financial information as necessary from time to time, and adequate notice with detailed explanation is sent to the shareholders well in advance whenever required to obtain necessary approvals.

### BOARD OF DIRECTORS

#### Composition of the Board

As on March 31, 2018, the Board of Directors of IWP consists 8 (eight) Directors, comprising (i) 3 (three) Executive Directors; (ii) 4 (four) Independent Directors, including a woman director; and (iii) 1 (one) Non-Executive Non-Independent Director; as defined under the Companies Act, 2013 and Listing Regulations. The Chairman of the Board is an Executive Director.

The Board is entrusted with the ultimate responsibility of the management with requisite powers and duties and is headed by the Chairman and Managing Director. It comprises eminent persons with high credentials or considerable professional expertise and experience in diversified fields. Each Director informs the Company on an annual basis about the Board and Board Committee positions he/she occupies in other companies, including Chairmanships, and notifies the changes occurred therein during the term of their directorship in the Company. Table 1 gives the composition of IWP's Board, their positions, relationship with other Directors, dates of joining the Board, number of Directorships and memberships of Board's Committees held by each of them.



**Table 1 – Composition of the Board and other disclosures**

| Name                        | Position                               | Relationship with other Directors | Date of Joining | Number of Directorships held in public companies (1) | Committee membership (2) | Chairmanship in Committees (2) |
|-----------------------------|----------------------------------------|-----------------------------------|-----------------|------------------------------------------------------|--------------------------|--------------------------------|
| Mr. Krishna Kumar Mohta*    | Chairman & Managing Director           | Father of Mr. Bharat Mohta        | 29-05-1980      | 4                                                    | -                        | -                              |
| Mr. Bharat Mohta**          | Whole-Time Director & CEO              | Son of Mr. Krishna Kumar Mohta    | 30-10-2005      | 4                                                    | 1                        | -                              |
| Mr. Krishna Kumar Damani*** | Executive Director                     | None                              | 15-04-1998      | 1                                                    | -                        | -                              |
| Mr. Vinod Mimani            | Independent Director                   | None                              | 30-12-2014      | 3                                                    | 1                        | -                              |
| Mr. Rajendra Prasad Chetani | Non-Executive Non-Independent Director | None                              | 27-04-2004      | 2                                                    | 2                        | 1                              |
| Mr. Sanjay Kumar Maheswary  | Independent Director                   | None                              | 30-01-2004      | 2                                                    | 3                        | 1                              |
| Mr. Vinod Kumar Maheshwary  | Independent Director                   | None                              | 13-04-2009      | 2                                                    | 3                        | 1                              |
| Ms. Drisha Poddar           | Independent Director (Woman)           | None                              | 18-02-2017      | 1                                                    | -                        | -                              |

(1) Other Directorships are those which are not covered under Section 165 of the Companies Act, 2013, and include the Directorship of IWP.

(2) Membership / Chairmanship in Audit and Stakeholders' Relationship Committees of all public limited companies, whether listed or not, including IWP's are considered. Foreign companies, private limited companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

(3) None of the Independent Directors serves as an Independent Director in more than seven listed companies.

\* Re-appointed as Chairman and Managing Director w.e.f. 1 April 2018.

\*\* Re-appointed as Whole time Director and CEO w.e.f. 1 April 2018.

\*\*\* Re-appointed as Executive Director w.e.f. 15 April 2018.

None of the Directors on the Board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director.

### TERM OF BOARD MEMBERSHIP

The Board, on the recommendations of the Nomination and Remuneration Committee, considers the appointment and re-appointment of Directors.

Section 149 of the Companies Act, 2013, provides that an Independent Director can be appointed for a term of up to five consecutive years on the Board of a Company and shall be eligible for re-appointment on passing of special resolution by the shareholders of the Company. The Independent Directors shall not be liable to retire by rotation.

Accordingly, all the Independent Directors of the Company were appointed under Section 149 of the Companies Act, 2013, for a term ranging up to 5 years.

As per the provisions of the Companies Act, 2013, one-third of the Board members other than Independent Directors,



who are subject to retire by rotation, retire every year; and approval of shareholders is sought for the re-appointment of such retiring members, if eligible.

Executive Directors are appointed by Board for a period not exceeding of three years at a time, and are eligible for re-appointment upon completion of the term. Their appointments are subsequently approved by the shareholders.

Mr. Krishna Kumar Damani, Director, retires by rotation at the forthcoming Annual General Meeting, and being eligible, seeks re-appointment.

### **SELECTION AND APPOINTMENT OF NEW DIRECTORS**

Induction of any new member on the Board of Directors is the responsibility of the Nomination and Remuneration Committee. Taking into account the existing composition and organization of the Board, and the requirement of new skill sets, if any, the Nomination and Remuneration Committee reviews potential candidates in terms of their expertise, skills, attributes, personal and professional backgrounds, gender and their ability to attend meetings. The potential Board member for the office of Independent Director is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations. The Committee then places the details of such candidates that meet these criteria to the Board of Directors for their consideration. If the Board approves, the person is appointed as an Additional Director, subject to the approval of shareholders in the Company's Annual General Meeting.

### **BOARD EVALUATION**

The Board has carried out an annual evaluation of its own performance, as well as the working of its Committees. The Nomination and Remuneration Committee laid down the criteria for such performance evaluation. The evaluation process was carried out internally in FY2018. The contribution and impact of individual members was evaluated on parameters such as level of engagement, independence of judgment, conflicts resolution and their contribution in enhancing the Board's overall effectiveness.

The Performance of the Chairman and Managing Director has been evaluated on key aspects of their role, which includes, inter-alia, effective leadership to the Board and adequate guidance to the each level of Management. Based on prescribed criteria as laid down, the performance of the Board, various Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Risk Management Committee, and Individual Director were evaluated at satisfaction level. During the year under review, the Independent Directors of your Company reviewed the performance of Non- Independent Directors and Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. The Board as a whole is a balanced unit where diverse views are expressed and dialogued when required. All the directors are participative, interactive and communicative. The Chairman has abundant knowledge, experience, skills and understanding of the Board's functioning and processes. The information flow between your Company's Management and the Board is timely & sufficient.

### **LETTER OF APPOINTMENT**

The Independent Directors on the Board of the Company, upon appointment, are given a formal appointment letter, inter-alia containing the term of appointment, roles, function, duties & responsibilities, code of conduct, disclosures, confidentiality, etc. The terms and conditions of the appointment of Independent Directors are available on the Company's website.

### **DIRECTORS' PROFILE**

A brief resume of Directors and nature of their expertise in specific functional areas are put up on the Company's website and can be accessed at <http://www.iwpkatha.com/board.html>.

**DIRECTORS' SHARE HOLDING IN THE COMPANY**

**Table 2** gives details of shares held by the Directors as on 31 March 2018.

| <b>Table2: Shares held by the Directors as on 31 March 2018</b> |                           |
|-----------------------------------------------------------------|---------------------------|
| <b>Name</b>                                                     | <b>No. of shares held</b> |
| Mr. Krishna Kumar Mohta                                         | 176320                    |
| Mr. Bharat Mohta                                                | 758900                    |
| Mr. Krishna Kumar Damani                                        | Nil                       |
| Mr. Vinod Mimani                                                | Nil                       |
| Mr. Rajendra Prasad Chetani                                     | 456                       |
| Mr. Sanjay Kumar Maheswary                                      | 400                       |
| Mr. Vinod Kumar Maheshwary                                      | 200                       |
| Ms. Drisha Poddar                                               | Nil                       |

**MEETINGS OF THE BOARD**

The Company plans and prepares the schedule of the Board and Board Committee meetings in advance to assist the Directors in scheduling their program. The schedule of meetings and agenda for meeting is finalized in consultation with the Directors. The agenda of the meeting is pre-circulated with detailed notes, supporting documents and executive summary wherever required.

As per the provisions of the Companies Act, 2013 read with Regulation 17(2) of the Listing Regulations and Secretarial Standard 1, the Board of Directors must meet at least four times a year, with a maximum time gap of 120 (one hundred and twenty) days between two Board meetings.

The Board meets 8 (Eight) times during the FY2018 and the gap between two meetings did not exceed 120 (one hundred and twenty) days. The dates on which the Board Meetings were held are as follows:

12 May 2017, 30 May 2017, 09 August 2017, 07 September 2017, 18 September 2017, 07 December 2017, 30 December 2017 and 14 February 2018. Details of Directors and their attendance in Board Meetings and Annual General Meeting are given in **Table 3**.

**Table 3: Directors' attendance at Board meetings and AGM held during FY2018**

| <b>Name</b>                 | <b>Meetings held in Director's tenure</b> | <b>Number of Board meetings Attended</b> | <b>Attendance in last AGM on 18 September 2017</b> |
|-----------------------------|-------------------------------------------|------------------------------------------|----------------------------------------------------|
| Mr. Krishna Kumar Mohta     | 8                                         | 6                                        | Present                                            |
| Mr. Bharat Mohta            | 8                                         | 8                                        | Present                                            |
| Mr. Krishna Kumar Damani    | 8                                         | 2                                        | Present                                            |
| Mr. Vinod Mimani            | 8                                         | 7                                        | Present                                            |
| Mr. Rajendra Prasad Chetani | 8                                         | 8                                        | Present                                            |
| Mr. Sanjay Kumar Maheswary  | 8                                         | 8                                        | Present                                            |
| Mr. Vinod Kumar Maheshwary  | 8                                         | 8                                        | Present                                            |
| Ms. Drisha Poddar           | 8                                         | 1                                        | Absent                                             |

The Board and its Committee meetings at IWP's typically comprise one-day session. In the course of these meetings, the business unit heads and key management personnel make presentations to the Board. The Board is updated on the discussions at the Committee meetings and their recommendations through the Chairman of the respective Committees.



## INFORMATION GIVEN TO THE BOARD

The Company provides the following information, inter alia, to the Board and Board-level Committees, either as part of the agenda papers in advance of the meetings or by way of presentations and discussion material during the meetings:

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Quarterly results for the listed entity and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the board of directors.
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

## POST MEETING FOLLOW-UP MECHANISM

The decisions taken at the Board /Board Committees' meetings are communicated to the concerned departments/divisions promptly. An action taken/status report on the decisions of the previous meeting(s) is placed at the next meeting of the Board/Board Committees for information and further recommendation / action(s), if any.

## MEETINGS OF INDEPENDENT DIRECTORS

During FY2018, the Independent Directors met one time in executive sessions without the presence of management. In addition to this meeting, the Company is ready to facilitate such sessions as and when required by the Independent Directors. An Independent Director, with or without other Independent Directors, takes the lead to provide structured feedback to the Board about the key elements that emerge out of these executive sessions.

## DIRECTOR'S REMUNERATION

The Company has a policy for the remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees. The remuneration of the Directors is based on the Company's size, presence, its economic and financial position, compensation paid by other companies, the qualification of the appointee(s), their experience, past performance and other relevant factors. The policy forms the part of the corporate governance report as '**Annexure – A**'.



The Executive Directors of the Company, Mr. Krishna Kumar Mohta, Chairman and Managing Director, Mr. Bharat Mohta, CEO, and Mr. Krishna Kumar Damani, Executive Director, are appointed by shareholders' resolution for a period of three years. No severance fees is payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and are in line with the Company's policies.

The Non-Executive Directors are not entitled to any remuneration other than sitting fee for attending meetings of the Board and its Committees as approved by the Board. Sitting fee is payable for all Board and Audit Committee and Nomination and Remuneration Committee meetings only.

No sitting fee is paid to Executive Directors for attending meetings of the Board and its Committees. The remuneration paid or payable to the Directors for their services rendered during FY2018 is given in Table- 4.

| <b>Table 4: Remuneration paid or payable to the Directors during FY2018</b> |                     |                 |                    | <b>(Rs. in lacs)</b> |
|-----------------------------------------------------------------------------|---------------------|-----------------|--------------------|----------------------|
| <b>Name of Directors</b>                                                    | <b>Sitting fees</b> | <b>Salaries</b> | <b>Perquisites</b> | <b>Total</b>         |
| Mr. Krishna Kumar Mohta                                                     | Nil                 | 120.00          | 36.18              | 156.18               |
| Mr. Bharat Mohta                                                            | Nil                 | 96.00           | 48.21              | 144.21               |
| Mr. Krishna Kumar Damani                                                    | Nil                 | 72.84           | -                  | 72.84                |
| Mr. Vinod Mimani                                                            | 0.43                | -               | -                  | 0.43                 |
| Mr. Rajendra Prasad Chetani                                                 | 0.60                | -               | -                  | 0.60                 |
| Mr. Sanjay Kumar Maheswary                                                  | 0.60                | -               | -                  | 0.60                 |
| Mr. Vinod Kumar Maheshwary                                                  | 0.60                | -               | -                  | 0.60                 |
| Ms. Drisha Poddar                                                           | 0.05                | -               | -                  | 0.05                 |

#### THE CRITERIA FOR MAKING PAYMENTS TO THE EXECUTIVE DIRECTORS ARE:

The Nomination and Remuneration Committee recommends the remuneration for the Executive Chairman and Managing Director, other Executive Directors, Senior Management and Key Managerial Personnel. The payment of remuneration to the Executive Directors is approved by the Board and Members. There has been no change in the remuneration policy during the financial year.

In determining the remuneration of Executive Chairman and Managing Director, Executive Directors, Senior Management Employees and Key Managerial Personnel, the Nomination and Remuneration Committee and the Board considers the following:

- the balance between fixed salary, perquisites and retirement benefits reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.
- alignment of remuneration of Directors and Key Managerial Personnel with long-term interests of the Company.
- Company's performance vis-à-vis the individuals' achievement & experience, industry benchmark and current compensation trends in the market.

The Non-Executive Directors are not entitled to any remuneration.

#### FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

To familiarize a new Independent Director with the Company, its policies and procedures, a familiarize kit containing informative documents about the Company like past five years Annual Reports, CSR Report, Memorandum and Articles of Association, Company's Code of Conduct, presentation on financial and operational highlights etc. are provided to him/her. The new Independent Director meets individually with each Board members KMPs and senior management personnel. Visits to plant location(s) are also organized for the new Director to understand the Company's product and operations. Periodic presentations are made by senior management on business and performance updates of the Company, business risk and its mitigation strategy. The Company has uploaded its Familiarization Programme for Independent Directors on the website of the Company at [www.iwpkatha.com](http://www.iwpkatha.com).



## RISK MANAGEMENT

The Company has an enterprise-wide risk management (ERM) system in place. An independent Risk Management Committee of the Board oversees and reviews the risk management framework, assessment of risks, and management and minimization procedures. The Committee reports its findings and observations to the Board. Risk management practices of the Company are covered in the chapter on Management Discussion and Analysis in this annual report.

## COMPLIANCE REVIEWS

IWP's has a dedicated team under an identified Compliance Officer for overseeing compliance activities, including monitoring, and a defined framework to review the compliances with all laws applicable to the Company. The compliance status is periodically updated to the senior management team including the CEO and the CFO through review meetings. Presentations are made in the quarterly Audit Committee meetings regarding the status on compliance and the reports are also shared with Board members.

## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

As per the Listing Regulations and the Companies Act, 2013, the Company adopted a 'The Code of Conduct for Board Members and Senior Management' which applies to all its Directors and employees, and affiliates. It is the responsibility of all Directors and employees to familiarize themselves with this Code and comply with its standards. The Board and the Senior Management affirm compliance with the Code of Business Conduct and Ethics annually. A certificate of the Chief Executive Officer of the Company to this effect is enclosed as **Annexure- B**.

## RELATED PARTY TRANSACTIONS

The details of Related Party Transactions are discussed in detail in Note No.31 of Notes to the financial Statements. All Related Party Transactions during the year, in the ordinary course of business or otherwise, were placed before the Audit Committee and subsequently before the Board. All related party transactions were on arm's length basis.

## SUBSIDIARY COMPANIES

The Company does not have any subsidiary Company.

## DISCLOSURE ON ACCOUNTING TREATMENT

In the preparation of financial statements for FY2018, there is no treatment of any transaction different from that prescribed in the Accounting Standards notified by the Government of India under the Companies Act, 2013.

## COMMITTEES OF THE BOARD

The Board Committees focus on specific areas and make informed decisions within the authority delegated. Each such Committee is guided by its Charter, which defines the composition, scope and powers in line with the statutory requirements. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information, consideration, approval or action, as the case may be.

The Company has five Board-level Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

### Audit Committee

The management is responsible for the Company's internal controls and the financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statements in accordance with generally accepted auditing practices and for issuing reports based on such audits.



The Board of Directors has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

**A. The role of the audit committee shall include the following:**

1. 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;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. 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;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / 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;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;



18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

**B. The audit committee shall mandatorily review the following information:**

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
6. 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).

The Audit Committee comprises of 2 (two) Independent Directors and 1 (one) Non-Executive Non- Independent Director. All members of the Audit Committee are financially literate and bring in expertise in the fields of finance, economics, strategy and management.

The Audit Committee met 4 (four) times during FY2018 on 30 May 2017, 7 September 2017, 7 December 2017 and 14 February 2018. It also meets the key members of finance team and internal audit team along with the CEO and the CFO to discuss matters relating to audit, compliance and accounting. During the year, the Committee also meets Statutory Auditors without the presence of the management on more than one occasion.

The Company is in compliance with the provisions of the Regulation 18 of Listing Regulations, as amended, on the time gap between any 2 (two) Audit Committee Meetings. **Table 5** gives the composition and attendance record of the Audit Committee.

**Table 5 : Audit Committee Membership and attendance during FY2018**

| Committee members           | Position | Meetings held | Meetings attended |
|-----------------------------|----------|---------------|-------------------|
| Mr. Sanjay Kumar Maheswary  | Chairman | 4             | 4                 |
| Mr. Vinod Kumar Maheshwary  | Member   | 4             | 4                 |
| Mr. Rajendra Prasad Chetani | Member   | 4             | 4                 |

The Chairman and Managing Director, the CEO, the CFO and the Internal Auditor are permanent invitees to all Audit Committee meetings. The Statutory Auditors of the Company was present in all the Audit Committee meetings held during the year. The Company Secretary officiates as the secretary of the Committee.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee entirely comprises of Non- Executive Directors. The primary functions of the Committee are to:

- Examine the structure, composition and functioning of the Board, and recommend changes, as necessary, to improve the Board's effectiveness.
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and



recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;

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 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.
- Regularly examine ways to strengthen the Company's organizational health, by improving the hiring, retention, motivation, development, deployment and behavior of management and other employees.

In this context, the Committee also reviews the framework and processes for motivating and rewarding performance at all levels of the organization, reviews the resulting compensation awards, and makes appropriate proposals for Board approval. In particular, it recommends all forms of compensation to be granted to Directors, executive officers and senior management employees of the Company.

The Nomination and Remuneration Committee met 3 (three) times during FY2018 on 30 May 2017, 7 December 2017 and 30 December 2017. The CEO and the CFO are special invitees to the Nomination and Remuneration Committee meetings.

**Table 6** gives the composition and attendance record of the Nomination and Remuneration Committee.

| <b>Table 6: Nomination and Remuneration Committee membership and attendance during FY2018</b> |                 |                      |                          |
|-----------------------------------------------------------------------------------------------|-----------------|----------------------|--------------------------|
| <b>Committee members</b>                                                                      | <b>Position</b> | <b>Meetings held</b> | <b>Meetings attended</b> |
| Mr. S. K. Maheswary                                                                           | Chairman        | 3                    | 3                        |
| Mr. V. K. Maheshwary                                                                          | Member          | 3                    | 3                        |
| Mr. R. P. Chetani                                                                             | Member          | 3                    | 3                        |

### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee is empowered to perform the functions of the Board relating to handling of shareholders' queries and grievances. It primarily focuses on:

- Review the process and mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances.
- Review and resolve the pending investors complaints, if any, relating to transfer of shares, nonreceipt of share certificate(s), non-receipt of interest dividend warrants, non-receipt of annual report and any other grievance / complaints with Company or any officer of the Company arising out in discharge of his duties.
- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolve them.
- Review of corporate actions related to security holders.

The Stakeholders' Relationship Committee consists of 4 (four) Directors, including two Independent Directors. The Chairman of the Committee is a Non-Executive Non-Independent Director. The Committee meets 2 (two) times during FY2018 on 18 September 2017 and 14 February 2018.

**Table 7** gives the composition and attendance record of the Committee.

| <b>Table7: Stakeholders' Relationship Committee membership attendance during FY2018</b> |                 |                      |                          |
|-----------------------------------------------------------------------------------------|-----------------|----------------------|--------------------------|
| <b>Committee members</b>                                                                | <b>Position</b> | <b>Meetings held</b> | <b>Meetings attended</b> |
| Mr. R P Chetani                                                                         | Chairman        | 2                    | 2                        |
| Mr. V. K. Maheswary                                                                     | Member          | 2                    | 2                        |
| Mr. S K Maheswary                                                                       | Member          | 2                    | 2                        |
| Mr. Bharat Mohta                                                                        | Member          | 2                    | 2                        |

The Company Secretary officiates as the secretary of the Committee. The Company has not received any complaints from the shareholders during FY2018, and that no complaints were pending at the end of the FY2018.

### **Corporate Social Responsibility Committee**

The Committee consists of four Directors, including 3 (three) Executive Director. The Chairman of the Committee is an Executive Director. The CSR Committee is empowered to perform the functions of the Board relating to handling the social initiatives. Its primary functions are to:

- Formulate, review and recommend to the Board, a CSR policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the initiatives as per the CSR policy.
- Provide guidance on various CSR initiatives undertaken by the Company and monitoring their progress.
- Monitor implementation and adherence to the CSR Policy of the Company from time to time.

The CSR Committee formulated and recommended the CSR policy to the Board, during the year. The Committee met 4 (four) times during FY2018 on 18 May 2017, 18 September 2017, 30 December 2017 and 30 March 2018.

**Table 8** gives the composition and attendance record of the Committee.

| <b>Table 8: Corporate Social Responsibility Committee membership attendance during FY2018</b> |                 |                      |                          |
|-----------------------------------------------------------------------------------------------|-----------------|----------------------|--------------------------|
| <b>Committee members</b>                                                                      | <b>Position</b> | <b>Meetings held</b> | <b>Meetings attended</b> |
| Mr. K K Mohta                                                                                 | Chairman        | 4                    | 4                        |
| Mr. Bharat Mohta                                                                              | Member          | 4                    | 4                        |
| Mr. Vinod Mimani                                                                              | Member          | 4                    | 4                        |
| Mr. K K Damani                                                                                | Member          | 4                    | Nil                      |

### **Risk Management Committee**

The Company has constituted a Risk Management Committee of the Board oversee the risk management of the Company. The Committee consists of 4 (four) Directors, including two Executive Director. The Chairman of the Committee is an Executive Director. The Committee met 1 (one) time during FY2018 on 30 May 2017.

**Table 9** gives the composition and attendance record of the Committee.

| <b>Table 9: Risk Management Committee membership attendance during FY2018</b> |                 |                      |                          |
|-------------------------------------------------------------------------------|-----------------|----------------------|--------------------------|
| <b>Committee members</b>                                                      | <b>Position</b> | <b>Meetings held</b> | <b>Meetings attended</b> |
| Mr. K K Mohta                                                                 | Chairman        | 1                    | 1                        |
| Mr. Bharat Mohta                                                              | Member          | 1                    | 1                        |
| Mr. Vinod Mimani                                                              | Member          | 1                    | 1                        |
| Mr. K K Damani                                                                | Member          | 1                    | 1                        |



The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

The Board of Directors is overall responsible for identifying, evaluating, and managing all significant Risk factors faced by the Company. The Company has also laid down a procedure to inform the Board on periodic basis about the identification of Risks and the steps to be taken to mitigate and minimize the same.

A senior executive has been entrusted at all the levels of business operation in the Company whose role is not only to identify the Risk but also to educate about the identified risk and to develop Risk Management culture within the business.

### MANAGEMENT

The management of the Company develops and implements policies, procedures and practices that attempt to translate the Company's core purpose and mission into reality. The management also identifies, measures, monitors and minimizes risk factors in the business and ensures safe, sound and efficient operation. These are internally supervised and monitored through the CEO and the CFO.

Listed below are some of the key issues that were considered by the management during the year under review:

- Company's long-term strategy, growth initiatives and priorities.
- Overall Company performance, including those of various business units.
- Decision on major corporate policies.
- Discussion and sign-off on annual plans, budgets, investments and other major initiatives.
- Discussion on business alliances proposals.

### MANAGEMENT DISCUSSION AND ANALYSIS

A separate chapter on the 'Management Discussion and Analysis' is included in this annual report constitutes a part of this report.

### MANAGEMENT DISCLOSURES

Senior Management of the Company (Senior Manager level and above, as well as certain identified key employees) make annual disclosures to the Board relating to all material financial and commercial transactions in which they may have personal interest, if any, and which may have a potential conflict with the interest of the Company. Transactions with key managerial personnel are listed in the financial section which forms the part of this annual report under Related Party Transactions.

### PROHIBITION OF INSIDER TRADING

The Company has a policy prohibiting Insider Trading in conformity with applicable SEBI regulations. Necessary procedures have been laid down for Directors, officers and designated employees for trading in the securities of the Company. The policy and procedures are periodically communicated to the employees who are considered as insiders of the Company. Trading window closure periods, when the Directors and employees are not permitted to trade in the securities of the Company, are intimated to all Directors and employees, in advance, whenever required.

### INTERNAL CONTROL SYSTEMS

The Company has both external and internal audit systems in place. Auditors have access to all records and information of the Company. The Board recognizes the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. The Board and the management periodically review the findings and recommendations of the statutory and internal auditors and takes corrective actions whenever necessary.



## INTERNAL CONTROLS

The Company maintains a system of internal controls designed to provide reasonable assurance regarding:

- Effectiveness and efficiency of operations.
- Adequacy of safeguards for assets.
- Reliability of financial controls.
- Compliance with applicable laws and regulations.

The integrity and reliability of the internal control systems are achieved through clear policies and procedures, process automation, careful selection, training and development of employees and an organization structure that segregates responsibilities. Internal Audit at IWP is an independent and objective assurance function, responsible for evaluating and improving the effectiveness of risk management, control and governance processes.

The Audit Committee of the Board monitors the performance of internal audit department on a periodic basis through review of audit plans, audit findings and speed of issue resolution through follow-ups. Each year, there are at least four meetings held, where the Audit Committee reviews internal audit findings, in addition to special meetings and discussions.

## CEO AND CFO CERTIFICATION

A certificate of the Chief Executive Officer and the Chief financial Officer of the Company on financial statements and applicable internal controls as stipulated under Regulation 17(8) of the Listing Regulations is enclosed below as **Annexure - C**.

## STATUTORY AUDITS

For FY2018 M/s. Agrawal Sanjay & Company, Chartered Accountants, has audited the financial statements prepared under the INDAS.

## AUDITORS' FEES

During FY 2018, the Company paid Rs.3.00 Lacs to M/s. Agrawal Sanjay & Company, the Statutory Auditors as audit fees.

## MEANS OF COMMUNICATION

1. Quarterly and annual results: Quarterly and annual results of the Company are published in widely circulated national newspapers and the local vernacular daily. These are also made available on corporate website: [www.iwpkatha.com](http://www.iwpkatha.com)
2. Website: The primary source of information regarding the operations of the Company is the corporate website: [www.iwpkatha.com](http://www.iwpkatha.com). All official news releases are posted on this website. It contains a separate dedicated section called 'Investors', where the relevant information for shareholders is available.
3. Annual report: The Company's annual report containing, inter alia, the Directors' Report, Corporate Governance Report, Management's Discussion and Analysis (MD&A) Report, Audited Annual Accounts, Auditors' Report and other important information is circulated to members and others so entitled. The annual report is also available on the website in a user-friendly and downloadable form.
4. Register to receive electronic communications: The Company has provided an option to the shareholders to register their email id either by writing to the Company or to the Registrar and Share Transfer Agent to receive electronic communications.

**For and on behalf of the Board**

**Kolkata**  
**30 May 2018**

**Bharat Mohta**  
*WTD & CEO*  
DIN - 00392090

**K K Damani**  
*Executive Director*  
DIN - 01385252



**Annexure – B**

**Compliance with the Code of Conduct for Board Members and Senior Management**  
**[Declaration as per Regulation 34(3) Listing Regulations]**

I hereby confirm that all the members of the Board and senior management personnel have affirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management for the FY2018.

**For The Indian Wood Products Co. Limited**

**Bharat Mohta**

**Chief Executive Officer**

**Kolkata, 30 May 2018**

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**Certificate on Corporate Governance**

To

**The Members of The Indian Wood Products Co Ltd.**

We have examined the relevant records of The Indian Wood Products Co Ltd ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from 1 April 2017 to 31 March 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Listing Regulations.

We further state that in respect of investor grievances received during the year ended 31st March, 2018, no investor grievances are pending against the Company as on 30th May, 2018 as per the records maintained by the Company.

We further state that this certificate 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.

**Ashok Kumar Daga**

*Practicing Company Secretary*

FCS- 2699 & C.P. No. 2948

**Kolkata, May 30, 2018**

**Annexure – C****CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)  
CERTIFICATION****{Pursuant to Regulation 17(8) of the Listing Regulations}**

We, Bharat Mohta, Chief Executive Officer (CEO), Raj Kumar Agarwal, Chief Financial Officer (CFO), of the Company, to the best of our knowledge and belief, hereby certify that:

- a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending March 31, 2018 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d)
  - (i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (ii) Significant changes in Accounting Policies during the year have been approved by the Audit Committee and disclosed in the Financial Statement.
  - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board**

**Kolkata**  
**30 May 2018**

|                                |                                |
|--------------------------------|--------------------------------|
| <b>Bharat Mohta</b>            | <b>R. K. Agarwal</b>           |
| <b>Chief Executive Officer</b> | <b>Chief Financial Officer</b> |



## NOMINATION AND REMUNERATION COMMITTEE POLICY

The Indian Wood Products Co. Ltd (IWP), believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Constitution of the Board of Directors ensures appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. The importance of Independent Directors in achieving the effectiveness of the Board was also recognized. The Company intends to have an optimum combination of Executive, Non-Executive and Independent Directors.

The Company has therefore formulated the remuneration policy duly approved by Board for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

- a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, Retain and motivate, to run the Company successfully.
- b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c. Ensuring that remuneration involves a balance between fixed and reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The main object of this Committee is to identify person who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors of the Board and also the remuneration of Senior Management from time to time.

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company and also for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company

The Nomination and Remuneration Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's operations.

In evaluating the suitability of individual Board members, the Committee may take into account factors, such as General understanding of the Company's business, Educational and professional background, Personal and professional ethics, integrity and values, willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- (a) Shall possess a Director Identification Number;
- (b) Shall not be disqualified under the Companies Act, 2013;
- (c) Shall give his written consent to act as a Director;
- (d) Shall endeavor to attend all Board Meetings and Committee Meetings, wherever he is appointed.



- (e) Shall disclose his concern or interest as required under the Companies Act, 2013
- (f) Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013

The Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director. The criteria of independence, as laid down in Companies Act, 2013 should be strictly followed.

The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company.

The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors / Key Managerial Personnel of the Company within the overall limits approved by the shareholders.

The remuneration structure to the Executive Directors and Key Managerial Personnel shall include Basic Pay, Perquisites and Allowances & Retrial Benefits. Where any insurance is taken by the Company on behalf of its managing directors, Chief Financial Officer, the company secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Committee on review of performance of Directors, KMPs and other employees of the Company may recommend to the Board for removal of such person if they consider him not to continue further in the interest of the Company, due to any of the reasons for disqualification as provided under the Act or on any reservation about their performances.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulation or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee would be given for approval to the Board.

This policy is framed based on the provisions of the Companies Act 2013 and rules there under and requirements of Listing Regulations.



## ADDITIONAL SHAREHOLDER INFORMATION

FY2018 represents fiscal year 2017-18, from 1 April 2017 to 31 March 2018, and analogously for FY 2017 and previously such labeled years.

### 1. General Body Meetings

Below table gives the details of date, time, location and business transacted through special resolution at last three Annual General Meetings:

| Financial Year | Date & Time                       | Location                                                                | Special resolution(s) passed                                                                                                                                                                                                                                      |
|----------------|-----------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2016-17        | September 18, 2017<br>at 3.30 P.M | Bharatiya Bhasha Parishad<br>36A Shakespeare Sarani<br>Kolkata – 700017 | 1. Authority to Board to borrow up to 250 Crores under section 180(1)(c) of the Companies Act, 2013<br>2. Authority to the Board to create mortgage/ Charge/ hypothecation within the overall borrowing limits under section 180(1)(a) of the Companies Act, 2013 |
| 2015-16        | September 28, 2016<br>at 3.30 P.M | Bharatiya Bhasha Parishad<br>36A Shakespeare Sarani<br>Kolkata – 700017 | 1. Re-appointment of Mr. K K Mohta, as whole time Director designated as Chairman<br>2. Issue of Bonus Shares in the Ratio Three Bonus Share for every One Share held                                                                                             |
| 2014-15        | September 28, 2015<br>at 3.30 P.M | Bharatiya Bhasha Parishad<br>36A Shakespeare Sarani<br>Kolkata – 700017 | 1. Authority to Board to give Loan/Guarantee or to make investment under section 186 of the Companies Act, 2013<br>2. Adoption of New Article of Association                                                                                                      |

### Resolution(s) passed through Postal Ballot

During the FY 2018 members of the Company had approved the following Special Resolutions, stated in the below table by requisite majority. Postal ballot notice dated March 1, 2017 and December 30th 2017 was sent to the shareholders in electronic form as well as in physical form.

The Company had published a notices/voting results in the newspapers in compliance with the provision of the Companies Act 2013 and Secretarial Standard-2

The Board had appointed Md. Shahnawaz of M/s. Shahnawaz & Associates a practicing Company Secretary as Scrutinizer to conduct the Postal Ballot in a fair and transparent manner

Md. Shahnawaz Scrutinizer submitted his report after considering physical Postal Ballot and e-voting received, to the Chairman on April 13, 2017 & February 15, 2018, who announced the results on the said dates.



The details of the voting pattern are given below:

| Resolutions passed through Postal Ballot                                                                                                                                                               | Votes in favour of the resolution (%) | Votes against the resolution (%) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|----------------------------------|
| <b>On April 13, 2017</b>                                                                                                                                                                               |                                       |                                  |
| 1. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, re-appointment of Mr. Krishna Kumar Mohta as Chairman and MD of the Company                                             | 100                                   | Nil                              |
| 2. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, revision in the remuneration of Mr. Bharat Mohta and his re-designation as Chief Executive Officer (CEO) of the Company | 100                                   | Nil                              |
| 3. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, re-appointment of Mr. Krishna Kumar Damani as Executive Director                                                        | 100                                   | Nil                              |
| <b>On February 15, 2018</b>                                                                                                                                                                            |                                       |                                  |
| 1. Pursuant to provision of Section 13 of the Companies Act 2013, amendment in the object clause of the Memorandum of Article of the Company                                                           | 100                                   | Nil                              |
| 2. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, re-appointment of Mr. Krishna Kumar Mohta as Chairman and MD of the Company                                             | 100                                   | Nil                              |
| 3. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, Mr. Bharat Mohta as Chief Executive Officer (CEO) of the Company                                                        | 100                                   | Nil                              |
| 4. Pursuant to provision of Section 196, 197 & 203 of the Companies Act, 2013, re-appointment of Mr. Krishna Kumar Damani as Executive Director                                                        | 100                                   | Nil                              |

## 2. Annual General Meeting (AGM)

Day, Date & Time: Monday, September 17 2018, at 3.30 P.M.

Venue: Bharatiya Bhasha Parishad  
36A Shakespeare Sarani  
Kolkata – 700 017

Last date for receipt of proxy Forms Saturday, September 15, 2018

## 3. Proposal to Conduct Postal Ballot for any Matter in the Ensuing Annual General Meeting

There is no proposal to conduct postal ballot for any matter in the ensuing Annual Meeting.

## 4. Procedure for Postal Ballot

The Company provides an electronic voting facility to all its shareholders, to enable them to cast their votes electronically along with Postal Ballot. The Company engages the services of NSDL for the purpose of providing the e-voting facility to all its shareholders.



The Company dispatches the postal ballot notices and forms along with self-addressed business reply envelopes to its shareholders whose names appear on the register of the members/list of beneficiaries as on a cut-off date. The postal ballot notice is sent to the shareholders in electronic form to the email addresses registered with the depository participants/registrars and transfer agent.

Voting rights are reckoned on the paid up value of the shares registered in the name of the Shareholders as on the cut-off date. The shareholders have an option either to vote through physically ballot form or through e-voting.

The scrutinizer submits his report to the chairman of the board of directors after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the chairman. The date of declaration of result is deemed to be the date of passing of the resolutions.

The results are also displayed on the website of the company: [www.iwpkatha.com](http://www.iwpkatha.com), besides being communicated to the stock exchanges, depository and registrar and transfer agent.

**5. Book Closure Date:-**

From September 11, 2018 to September 17, 2018 (both days inclusive) for the purpose of payment of dividend and AGM.

**6. Dividend**

Dividend shall be paid to all the Shareholders who were on the register of members as on closing hours of September 10, 2018, being the record date fixed for this purpose. Dividend will be credited / dispatched on or after September 18, 2018.

**7. Financial Calendar**

The financial year of the Company starts on 1st April every year and ends on 31st March subsequent year.

Indicative calendar of events for the financial year 2018-19 are as under

|                                                         |                              |
|---------------------------------------------------------|------------------------------|
| For the quarter ending 30 June 2018                     | Second week of August 2018   |
| For the quarter and half- year ending 30 September 2018 | Second week of November 2018 |
| For the quarter and nine months ending 31 December 2018 | Second week of February 2019 |
| For the year ending 31 March 2019                       | Fourth week of May 2019      |
| AGM for the year ending 31 March 2019                   | Last week of August 2019     |

**8. Listing of Stock Exchange and Stock Codes**

|                                     |            |
|-------------------------------------|------------|
| Stock Exchange                      | Scrip code |
| The Calcutta Stock Exchange Limited | 019055     |
| BSE Ltd                             | 540954     |

Listing fees to The Calcutta Stock Exchange Limited and BSE Limited for listing of equity share have been paid for the FY2019. The Custodian fee for NSDL & CDSL has also been paid for the FY2019.

The equity shares of the company has been listed on BSE Ltd w.e.f. 21st February, 2018, under the Direct Listing Norms of BSE Ltd

**9. The International Security Identification Number (ISIN)**

ISIN is an unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized securities of the Company. The ISIN of the Company's equity shares is **INE586E01012**.



## 10. Market Price Data

The Equity Shares of the Company are presently listed on The Calcutta Stock Exchange Limited (CSE) and BSE Limited. There is no trading in the equity shares of the Company on CSE.

The equity shares of the Company has been listed and admitted for trading on BSE Limited (BSE) under BSE's Direct Listing Norms w.e.f. February 21, 2018. The monthly high / low and the total number of shares traded per month on the BSE during FY2018 are given below:-

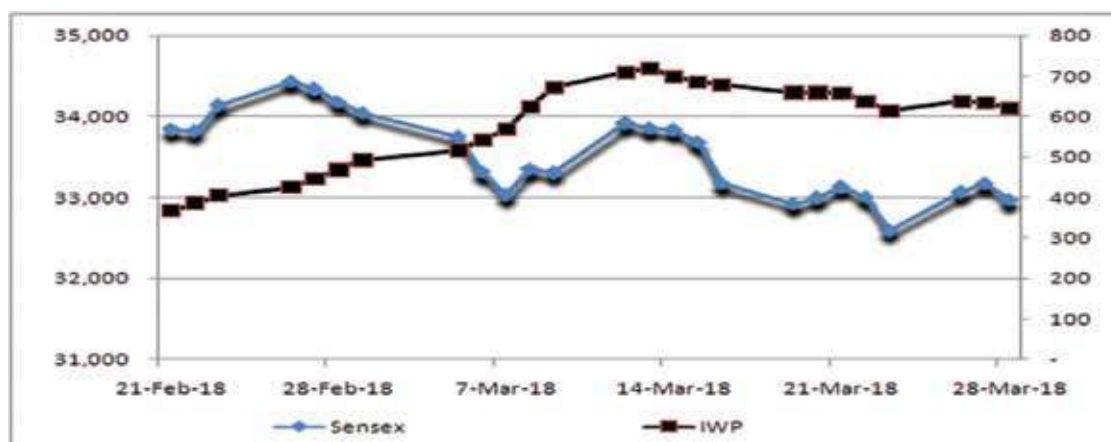
### High, low and number of shares traded per month on BSE during FY2018

| Month    | BSE        |           |               |
|----------|------------|-----------|---------------|
|          | High (Rs.) | Low (Rs.) | No. of Shares |
| Apr 2017 | NA         | NA        | NA            |
| May 2017 | NA         | NA        | NA            |
| Jun 2017 | NA         | NA        | NA            |
| Jul 2017 | NA         | NA        | NA            |
| Aug 2017 | NA         | NA        | NA            |
| Sep 2017 | NA         | NA        | NA            |
| Oct 2017 | NA         | NA        | NA            |
| Nov 2017 | NA         | NA        | NA            |
| Dec 2017 | NA         | NA        | NA            |
| Jan 2018 | NA         | NA        | NA            |
| Feb 2018 | 468.05     | 349.40    | 4,594         |
| Mar 2018 | 740.00     | 491.45    | 1,26,997      |

## 11. Performance in comparison to board based indicies

The Equity Shares of the Company are presently listed on The Calcutta Stock Exchange Limited (CSE) and BSE Limited. There is no trading in the equity shares of the Company on CSE during 2018.

The trading data of the equity shares of the Company on BSE are available with effect from February 21, 2018. The trading data of the Company's equity shares and its performance comparison to board based indices for the period from February 21, 2018 to March 31, 2018, are as under:



**12. Registrar and Share Transfer Agents**

M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, BRB Basu Road, Kolkata- 700001, is the Registrar and Share Transfer Agent of the Company, both for physical & Demat Segments. Accordingly, all communications on matters relating to Share Transfers, Dividend etc. may be sent directly to them.

Complaints, if any, on these matters may also be sent to the Compliance Officer of the Company.

**13. Share Transfer System**

The share transfers/transmission/splits and /or issue of duplicate share certificates are processed on behalf of the Company by the Registrar and Transfer Agents, M/s. Niche Technologies Pvt. Ltd. and is then placed before the Share Transfer Committee who has been delegated by Stakeholder Relationship Committee to approve transfers. The Company Secretary addressed all the requests fortnightly.

All queries and request relating to share /debenture transfers/ transmissions may be addressed to our Registrar and transfer Agents.

The Company periodically reviews the operations of its Registrar and Transfer Agent.

**14. Description of Voting Rights**

All shares issued by the Company carry the equal voting rights, and one share confirms one vote.

**15. Nomination Facility**

Shareholders / Debenture Holders holding physical shares/debentures may, if they so desire, may send their nominations in Form SH13 to the Registrar & Transfer Agents of the Company. Those holding shares in dematerialized form may contact their respective Depository Participant (DP) to avail nomination facility.

**16. Shareholding Pattern as on March 31, 2018:****Distribution of shareholdings on the basis of ownership**

| Particulars                       | As on 31 March 2018 |            | As on 31 March 2017 |            | % change |
|-----------------------------------|---------------------|------------|---------------------|------------|----------|
|                                   | No. of shares       | % of total | No. of shares       | % of Total |          |
| Promoter's Holding                |                     |            |                     |            |          |
| - Individuals                     | 3086856             | 48.26      | 3087360             | 48.26      | -        |
| - Companies                       | 1401196             | 21.90      | 1401196             | 21.90      | -        |
| Sub-Total                         | 4488052             | 70.16      | 4488556             | 70.16      | -        |
| Indian Financial Institutions     | -                   | -          | -                   | -          | -        |
| Banks                             | 40172               | 0.63       | 40172               | 0.63       | -        |
| Mutual Funds                      | -                   | -          | -                   | -          | -        |
| Foreign holdings                  |                     |            |                     |            |          |
| - Foreign Institutional Investors | -                   | -          | -                   | -          | -        |
| - Non Resident Indians            | 156572              | 2.45       | 156808              | 2.45       | -        |
| - ADRs / Foreign Nationals        | -                   | -          | -                   | -          | -        |
| Sub total                         | 196744              | 3.08       | 196980              | 3.08       | -        |
| Indian Public and Corporates      | 1712476             | 26.76      | 1711736             | 26.76      | -        |
| Total                             | 6397272             | 100.00     | 6397272             | 100.00     | -        |



### 17. Distribution of Shareholding as on March 31, 2018

| Range             | No of Shareholders | % of Total Shareholders | No. of Shares  | % of Total Shares |
|-------------------|--------------------|-------------------------|----------------|-------------------|
| 1 – 5,000         | 1968               | 96.53                   | 1068366        | 16.70             |
| 5,001 – 10,000    | 38                 | 1.86                    | 267941         | 4.19              |
| 10,001 – 50,000   | 23                 | 1.13                    | 473721         | 7.40              |
| 50,001 – 1,00,000 | 3                  | 0.14                    | 188032         | 2.94              |
| 100,001 and above | 7                  | 0.34                    | 4399212        | 68.77             |
| <b>Total</b>      | <b>2039</b>        | <b>100.00</b>           | <b>6397272</b> | <b>100.00</b>     |

### 18. Outstanding ADR's & GDR's Warrants or any other convertible instruments, conversion date and likely impact on equity shares

During the FY2018, the Company has not issued any ADR's GDR's, Warrants or any other convertible instruments. The Company at present has no outstanding ADR's/GDR's/Warrants to be converted that has an impact on the equity shares of the Company.

### 19. Commodity Price Risk on Foreign Exchange Risk.

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The company proactively manages these risks through forward booking inventory management and proactive vendor development practices. The company's reputation for quality, products differentiation, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

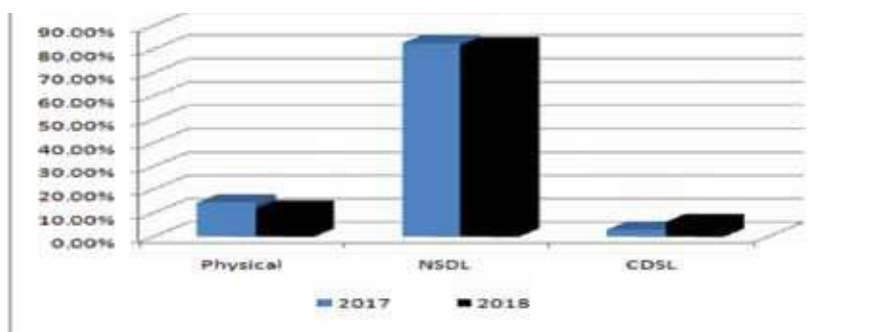
### 20. Dematerialization of Shares

The Company's scrip forms part of the compulsory dematerialization segment for all investors. To facilitate easy access of the dematerialized system to the investors, the Company has signed up with both the depositories – namely National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") – and has established connectivity with the depositories through its Registrar and Transfer Agents, Niche Technologies Pvt. Ltd.

Dematerialization of shares is done through Niche Technologies Pvt. Ltd. and on an average the dematerialization process is completed within 10 days from the date of receipt of a valid dematerialization request along with the relevant documents.

The breakup of dematerialized shares and shares in certificate form as on March 31, 2018 as compared with that is as on 31 March 2017 as under:

| Physical | NSDL      | CDSL     |
|----------|-----------|----------|
| 7,66,955 | 52,33,335 | 3,96,982 |





## 21. Other Disclosures

### **Disclosures on materially significant related party transaction**

The statements containing the transaction with related parties were submitted periodically to the Audit committee. The details of Related Party Transaction are discussed in detail in Note No. 31 of Notes to the Financial Statement.

### **Details of non-compliance(s) by the company**

No penalties have been imposed or strictures have been issued by SEBI, Stock Exchanges or any Statutory Authorities on matters relating to Capital Markets during the last three years against the non-compliance relating to the matter aforesaid.

### **Whistle Blower Policy/Vigil Mechanism**

The Board of Directors of the company has adopted Whistle Blower Policy. The management of the Company, through the policy envisages encouraging the employees of the Company to report the higher authorities any unethical, improper, illegal, or questionable acts, deeds & things which the management or any superior may indulge in. This policy has been circulated to the employees of the Company. However, no employee has been denied access to the Audit Committee.

### **Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with the mandatory requirements of Corporate Governance under listing Regulations and is in the process of implementation of non- mandatory requirements.

### **Disclosure of Accounting Treatments**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standard (IndAS) to comply in all material aspects under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act, 1956 ("the Act 1956"), as applicable. These financial statements have been prepared on an accrual basis and under the historical cost conventions.

## 22. Name, Designation & Address of Compliance Officer and RTA for Complaints & Correspondence

Mr. Anup Gupta  
Company Secretary & Compliance Officer  
The Indian Wood Products Co Ltd  
9 Brabourne Road, 7th Floor,  
Kolkata – 700001  
Tel: 82320 23820

### **Registered / Corporate Office Address for Correspondence**

The Indian Wood Products Co Ltd  
9 Brabourne Road, 7th Floor,  
Kolkata – 700001  
Tel: 82320 23820  
Email Id: iwpcal1@cal2.vsnl.net.in  
CIN: L20101WB1919PLC003557

**Registrar & Share Transfer Agents**

M/s. Niche Technologies Pvt. Ltd.

D-511, Bagree Market,

71, B.R.B. Basu Road, Kolkata – 700 001

Tel: 033 2235- 7270/ 7271, 2234 – 3576, Fax: 033 2215-6823

Email: nichetechpl@nichetechpl.com / URL: www.nichetechpl.com

**23. Plant Location****Manufacturing Plants****Bareilly**

Izatnagar, Bareilly (UP)

Pin Code: - 243122

Phone: 09027695554

**Baroda**

The Indian Wood Products Co Ltd

C/o. Bhagyoday Katha Products Pvt Ltd

PO: Asoj, Dist. Vadodara

Phone: 9816141231

**Daman (Contractual Manufacturing)**

The Indian Wood Products Co Ltd

C/o. Nanhemal Agro (India) Ltd

Diwali Nagar, Daman

**Kundli (Job Work)**

GT Karnal Road, Near Nidhu Cinema

Kundli, Sonapat, Haryana

Phone: 09311104967

Phone: 09825128720

**24. Disclosure with respect to demat suspense account/unclaimed suspense account**

| SL No. | Particulars                                                                                                           | Applicability |
|--------|-----------------------------------------------------------------------------------------------------------------------|---------------|
| 1.     | Aggregate number of Shareholder and the outstanding shares in the suspense account lying in the beginning of the year | Nil           |
| 2.     | Number of Shareholder who approached the Company for transfer of shares from suspense account during the year         | Nil           |
| 3.     | Number of Shareholders to whom shares were transferred from suspense account during the year                          | Nil           |
| 4.     | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year      | Nil           |
| 5.     | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares   | Nil           |

**25. Transfer of Unpaid / Unclaimed Amounts and Shares to Investor Education and Protection Fund**

In line with the IEPF Rules, the Company sends reminder letter to all such shareholders, whose dividend has remained unpaid/unclaimed for a consecutive period of 7 years with a request to claim the dividends, failing which the shares would be transferred to IEPF Authority on the due date which is available at the Company's website [www.iwpkatha.com](http://www.iwpkatha.com).

**For and on behalf of the Board**

**Kolkata**  
**30 May 2018**

**Bharat Mohta**  
*WTD & CEO*  
DIN - 00392090

**K K Damani**  
*Executive Director*  
DIN - 01385252



## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
The Indian Wood Products Company Limited

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of THE INDIAN WOOD PRODUCTS COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the standalone Ind AS, of the financial position of the Company as at 31st March, 2018, and its Profit, its total comprehensive income, its cash flows and the changes in equity for the year ended on that date.



### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous auditors whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 14th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report to the extent applicable that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
  - (e) On the basis of written representations received from the Directors as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - (g) 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:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statement. Refer Note 44 - Contingent Liabilities;
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the company.
2. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **AGRAWAL SANJAY & COMPANY**

Chartered Accountants

Firm's Registration No-329088E

**Radhakrishnan Tondon**

Partner

Membership No. - 060534

**Place: Kolkata**

**Date: 30th May, 2018**



## Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

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 **THE INDIAN WOOD PRODUCTS COMPANY LIMITED** (“the Company”) as of 31st march, 2018 in conjunction with our audit of the standalone Ind AS 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.

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”) issued by the Institute of chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the companies Act, 2013 to the extent applicable to an audit of internal financial controls. 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 standalone Ind AS 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



## “Annexure A” to the Independent Auditors’ Report *(Contd.)*

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018 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 **AGRAWAL SANJAY & COMPANY**

Chartered Accountants

Firm’s Registration No-329088E

**Radhakrishan Tondon**

Partner

Membership No. - 060534

**Place: Kolkata**

**Date: 30th May, 2018**

## Annexure “B” to the Independent Auditors’ Report

Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets..
- (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

**“Annexure B” to the Independent Auditors’ Report (Contd.)**

- (ii) According to the information and explanations given to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government of India has not prescribed the maintenance of cost records by the company as required under Section 148(1) of the Companies Act 2013 for any of its products.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues to the appropriate authorities during the year. There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (b) Details of dues of Central Sales Tax, Service Tax, Excise Duty, Entry Tax and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

| Particulars              | Financial Year to which the amount relates | Forum where the dispute is pending | Amount under dispute (Rs in Lacs) |
|--------------------------|--------------------------------------------|------------------------------------|-----------------------------------|
| Central Sales Tax, Delhi | 1987-88                                    | Appellate Tribunal                 | 22,642/-                          |
| Central Sales Tax, Delhi | 2001-02                                    | Appellate Tribunal                 | 74,57,991/-                       |
| Central Sales Tax, Delhi | 2002-03                                    | Additional Commissioner            | 2,15,991/-                        |
| Local Sales Tax, Delhi   | 2002-03                                    | Additional Commissioner            | 43,74,827/-                       |
| Mandi Samity             | 1997-98                                    | Hon’ble High Court, Allahabad      | 23,29,265/-                       |
| UP VAT                   | 2010-11                                    | Appeal before Deputy Commissioner  | 45,694/-                          |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted during the year in repayment of loans or borrowings to financial institutions, bankers and the government. The Company did not have any outstanding debentures during the year.



## “Annexure B” to the Independent Auditors’ Report *(Contd.)*

- (ix) The Company did not raise any money by way of initial public offer and further public offer (including debt instrument). To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the company were applied for the purpose for which the loans were obtained.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud 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, the Company has paid or provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of records, the Company has not made 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 records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with them. Accordingly paragraph 3 (xv) of the Order are not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Kolkata**  
**Date: 30th May, 2018**

For **AGRAWAL SANJAY & COMPANY**  
Chartered Accountants  
Firm's Registration No-329088E  
**Radhakrishan Tondon**  
Partner  
Membership No. - 060534



## BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lacs)

| Particulars                              | Note  | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|------------------------------------------|-------|-------------------------|-------------------------|--------------------------|
| <b>ASSETS</b>                            |       |                         |                         |                          |
| <b>Non-current assets</b>                |       |                         |                         |                          |
| a) Property, Plant and Equipment         | 3     | 37,860.70               | 37,423.54               | 36,844.00                |
| b) Capital Work-in-Progress              |       | 186.21                  | 67.15                   | 9.86                     |
| c) Financial Assets                      |       |                         |                         |                          |
| i) Investments                           | 4     | 755.58                  | 336.55                  | 30.27                    |
| ii) Other Financial Assets               | 5     | 47.93                   | 26.93                   | 24.76                    |
| d) Other Non-Current Assets              | 6     | 219.42                  | 86.04                   | 77.55                    |
|                                          |       | <u>39,069.84</u>        | <u>37,940.21</u>        | <u>36,986.44</u>         |
| <b>Current assets</b>                    |       |                         |                         |                          |
| a) Inventories                           | 7     | 4,981.03                | 4,622.38                | 1,744.60                 |
| b) Financial Assets                      |       |                         |                         |                          |
| i) Trade Receivables                     | 8     | 3,658.82                | 4,055.45                | 1,748.57                 |
| ii) Cash and Cash Equivalents            | 9     | 321.79                  | 96.65                   | 193.58                   |
| iii) Bank Balances other than (ii) above | 10    | 462.90                  | 219.64                  | 206.41                   |
| iv) Loans                                | 11    | 25.58                   | 37.84                   | 19.68                    |
| v) Other Financial Assets                | 12    | 0.47                    | 54.18                   | 12.87                    |
| c) Current tax asset (Net)               |       | -                       | -                       | 1.80                     |
| d) Other Current Assets                  | 13    | 671.73                  | 1,180.64                | 468.55                   |
|                                          |       | <u>10,122.32</u>        | <u>10,266.78</u>        | <u>4,396.06</u>          |
| <b>Total Assets</b>                      |       | <u>49,192.16</u>        | <u>48,206.99</u>        | <u>41,382.50</u>         |
| <b>EQUITY AND LIABILITIES</b>            |       |                         |                         |                          |
| a) Equity Share Capital                  | 14    | 640.03                  | 640.03                  | 160.23                   |
| b) Other Equity                          | 15    | 32,608.32               | 30,921.18               | 30,345.43                |
|                                          |       | <u>33,248.35</u>        | <u>31,561.21</u>        | <u>30,505.66</u>         |
| <b>LIABILITIES</b>                       |       |                         |                         |                          |
| <b>Non-current liabilities</b>           |       |                         |                         |                          |
| a) Financial Liabilities                 |       |                         |                         |                          |
| i) Borrowings                            | 16    | 748.00                  | 850.88                  | 210.95                   |
| ii) Others                               |       | 5.05                    | 10.06                   | 10.06                    |
| b) Deferred Tax Liabilities (Net)        | 17    | 7,446.31                | 7,443.72                | 7,431.45                 |
| c) Provisions                            | 18    | 155.28                  | 197.04                  | 101.45                   |
|                                          |       | <u>8,354.64</u>         | <u>8,501.70</u>         | <u>7,753.91</u>          |
| <b>Current Liabilities</b>               |       |                         |                         |                          |
| a) Financial Liabilities                 |       |                         |                         |                          |
| i) Borrowings                            | 19    | 3,067.55                | 3,502.47                | 1,489.53                 |
| ii) Trade Payables (Refer Note 35)       |       | 3,217.79                | 3,351.17                | 1,063.22                 |
| iii) Others                              | 20    | 459.66                  | 427.52                  | 257.79                   |
| b) Provisions                            | 21    | 211.53                  | 173.31                  | 148.89                   |
| c) Current Tax Liabilities (Net)         |       | 571.54                  | 441.83                  | -                        |
| d) Other Current Liabilities             | 22    | 61.10                   | 247.78                  | 163.50                   |
|                                          |       | <u>7,589.17</u>         | <u>8,144.08</u>         | <u>3,122.93</u>          |
| <b>Total Equity and Liabilities</b>      |       | <u>49,192.16</u>        | <u>48,206.99</u>        | <u>41,382.50</u>         |
| Significant Accounting Policies          | 1 - 2 |                         |                         |                          |

The accompanying notes 1 - 45 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Sanjay & Company**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishan Tondon**

Partner

Membership No.: 060534

Place: Kolkata

Date: May 30, 2018

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

**K.K. Damani**  
Executive Director  
DIN:01385252

**Bharat Mohta**  
WTD & CEO  
DIN: 00392090

**R.P.Chetani**  
Director  
DIN: 00392215

**R.K. Agarwal**  
Chief Financial Officer

**Anup Gupta**  
Company Secretary



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

| Particulars                                                                   | Note  | 2017-18          | 2016-17          |
|-------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Revenue From Operations</b>                                                |       |                  |                  |
| Revenue from Sale of Products                                                 |       | 21,885.94        | 18,789.38        |
| Other Income                                                                  | 23    | 72.56            | 46.61            |
| <b>Total income</b>                                                           |       | <b>21,958.50</b> | <b>18,835.99</b> |
| <b>Expenses</b>                                                               |       |                  |                  |
| Cost of material consumed                                                     | 24    | 13,076.94        | 11,860.83        |
| Change in inventories of finished goods, stock in trade and work -in-progress | 25    | (610.58)         | (1,524.49)       |
| Excise Duty                                                                   |       | 321.17           | 817.68           |
| Employee benefit expense                                                      | 26    | 2,269.08         | 1,855.78         |
| Finance costs                                                                 | 27    | 505.83           | 307.53           |
| Depreciation and amortisation expense                                         | 3     | 278.01           | 223.07           |
| Other expenses                                                                | 28    | 3,677.85         | 3,466.11         |
| <b>Total expense</b>                                                          |       | <b>19,518.30</b> | <b>17,006.51</b> |
| <b>Profit/(loss) before exceptional items and tax</b>                         |       | <b>2,440.20</b>  | <b>1,829.48</b>  |
| Exceptional Items (Refer Note :- 34)                                          |       | 222.96           | -                |
| <b>Profit before tax from Continuing operation</b>                            |       | <b>2,663.16</b>  | <b>1,829.48</b>  |
| Income Tax expense:                                                           |       |                  |                  |
| Current tax                                                                   | 29    | 930.00           | 641.69           |
| Deferred tax                                                                  | 29    | 1.63             | 42.46            |
| <b>Total Tax Expense</b>                                                      |       | <b>931.63</b>    | <b>684.15</b>    |
| <b>Profit/(loss) for the period</b>                                           |       | <b>1,731.53</b>  | <b>1,145.33</b>  |
| <b>Other Comprehensive Income</b>                                             |       |                  |                  |
| <b>Items that will not be reclassified to profit or loss</b>                  |       |                  |                  |
| Remeasurement of net defined benefit liability                                |       | 2.76             | (97.69)          |
| Income tax relating to the above                                              | 29    | (0.96)           | 30.19            |
| <b>Other Comprehensive Income/(loss) for the period</b>                       |       | <b>1.80</b>      | <b>(67.50)</b>   |
| <b>Total Comprehensive Income for the period</b>                              |       | <b>1,733.33</b>  | <b>1,077.83</b>  |
| Earnings per equity share (for continuing operation):                         | 30    |                  |                  |
| (1) Basic                                                                     |       | 27.07            | 17.90            |
| (2) Diluted                                                                   |       | 27.07            | 17.90            |
| Significant accounting policies                                               | 1 - 2 |                  |                  |

The accompanying notes 1 - 45 are an integral part of the Financial Statements.

In terms of our Report attached  
For **Agrawal Sanjay & Company**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishnan Tondon**  
Partner  
Membership No.: 060534  
**Place: Kolkata**  
**Date: May 30, 2018**

**For and on behalf of Board of Directors of**  
**The Indian Wood Products Co. Ltd.**

**K.K. Damani**  
Executive Director  
DIN:01385252

**Bharat Mohta**  
WTD & CEO  
DIN: 00392090

**R.P.Chetani**  
Director  
DIN: 00392215

**R.K. Agarwal**  
Chief Financial Officer

**Anup Gupta**  
Company Secretary



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

|                                                        | 31st March 2018 | 31st March, 2017 |
|--------------------------------------------------------|-----------------|------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>           |                 |                  |
| Net profit before tax                                  | 2,663.16        | 1829.48          |
| Adjustment for                                         |                 |                  |
| Acturial Loss/Gain ( Due to Ind AS)                    |                 |                  |
| In respect of employees                                | -               | (61.39)          |
| Upfront fees on Loan                                   | -               | (2.39)           |
| Expected Loss on Debtors                               | -               | 6.03             |
| Depreciation                                           | 278.01          | 223.07           |
| Finance Cost                                           | 505.83          | 309.91           |
| Interest Received                                      | (31.57)         | (14.73)          |
| Liabilities no longer required written back            | -               | (5.43)           |
| Exceptional items                                      | (222.96)        | -                |
| Advances written off                                   | 3.40            | -                |
| Loss / (Gain) on sale of Property, Plant & Equipment   | (0.21)          | 3.32             |
| Loss on Currency derivatives                           | (14.36)         | (36.79)          |
| Operating Profit/(Loss) before working capital changes | 3,181.30        | 2,251.08         |
| Adjustment for                                         |                 |                  |
| Trade & Other Receivables                              | 817.23          | (3,049.26)       |
| Inventories                                            | (358.65)        | (2,877.78)       |
| Trade Payables                                         | (290.32)        | 2,469.94         |
| Cash generated for operations                          | 3,349.56        | (1,206.02)       |
| Direct Tax Paid                                        | 795.20          | 187.10           |
| Cash Flow before Exceptional Items                     | 2,554.36        | (1,393.12)       |
| Exceptional Items                                      | 222.96          | -                |
| NET CASH FLOW FROM OPERATING ACTIVITIES                | 2,777.32        | (1,393.12)       |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>           |                 |                  |
| Investment in shares                                   | (419.03)        | (336.53)         |
| Purchase of Fixed Assets                               | (834.89)        | (871.53)         |
| Sale of Fixed Assets                                   | 0.85            | 8.30             |
| Interest Received                                      | 31.57           | 14.73            |
| NET CASH USED IN INVESTING ACTIVITIES                  | (1,221.50)      | (1,185.03)       |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>           |                 |                  |
| Proceeds from Borrowings                               | 311.08          | 2,808.85         |
| Repayment of Borrowings                                | (832.29)        | (4.54)           |
| Dividend / Dividend tax paid                           | (42.86)         | (22.20)          |
| Interest paid                                          | (523.35)        | (280.78)         |
| NET CASH USED IN FINANCING ACTIVITIES                  | (1,087.42)      | 2,501.33         |



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

|                                                              |        |         |
|--------------------------------------------------------------|--------|---------|
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 468.40 | (76.82) |
| CASH AND CASH EQUIVALENTS (Refer Note 9 & 10)                |        |         |
| AT START OF THE YEAR                                         | 316.29 | 393.11  |
| AT CLOSE OF THE YEAR                                         | 784.69 | 316.29  |

**NOTE:**

- 1) The above Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS-7 Statement of Cash Flows
- 2) The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statement due to this amendment.

| Particulars                 | As at<br>31.03.2017 | Cash Flow | Non Cash<br>Changes | As at<br>31.03.2018 |
|-----------------------------|---------------------|-----------|---------------------|---------------------|
| Borrowing-Non Current       | 850.88              | -102.34   | -0.54               | 748.00              |
| Other Financial Liabilities | 3,502.47            | -447.15   | -                   | 3,055.32            |
| Borrowing-Current           | 245.99              | 32.42     | -3.56               | 274.85              |

In terms of our Report attached  
For **Agrawal Sanjay & Company**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishnan Tondon**  
Partner  
Membership No.: 060534  
**Place: Kolkata**  
**Date: May 30, 2018**

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

**K.K. Damani**  
Executive Director  
DIN:01385252

**Bharat Mohta**  
WTD & CEO  
DIN: 00392090

**R.P.Chetani**  
Director  
DIN: 00392215

**R.K. Agarwal**  
Chief Financial Officer

**Anup Gupta**  
Company Secretary



## STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2018

(₹ in Lacs)

|                                                          | Share capital | Other Equity    |                            |                     |                   |                    |                  |
|----------------------------------------------------------|---------------|-----------------|----------------------------|---------------------|-------------------|--------------------|------------------|
|                                                          |               | Capital Reserve | Securities Premium Reserve | Revaluation Reserve | Retained Earnings | Other Items of OCI | Total            |
| <b>Balance as at 1st April, 2016</b>                     | <b>160.23</b> | <b>0.03</b>     | <b>379.71</b>              | <b>-</b>            | <b>29,964.16</b>  | <b>1.53</b>        | <b>30,345.43</b> |
| Profit for the period                                    | -             | -               | -                          | -                   | 1,105.98          | -                  | 1,105.98         |
| Ind AS Adjustments for the Opening BS                    | -             | -               | -                          | -                   | (22.28)           | -                  | (22.28)          |
| Ind AS Adjustments for 2016-17                           | -             | -               | -                          | -                   | 57.75             | (97.69)            | (39.94)          |
| IND AS Adjustment for Deferred Tax - Current year        | -             | -               | -                          | -                   | (18.40)           | 30.19              | 11.79            |
| <b>Total comprehensive income/ (loss) for the period</b> | <b>-</b>      | <b>-</b>        | <b>-</b>                   | <b>-</b>            | <b>1,123.05</b>   | <b>(67.50)</b>     | <b>1,055.55</b>  |
| Issue of Bonus shares                                    | 479.80        | -               | (379.71)                   | -                   | (100.09)          | -                  | (479.80)         |
| <b>Transactions with owners</b>                          | <b>479.80</b> |                 | <b>(379.71)</b>            | <b>-</b>            | <b>(100.09)</b>   |                    | <b>(479.80)</b>  |
| <b>Balance at 31 March 2017</b>                          | <b>640.03</b> | <b>0.03</b>     | <b>-</b>                   | <b>-</b>            | <b>30,987.12</b>  | <b>(65.97)</b>     | <b>30,921.18</b> |
| Dividend and Dividend Tax paid in 2017-18                | -             | -               | -                          | -                   | (46.20)           | -                  | (46.20)          |
| Other Comprehensive Income                               | -             | -               | -                          | -                   | -                 | 2.76               | 2.76             |
| Tax on the above                                         |               |                 |                            |                     | -                 | (0.96)             | (0.96)           |
| Profit for the period                                    | -             | -               | -                          | -                   | 1,731.53          | -                  | 1,731.53         |
| <b>Balance at 31 March 2018</b>                          | <b>640.03</b> | <b>0.03</b>     | <b>-</b>                   | <b>-</b>            | <b>32,672.45</b>  | <b>(64.17)</b>     | <b>32,608.32</b> |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### Note 1 - Background and Operations

The Indian Wood Products Company Limited (the Company) is a public company domiciled in India and was incorporated on 23rd December'1919 under the provisions of the Companies Act, 1913. The Company is listed on two recognised stock exchanges in India, i.e, BSE Ltd and Calcutta Stock Exchange (CSE). The registered office of the company is at Bombay Mutual Building, 9,Brabourne Road,7th Floor,Kolkata-700001 and has a head office and works at Izzatnagar, Bareilly(U.P). The company is primarily engaged in the manufacturing of Katha in India. Registered Address of other places where manufacturing activities are carried on are disclosed suitably in this report elsewhere.

### Note 2 - Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in preparation of these Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements were approved by Board of Directors on 30th May' 2018.

#### a. Basis of Preparation:

##### i. Compliance with IND AS:

These Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & Companies (Indian Accounting Standards) Amendment Rules 2016.

These Financial Statements for the year ended 31st March, 2018 are the first financials with comparatives prepared under IND AS. For all periods up to and including the year ended 31st March'17, the company has prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting IND AS.

The date of transition to Ind AS is 1st April, 2016. Refer Note No. 42 for the first time adoption exemptions availed by the company.

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note.

##### ii. Historical cost convention:

The Financial Statements have been prepared on a historical cost basis, except for the following:

- a) Land which is revalued as on 1st April'16
- b) Certain Financial Assets and Liabilities (including derivative instruments) and contingent consideration that are measured at fair value; and
- c) Defined Benefit Plan Assets measured at fair value;

#### b. Property, Plant and Equipment

Freehold land is carried at the revalued figure as per the Valuation done by the management based on circle rate of 1st April'16 (Refer Note 42(a)). All the other items of Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation/amortisation and impairments, if any, cost of acquisition includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the Company and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

**Transition to IND AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1st April'16 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment, except for land which has been taken on the revalued amount as on 1st April'16.

**Depreciation and amortization:**

Depreciation is calculated using the straight-line method to allocate cost of Property, Plant and Equipment, net of residual values, over their estimated useful lives as follows:

| Asset Class             | Useful Life<br>(In years) |
|-------------------------|---------------------------|
| Building                | 3 to 60                   |
| Plant & Machinery*      | 8 to 15                   |
| Electric Installations* | 10 to 15                  |
| Laboratory Apparatus    | 10                        |
| Motor Vehicles*         | 8 to 10                   |
| Computers*              | 3 to 8                    |
| Office Equipments*      | 3 to 5                    |
| Furniture and Fixtures  | 10                        |

\*Based on management evaluation, the useful lives as given above best represent the period over which the Management expects to use these Assets. Hence, the useful lives of for these Assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions / deletions during the year is provided from the date on which the asset is capitalized up to the month in which the asset is disposed off.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

The Company reviews the residual values, useful lives and methods of depreciation of plant, property and equipment at each financial year end and adjusts prospectively, if appropriate.

**c. Segment Reporting:**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies that are adopted for preparing and presenting the financial statements of the Company as a whole.

#### d. Financial assets:

##### i. Classification:

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

##### ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions through Expected Credit Loss Method, wherever required.

##### iv. Derecognition of financial assets:

A financial asset is derecognised only when

- i) the Company has transferred the rights to receive the cash flows from the financial asset or
- ii) the Company retains the contractual rights to receive the cash flows of the financial assets, but transfers substantially all the risks and rewards of the Assets.

#### e. Foreign Currency Transactions and Translation:

##### i. Functional and presentation currencies:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial Statements are presented in INR which is the functional and presentation currency for the company.

##### ii. Transactions & Balances:

Foreign Currency Transactions are translated into the functional currency at the Exchange Rates on the date of transaction. Foreign exchange Gains and Losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the closing rates are generally recognized in the Statement of Profit and Loss.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign Joint Venture are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or Fair Values determined.

#### f. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, Value Added Taxes, Goods and Service Tax and amounts collected on behalf of third parties.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

The Company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### **Sale of goods:**

Timing of recognition: Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of trade discounts, rebates, incentives, subsidy, sales tax and value added tax except excise duty.

### **Interest income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount. Interest Income are included under the head "Other Income" in the Statement of Profit and Loss.

### **g. Inventories:**

- a) Raw Material, Stores and Spares are valued at lower of cost and net realizable value.
- b) Work-in-progress, Finished Goods are valued at lower of cost and net realizable value.
- c) Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method.

### **h. Trade Receivables:**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using Effective Interest Method.

### **i. Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **j. Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost Effective Interest Method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings.

### **k. Income Taxes**

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **l. Borrowing Cost:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed out in the Statement of Profit & Loss Account in the period in which they are incurred.

### **m. Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### **n. Employee Benefits:**

#### **i. Short term Employee benefit Expenses:**

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

#### **ii. Defined Contribution Plan - Provident fund:**

Contribution to Provident fund is made at a predetermined rate and charged to revenue on accrual basis.

#### **iii. Defined Benefit Plan - Gratuity:**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and the Statement of Profit and Loss in a subsequent period.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

The company contributes to a Group Insurance - cum - Gratuity Scheme with Life Insurance Corporation of India towards meeting its gratuity obligation.

**iv. Bonus and Production Linked Incentive:**

The Company recognizes a liability and expenses for bonuses as per Bonus Act'1949. The Company also recognizes a liability and expenses for Incentive Bonuses as per agreement entered into with the worker union. The Company recognizes a provision where there is a past practice that has created constructive obligations and a reliable estimate of such obligations.

**v. Leave encashment / Compensated absences:**

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**o. Provisions and Contingent Liabilities and Assets:**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

**p. Cash and Cash Equivalents:**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**q. Impairment of Assets:**

Assets are assessed by the Company at each reporting period whether there is an indication of impairment that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use.

**r. Earnings Per Share:**

Basic earnings per share: Basic earnings per share is calculated by dividing:

- i) the profit attributable to owners of the Company,
- ii) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- i) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

- ii) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**s. Dividend:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

**t. Rounding off:**

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Lakhs, unless otherwise stated.

**u. Critical Estimates and Judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are:

- i) Impairment of financial assets (including trade receivable)
- ii) Estimation of defined benefit
- iii) Estimation of current tax expenses and payable
- iv) Estimation of provisions and contingencies

**v. Applicability of Amendments to Ind-AS 7:**

The amendments to Ind-AS 7 are applicable from April 1, 2017. It requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The requirements of the amendment and their effect on the financial statements is shown in the Cash Flow.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 3 - Property, Plant and Equipment

(₹ in Lacs)

| Particulars                     | Freehold Land*   | Leasehold Land | Building      | Computer Equipment | Effluent Treatment Plant | Electrical Installations | Furniture & Fixtures | Laboratory Apparatus | Motor Car & Vehicle | Office Equipments | Plant & Refrigeration Machinery | Trolleys & Trays | Tube Well   | Weighing Scale | Total            |
|---------------------------------|------------------|----------------|---------------|--------------------|--------------------------|--------------------------|----------------------|----------------------|---------------------|-------------------|---------------------------------|------------------|-------------|----------------|------------------|
| <b>Gross Block</b>              |                  |                |               |                    |                          |                          |                      |                      |                     |                   |                                 |                  |             |                |                  |
| <b>At April 1, 2016</b>         | <b>35,737.74</b> | <b>-</b>       | <b>130.07</b> | <b>6.63</b>        | <b>1.04</b>              | <b>136.15</b>            | <b>15.89</b>         | <b>0.79</b>          | <b>107.90</b>       | <b>4.26</b>       | <b>322.48</b>                   | <b>50.18</b>     | <b>0.27</b> | <b>1.99</b>    | <b>36,844.00</b> |
| Additions                       | -                | -              | 36.80         | 7.28               | -                        | 23.57                    | 12.56                | 0.41                 | 13.55               | 1.09              | 410.33                          | 90.35            | 2.06        | 0.91           | 814.22           |
| Disposals / deductions          | -                | -              | -             | -                  | -                        | -                        | -                    | -                    | (38.49)             | -                 | -                               | -                | -           | -              | (38.49)          |
| <b>At March 31, 2017</b>        | <b>35,737.74</b> | <b>-</b>       | <b>166.87</b> | <b>13.91</b>       | <b>1.04</b>              | <b>159.73</b>            | <b>28.45</b>         | <b>1.19</b>          | <b>82.96</b>        | <b>5.35</b>       | <b>732.81</b>                   | <b>140.53</b>    | <b>2.33</b> | <b>2.90</b>    | <b>37,619.74</b> |
| Additions                       | -                | 257.91         | 67.67         | 5.24               | -                        | 23.90                    | 2.02                 | 3.20                 | 132.26              | 19.63             | 50.29                           | 5.70             | -           | 1.05           | 715.82           |
| Disposals / deductions          | -                | -              | -             | -                  | -                        | -                        | -                    | -                    | (9.30)              | -                 | -                               | -                | -           | -              | (9.30)           |
| <b>At March 31, 2018</b>        | <b>35,737.74</b> | <b>257.91</b>  | <b>234.54</b> | <b>19.14</b>       | <b>1.04</b>              | <b>183.63</b>            | <b>30.47</b>         | <b>4.39</b>          | <b>205.92</b>       | <b>24.98</b>      | <b>783.10</b>                   | <b>146.23</b>    | <b>2.33</b> | <b>3.95</b>    | <b>38,326.26</b> |
| <b>Accumulated Depreciation</b> |                  |                |               |                    |                          |                          |                      |                      |                     |                   |                                 |                  |             |                |                  |
| <b>At April 1, 2016</b>         | <b>-</b>         | <b>-</b>       | <b>-</b>      | <b>-</b>           | <b>-</b>                 | <b>-</b>                 | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>-</b>          | <b>-</b>                        | <b>-</b>         | <b>-</b>    | <b>-</b>       | <b>-</b>         |
| Charge for the year             | -                | -              | 7.38          | 5.18               | -                        | 22.97                    | 3.58                 | 0.14                 | 22.37               | 0.89              | 61.71                           | 9.22             | 0.20        | 0.38           | 223.07           |
| Disposals                       | -                | -              | -             | -                  | -                        | -                        | -                    | -                    | (26.87)             | -                 | -                               | -                | -           | -              | (26.87)          |
| <b>At March 31, 2017</b>        | <b>-</b>         | <b>-</b>       | <b>7.38</b>   | <b>5.18</b>        | <b>-</b>                 | <b>22.97</b>             | <b>3.58</b>          | <b>0.14</b>          | <b>(4.50)</b>       | <b>0.89</b>       | <b>61.71</b>                    | <b>9.22</b>      | <b>0.20</b> | <b>0.38</b>    | <b>196.21</b>    |
| Charge for the year             | -                | 0.53           | 7.89          | 4.67               | -                        | 24.51                    | 3.44                 | 0.14                 | 29.05               | 3.64              | 103.84                          | 9.37             | 0.15        | 0.32           | 278.01           |
| Disposals                       | -                | -              | -             | -                  | -                        | -                        | -                    | -                    | (8.66)              | -                 | -                               | -                | -           | -              | (8.66)           |
| <b>At March 31, 2018</b>        | <b>-</b>         | <b>0.53</b>    | <b>15.27</b>  | <b>9.86</b>        | <b>-</b>                 | <b>47.48</b>             | <b>7.02</b>          | <b>0.28</b>          | <b>15.89</b>        | <b>4.53</b>       | <b>165.55</b>                   | <b>18.59</b>     | <b>0.35</b> | <b>0.70</b>    | <b>465.56</b>    |
| <b>Net Block</b>                |                  |                |               |                    |                          |                          |                      |                      |                     |                   |                                 |                  |             |                |                  |
| <b>At March 31, 2017</b>        | <b>35,737.74</b> | <b>-</b>       | <b>159.49</b> | <b>8.73</b>        | <b>1.04</b>              | <b>136.76</b>            | <b>24.87</b>         | <b>1.07</b>          | <b>87.47</b>        | <b>4.46</b>       | <b>671.08</b>                   | <b>131.31</b>    | <b>2.12</b> | <b>2.52</b>    | <b>37,423.54</b> |
| <b>At March 31, 2018</b>        | <b>35,737.74</b> | <b>257.38</b>  | <b>219.26</b> | <b>9.28</b>        | <b>1.04</b>              | <b>136.14</b>            | <b>23.45</b>         | <b>4.11</b>          | <b>190.02</b>       | <b>20.45</b>      | <b>617.55</b>                   | <b>127.65</b>    | <b>1.98</b> | <b>3.26</b>    | <b>37,860.70</b> |

The Company has used Indian GAAP carrying Value as deemed cost as permitted by Ind AS 101 - First Time Adoption, for Property Plant and Equipments existing as on April 1, 2016 i. e. date of transition to Ind AS except Freehold Land which is revalued (Refer Note 42(a)). Accordingly, the net WDV as per Indian GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016 is as below:-

|                                 |                  |          |               |             |             |               |              |             |               |             |               |              |             |             |                  |
|---------------------------------|------------------|----------|---------------|-------------|-------------|---------------|--------------|-------------|---------------|-------------|---------------|--------------|-------------|-------------|------------------|
| <b>Gross Block</b>              | 35,737.74        | -        | 194.03        | 45.74       | 20.79       | 236.83        | 58.96        | 5.07        | 200.24        | 12.05       | 470.62        | 173.12       | 2.74        | 5.59        | 37,731.88        |
| <b>Accumulated Depreciation</b> | -                | -        | 63.96         | 39.11       | 19.75       | 100.67        | 43.07        | 4.28        | 92.34         | 7.78        | 148.14        | 122.94       | 2.47        | 3.60        | 887.87           |
| <b>Written Down Value</b>       | <b>35,737.74</b> | <b>-</b> | <b>130.07</b> | <b>6.63</b> | <b>1.04</b> | <b>136.16</b> | <b>15.89</b> | <b>0.79</b> | <b>107.90</b> | <b>4.26</b> | <b>322.48</b> | <b>50.18</b> | <b>0.27</b> | <b>1.99</b> | <b>36,844.00</b> |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 4 - Non Current - Financial Assets - Investments

(₹ in Lacs)

| Particulars                                                                                                         | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Fair Value through Other Comprehensive Income</b>                                                                |                         |                         |                          |
| <b>Investment in Equity Shares, Unquoted</b>                                                                        |                         |                         |                          |
| <b>Investment in Joint Venture</b>                                                                                  |                         |                         |                          |
| M/s. PT Sumatra Resources International, Indonesia<br>- Nil (2016 - 500) Equity Shares of USD 100                   | -                       | -                       | 30.25                    |
| M/s. Agro & Spice Trading Pte Ltd, Singapore<br>- 11,50,050 (2017 - 3,00,050; 2016- Nil)<br>Equity Shares of USD 1* | 755.56                  | 205.07                  | -                        |
| Share Application Pending Allotment                                                                                 | -                       | 131.46                  | -                        |
| <b>Investment in Others</b>                                                                                         |                         |                         |                          |
| M/s. Vishnuhari Investment & Properties Ltd.<br>339 Equity Shares of Rs 10/- each fully paid up                     | 0.02                    | 0.02                    | 0.02                     |
| <b>Total</b>                                                                                                        | <b>755.58</b>           | <b>336.55</b>           | <b>30.27</b>             |

\*Note:M/s Agro and Spice Trading Pte Ltd, Singapore is 50% Joint Venture of the Company as at Balance Sheet Date.

### Note 5 - Non Current Financial Assets - Others

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| Unsecured and considered good     |                         |                         |                          |
| Security Deposits                 | 47.93                   | 26.93                   | 24.76                    |
| <b>Total</b>                      | <b>47.93</b>            | <b>26.93</b>            | <b>24.76</b>             |

### Note 6 - Other Non Current Assets

| Particulars                                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------|-------------------------|-------------------------|--------------------------|
| Capital Advances                            | 136.43                  | 18.88                   | 18.88                    |
| Prepaid Expenses                            | 2.33                    | 0.35                    | -                        |
| Tax payment under Protest (Refer Note - 43) | 80.66                   | 66.81                   | 58.67                    |
| <b>Total</b>                                | <b>219.42</b>           | <b>86.04</b>            | <b>77.55</b>             |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** (Contd.)

(₹ in Lacs)

**Note 7 - Inventories**

| Particulars          | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|----------------------|-------------------------|-------------------------|--------------------------|
| Raw Materials        | 1,566.86                | 1,775.18                | 517.34                   |
| Work in Progress     | 1,160.04                | 1,885.25                | 890.20                   |
| Finished Goods**     | 2,063.70                | 774.77                  | 206.90                   |
| Consumables          | 6.14                    | 4.45                    | 8.43                     |
| Stores and Spares    | 183.41                  | 181.78                  | 120.85                   |
| Tools and Implements | 0.88                    | 0.95                    | 0.88                     |
| <b>Total</b>         | <b>4,981.03</b>         | <b>4,622.38</b>         | <b>1,744.60</b>          |

\*\*Note: Finished good includes excise duty NIL (2017- Rs. 46.86 lakhs, 2016- Rs. 8.43 lakhs)

**Note 8 - Financial Assets - Current - Trade Receivables**

| Particulars                         | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b>   |                         |                         |                          |
| Unsecured, considered good          | 3,663.25                | 4,062.95                | 1,748.79                 |
| Secured, considered good            | -                       | 0.30                    | 1.55                     |
| Less : Allowance for Doubtful Debts | 4.43                    | 7.80                    | 1.77                     |
| <b>Total</b>                        | <b>3,658.82</b>         | <b>4,055.45</b>         | <b>1,748.57</b>          |

**Note 9 - Financial Assets - Current - Cash and Cash Equivalents**

| Particulars                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------|-------------------------|-------------------------|--------------------------|
| <b>Balance with banks</b>   |                         |                         |                          |
| In Current Account Balances | 134.90                  | 34.81                   | 141.63                   |
| Cash on hand                | 9.59                    | 13.52                   | 9.87                     |
| Cheques on hand             | 177.30                  | 48.32                   | 42.08                    |
| <b>Total</b>                | <b>321.79</b>           | <b>96.65</b>            | <b>193.58</b>            |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 10 - Financial Assets - Current - Bank Balances other than Cash and Cash Equivalents

(₹ in Lacs)

| Particulars                                                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Balance with banks</b>                                         |                         |                         |                          |
| In Restricted Bank Balance (Unclaimed Dividend)                   | 11.79                   | 8.45                    | 6.59                     |
| <b>In Deposit Account with Banks &amp; Financial Institutions</b> |                         |                         |                          |
| Against Margin Money for Letter of Credit                         | 409.58                  | 201.94                  | 189.94                   |
| Margin Money with IL&FS                                           | 38.84                   | 6.56                    | 6.88                     |
| Against Sales Tax (Refer Note 43)                                 | 2.64                    | 2.64                    | 2.64                     |
| Against Others Compliances                                        | 0.05                    | 0.05                    | 0.36                     |
| <b>Total</b>                                                      | <b>462.90</b>           | <b>219.64</b>           | <b>206.41</b>            |

### Note 11 - Financial Assets - Current - Loans and Advances

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Unsecured Considered Good</b>  |                         |                         |                          |
| Advance to employees              | 25.58                   | 31.46                   | 18.13                    |
| Others                            | -                       | 6.38                    | 1.55                     |
| <b>Total</b>                      | <b>25.58</b>            | <b>37.84</b>            | <b>19.68</b>             |

### Note 12 - Financial Assets - Current - Others

| Particulars                                           | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| Interest receivable                                   | 0.47                    | 21.76                   | 12.87                    |
| Sale of shares of P T Sumatra Resources International | -                       | 32.42                   | -                        |
| <b>Total</b>                                          | <b>0.47</b>             | <b>54.18</b>            | <b>12.87</b>             |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 13 - Other Current Assets

(₹ in Lacs)

| Particulars                          | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|--------------------------------------|-------------------------|-------------------------|--------------------------|
| Advance to Suppliers                 | 68.89                   | 387.14                  | 168.04                   |
| Other Advances                       | 66.38                   | 84.38                   | 0.18                     |
| Prepaid Charges                      | 10.20                   | 1.04                    | -                        |
| Balances with Government Authorities | 526.26                  | 708.08                  | 300.33                   |
| <b>Total</b>                         | <b>671.73</b>           | <b>1,180.64</b>         | <b>468.55</b>            |

### Note 14 - Equity Share Capital

| Particulars                                                    | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|----------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Authorised</b>                                              |                         |                         |                          |
| Equity Shares of Rs.10/- each 1,00,00,000 (2016 - 50,00,000)   | 1,000.00                | 1,000.00                | 500.00                   |
| Preference Shares of Rs. 100/- each 5,00,000 (PY - NIL)        | 500.00                  | -                       | -                        |
| <b>Total</b>                                                   | <b>1,500.00</b>         | <b>1,000.00</b>         | <b>500.00</b>            |
| <b>Issued, subscribed and fully paid up</b>                    |                         |                         |                          |
| Fully paid up Equity Shares of Rs. 10/- each                   | 639.73                  | 639.73                  | 159.93                   |
| Add: 5,682 Equity Shares Forfeited (amount originally paid up) | 0.30                    | 0.30                    | 0.30                     |
| <b>Total</b>                                                   | <b>640.03</b>           | <b>640.03</b>           | <b>160.23</b>            |

### (a) Reconciliation of Equity Shares Outstanding

| Particulars                               | As at 31.03.2018 |               | As at 31.03.2017 |               | As at 01.04.2016 |               |
|-------------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                           | No. of shares    | Amount        | No. of shares    | Amount        | No. of shares    | Amount        |
| Opening balance                           | 6,397,272        | 639.73        | 1,599,318        | 159.93        | 1,599,318        | 159.93        |
| Change during the year                    | -                | -             | 4,797,954        | 479.80        | -                | -             |
| Shares outstanding at the end of the year | <b>6,397,272</b> | <b>639.73</b> | <b>6,397,272</b> | <b>639.73</b> | <b>1,599,318</b> | <b>159.93</b> |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### (b) Terms and Rights attached to Equity Shares

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 Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the 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.

### (c) Shareholders holding more than 5% shares in the Company

| Particulars              | As at 31.03.2018 |       | As at 31.03.2017 |       | As at 01.04.2016 |       |
|--------------------------|------------------|-------|------------------|-------|------------------|-------|
|                          | No. of shares    | %     | No. of shares    | %     | No. of shares    | %     |
| Security Company Limited | 1,220,356        | 19.08 | 1,220,356        | 19.08 | 305,089          | 19.08 |
| Savita Mohta             | 916,020          | 14.32 | 916,020          | 14.32 | 229,005          | 14.32 |
| Bharat Mohta             | 758,900          | 11.86 | 758,900          | 11.86 | 189,725          | 11.86 |
| Avanti Mohta             | 752,616          | 11.76 | 752,616          | 11.76 | 188,154          | 11.76 |
| Bharat Mohta HUF         | 455,000          | 7.11  | 455,000          | 7.11  | 113,750          | 7.11  |

### Note 15 - Other Equity

| Particulars                                    | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Securities Premium</b>                      | -                       | 379.71                  | 379.71                   |
| Less :- Bonus Issued                           | -                       | (379.71)                | -                        |
| Closing Balance                                | -                       | -                       | 379.71                   |
| <b>Capital Reserve</b>                         | 0.03                    | 0.03                    | 0.03                     |
| <b>Retained Earnings (Refer Foot Note (i))</b> | <u>32,672.45</u>        | <u>30,987.12</u>        | <u>29,964.16</u>         |
| <b>Opening Revaluation Reserve</b>             | -                       | -                       | 292.75                   |
| Less: Adjustment during the year               | -                       | -                       | (292.75)                 |
| Closing Balance                                | <u>32,672.48</u>        | <u>30,987.15</u>        | <u>29,964.19</u>         |
| Other Comprehensive Income Reserve - Opening   | (65.97)                 | 2.22                    | 2.22                     |
| Add: During the year                           | 2.76                    | (97.69)                 | (0.69)                   |
| Less: Deferred tax                             | (0.96)                  | 29.50                   | -                        |
| Closing Balance                                | <u>(64.16)</u>          | <u>(65.97)</u>          | <u>1.53</u>              |
| <b>Total</b>                                   | <u>32,608.32</u>        | <u>30,921.18</u>        | <u>30,345.43</u>         |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Foot Note (i) - Movement in Retained Earnings

(₹ in Lacs)

| Particulars                                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------|-------------------------|-------------------------|--------------------------|
| General Reserve - Opening                         | 28,744.15               | 28,866.52               | 28,866.52                |
| Add : During the Year                             | -                       | (22.28)                 | -                        |
| Less: Bonus paid during the year                  | -                       | (100.09)                | -                        |
| <b>Closing Balance</b>                            | <b>28,744.15</b>        | <b>28,744.15</b>        | <b>28,866.52</b>         |
| Profit & Loss Account - Opening                   | 2,242.97                | 1,097.64                | 1,097.64                 |
| Add: Profit During the year                       | 1,731.53                | 1,145.33                | -                        |
| Less: Dividend & Divided Tax paid during the year | (46.20)                 | -                       | -                        |
| <b>Closing Balance</b>                            | <b>3,928.30</b>         | <b>2,242.97</b>         | <b>1,097.64</b>          |
| <b>Total</b>                                      | <b>32,672.45</b>        | <b>30,987.12</b>        | <b>29,964.16</b>         |

**Foot Note (ii)** - The Board of Director has recommended a Dividend of Rs. 1.25 per Equity Share of Rs. 10/- each subject to the approval of Shareholders in the ensuing Annual General Meeting. Proposed Dividend as above amounting to Rs. 96.25 lakhs for the Financial Year 2017-18 and Dividend Distribution Tax thereon, has not been recognised as liability as on 31-03-2018 in term of Revised "IND AS 10 - Events after the Reporting Period". Consequently the same has not be appropriated from Surplus during the Year.

### Note 16 :- Non Current Financial Liabilities - Borrowings

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Secured</b>                    |                         |                         |                          |
| Term Loan (Refer Note :- 32)      |                         |                         |                          |
| From Banks                        | 274.59                  | 418.96                  | 183.12                   |
| Vehicle Loan                      | 79.41                   | 22.02                   | 27.83                    |
| <b>Unsecured</b>                  |                         |                         |                          |
| From Bodies Corporate             | 394.00                  | 394.00                  | -                        |
| Interest Accured on above         | -                       | 15.89                   | -                        |
| <b>Total</b>                      | <b>748.00</b>           | <b>850.88</b>           | <b>210.95</b>            |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 17 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

| Particulars                                                                                                                                             | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| Opening Balance                                                                                                                                         | 7,443.72                | 7,431.45                | 7,431.45                 |
| Add :- Liability created on difference between Written Down Value of Property, Plant and Equipment as per the books of accounts and Income Tax Act'1961 | 3.05                    | 24.06                   | (1.15)                   |
| Add :- Liability created on the remeasurement benefits of the Defined Benefit Plansthrough OCI                                                          | 0.96                    | (30.19)                 | -                        |
| Less :- Liabilities created/(Reversed) on Ind AS adjustments made during the year                                                                       | (1.42)                  | 18.40                   | -                        |
| <b>Total</b>                                                                                                                                            | <b>7,446.31</b>         | <b>7,443.72</b>         | <b>7,431.45</b>          |

### Note 18 - Non Current Provisions

| Particulars      | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|------------------|-------------------------|-------------------------|--------------------------|
| Gratuity         | 44.59                   | 63.87                   | -                        |
| Leave Encashment | 110.69                  | 133.17                  | 101.45                   |
| <b>Total</b>     | <b>155.28</b>           | <b>197.04</b>           | <b>101.45</b>            |

### Note 19 - Financial Liabilities - Current - Borrowings

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Loan repayable on demand</b>   |                         |                         |                          |
| <b>Secured</b>                    |                         |                         |                          |
| From banks (Refer note :- 32)     |                         |                         |                          |
| Cash Credit                       | 417.82                  | 2,664.13                | 1,352.86                 |
| Working Capital Demand Loan       | 2,500.00                | -                       | -                        |
| Interest accrued but not due      | 12.23                   | -                       | -                        |
| <b>Unsecured</b>                  |                         |                         |                          |
| From Bodies Corporate             | 137.50                  | 826.50                  | 131.50                   |
| Interest accrued but not due      | -                       | 11.57                   | 0.63                     |
| From Directors                    | -                       | 0.27                    | 2.50                     |
| Deposits                          | -                       | -                       | 2.04                     |
| <b>Total</b>                      | <b>3,067.55</b>         | <b>3,502.47</b>         | <b>1,489.53</b>          |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### Note 20 - Financial Liabilities - Current - Others

(₹ in Lacs)

| Particulars                                                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Secured</b>                                              |                         |                         |                          |
| Current Maturity of Long Term Borrowings (Refer Note :- 32) |                         |                         |                          |
| Term Loans from Banks                                       | 229.49                  | 228.13                  | 79.54                    |
| Vehicle Loans                                               | 45.36                   | 15.84                   | 18.01                    |
| Interest accrued but not due                                | -                       | 2.02                    | -                        |
| Payable to Employees                                        | 173.02                  | 173.08                  | 153.65                   |
| Unclaimed Dividend                                          | 11.79                   | 8.45                    | 6.59                     |
| <b>Total</b>                                                | <b>459.66</b>           | <b>427.52</b>           | <b>257.79</b>            |

### Note 21 - Provisions

| Particulars                     | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------|-------------------------|-------------------------|--------------------------|
| Rates & Taxes (Refer Note - 44) | 135.60                  | 148.10                  | 147.86                   |
| Leave Encashment                | 49.43                   | -                       | -                        |
| Gratuity                        | 26.50                   | 25.21                   | 1.03                     |
| <b>Total</b>                    | <b>211.53</b>           | <b>173.31</b>           | <b>148.89</b>            |

### Note 22 :- Other Current Liabilities

| Particulars                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------|-------------------------|-------------------------|--------------------------|
| Advance from Customer       | 0.64                    | 98.98                   | 98.73                    |
| Other statutory liabilities | 60.46                   | 148.80                  | 64.77                    |
| <b>Total</b>                | <b>61.10</b>            | <b>247.78</b>           | <b>163.50</b>            |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### Note 23 - Other Income

| Particulars                                                  | 2017-18      | 2016-17      |
|--------------------------------------------------------------|--------------|--------------|
| Interest Income                                              | 31.57        | 14.73        |
| Net gain/(loss) on disposal of property, plant and equipment | 0.21         | (3.32)       |
| Liabilities no longer required(written back)                 | -            | 5.43         |
| Miscellaneous Income                                         | 40.78        | 29.77        |
| <b>Total</b>                                                 | <b>72.56</b> | <b>46.61</b> |

### Note 24 - Cost of Material Consumed

| Particulars                        | 2017-18          | 2016-17          |
|------------------------------------|------------------|------------------|
| Opening Stock                      | 1,775.18         | 517.34           |
| Purchases of Raw Materials         | 12,848.92        | 13,126.73        |
| Add: Extraction Expenses           | 49.10            | 51.14            |
| Foreign Exchange Fluctuations(Net) | (29.40)          | (59.20)          |
|                                    | <b>14,643.80</b> | <b>13,636.01</b> |
| Less : Closing Stock               | (1,566.86)       | (1,775.18)       |
| <b>Cost of Material Consumed</b>   | <b>13,076.94</b> | <b>11,860.83</b> |

### Note 25 - Change in inventories of finished goods and work -in-progress

| Particulars                                        | 2017-18         | 2016-17           |
|----------------------------------------------------|-----------------|-------------------|
| Opening stock (Finished Goods & Stock in Progress) | 2,613.16        | 1,088.67          |
| Closing stock (Finished Goods & Stock in Progress) | 3,223.74        | 2,613.16          |
| <b>Total</b>                                       | <b>(610.58)</b> | <b>(1,524.49)</b> |

### Note 26 - Employee Benefit Expenses

| Particulars                            | 2017-18         | 2016-17         |
|----------------------------------------|-----------------|-----------------|
| Salaries, Bonus & Other benefits       | 1,529.85        | 1,368.72        |
| Contribution to Provident & Other Fund | 118.56          | 89.84           |
| Managerial Remuneration                | 369.83          | 155.65          |
| Contribution to Gratuity Fund          | 71.88           | 80.32           |
| Staff welfare expenses                 | 178.96          | 161.25          |
| <b>Total</b>                           | <b>2,269.08</b> | <b>1,855.78</b> |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

(₹ in Lacs)

**Note 27 - Finance Cost**

| Particulars                 | 2017-18       | 2016-17       |
|-----------------------------|---------------|---------------|
| Interest on Bank Borrowings | 347.80        | 246.82        |
| Interest to Others          | 124.95        | 43.39         |
| Other Charges               | 33.08         | 17.33         |
| <b>Total</b>                | <b>505.83</b> | <b>307.53</b> |

**Note 28 - Other Expenses**

| Particulars                             | 2017-18         | 2016-17         |
|-----------------------------------------|-----------------|-----------------|
| Stores and Spare parts consumed         | 512.15          | 435.89          |
| Other Consumable and Chemicals Consumed | 94.14           | 87.20           |
| Machine Katha Expenses                  | 637.28          | 713.78          |
| Power and Fuel                          | 669.67          | 638.78          |
| Factory Maintenance Charges             | 101.41          | 80.97           |
| Rates & Taxes                           | 440.64          | 671.73          |
| Rent                                    | 153.24          | 73.07           |
| Insurance                               | 33.61           | 15.45           |
| Repairs & Maintenance                   |                 |                 |
| Buildings                               | 21.03           | 7.42            |
| Plant & Machinery                       | 65.72           | 43.54           |
| Others                                  | 33.65           | 27.22           |
| Traveling Expenses                      | 131.22          | 192.15          |
| CSR Expenses                            | 20.30           | 4.00            |
| Consultancy & Service Charges           | 273.26          | 130.61          |
| Freight & Selling Expenses              | 165.98          | 114.30          |
| Miscellaneous Expenses                  | 301.01          | 190.96          |
| Net loss on Currency Derivatives        | 15.04           | 24.58           |
| Sales Tax paid for earlier years        | 0.04            | 1.67            |
| Directors sitting fees                  | 2.29            | 2.40            |
| Allowance on Doubtful Debts             | -               | 6.03            |
| Auditors Renumeration                   |                 |                 |
| For Audit fees                          | 3.84            | 3.74            |
| For Other Services                      | 2.33            | 0.62            |
| <b>Total</b>                            | <b>3,677.85</b> | <b>3,466.11</b> |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### Note 29 - Tax Expenses

| Particulars                                       | 2017-18       | 2016-17 |
|---------------------------------------------------|---------------|---------|
| <b>(1) Current tax</b>                            |               |         |
| Current Tax Expenses                              | <b>930.00</b> | 650.00  |
| Short/(Excess) Tax for earlier year               | -             | (8.31)  |
| <b>Total</b>                                      | <b>930.00</b> | 641.69  |
| <b>(2) Deferred tax</b>                           |               |         |
| Income Tax Expenses                               | <b>1.63</b>   | 42.46   |
| Income Tax Expenses on Other Comprehensive Income | <b>0.96</b>   | 30.19   |
| <b>Total</b>                                      | <b>2.59</b>   | 72.65   |

### Note 30 :- Earnings Per Share

| Particulars                                                                          | 2017-18          | 2016-17   |
|--------------------------------------------------------------------------------------|------------------|-----------|
| <b>Profit After Tax</b>                                                              |                  |           |
| (a) Net Profit for calculation of Basic and Diluted EPS (₹ in lakhs)                 | <b>1,731.53</b>  | 1,145.33  |
| (b) Weighted Average Number of Equity Shares in calculation of Basic and Diluted EPS | <b>6,397,272</b> | 6,397,272 |
| <b>Basic and Diluted EPS (a) / (b)</b>                                               | <b>27.07</b>     | 17.90     |

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)****31. Related Party Transaction****(i) Name of related parties and nature of relationship:-****a) Parties where Control Exists**

| Joint Ventures                      | Country of Operation | As at 31 March, 2018 | As at 31 March, 2017 | As at 1st April, 2016 |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Agro and Spice Trading Pte Ltd      | Singapore            | 50%                  | 50%                  | -                     |
| Pt Sumatra Resources International, | Indonesia            | -                    | -                    | 50%                   |

**b) Key Management Personnel**

| Name                     | Position Held                |
|--------------------------|------------------------------|
| Mr. Krishna Kumar Mohta  | Chairman & Managing Director |
| Mr. Bharat Mohta         | CEO & Whole Time Director    |
| Mr. Krishna Kumar Damani | Executive Director           |
| Mr. Raj Kumar Agarwal    | Chief Financial Officer      |
| Mr. Anup Gupta           | Company Secretary            |

**c) Other Directors**

| Name                        | Position Held          |
|-----------------------------|------------------------|
| Mr. Rajendra Prasad Chetani | Non-Executive Director |
| Mr. Sanjay Kumar Maheswary  | Independent Director   |
| Mr. Vinod Kumar Maheshwary  | Independent Director   |
| Mr. Vinod Mimani            | Independent Director   |
| Ms. Drisha Poddar           | Independent Director   |

**d) Relatives of Key Management Personnel**

| Name                        | Position Held                                            |
|-----------------------------|----------------------------------------------------------|
| Mrs. Savita Mohta           | Spouse of Mr. K. K. Mohta (Chairman & Managing Director) |
| Mrs. Avanti Mohta           | Spouse of Mr. Bharat Mohta (CEO)                         |
| M/s Krishna Kumar Mohta HUF | Karta is Chairman & Managing Director                    |
| M/s Bharat Mohta HUF        | Karta is CEO                                             |

**e) Enterprises having significant influence**

| Name                              | Position Held       |
|-----------------------------------|---------------------|
| ACMA Industrials Projects (P) Ltd | Significant Control |
| Arvind Engineering Works Ltd      | Common Director     |
| Security Company Limited          | Common Director     |
| Indian Glass & Electricals Ltd    | Common Director     |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### (ii) Transactions with related parties

#### a) The following transactions occurred with related parties:-

| Particulars                                  | Key Management Personnel/ Other Directors |         | Relatives of Key Manement Personnel |         | Enterprises having Significant Influence |         |
|----------------------------------------------|-------------------------------------------|---------|-------------------------------------|---------|------------------------------------------|---------|
|                                              | 2017-18                                   | 2016-17 | 2017-18                             | 2016-17 | 2017-18                                  | 2016-17 |
| <b>a) Remuneration and Employee Benefits</b> |                                           |         |                                     |         |                                          |         |
| Krishna Kumar Mohta                          | 156.19                                    | 82.43   | -                                   | -       | -                                        | -       |
| Bharat Mohta                                 | 144.22                                    | 57.95   | -                                   | -       | -                                        | -       |
| Krishna Kumar Damani                         | 72.84                                     | 18.50   | -                                   | -       | -                                        | -       |
| Raj Kumar Agarwal                            | 20.01                                     | 16.60   | -                                   | -       | -                                        | -       |
| Anup Gupta                                   | 4.31                                      | 3.01    | -                                   | -       | -                                        | -       |
| <b>b) Director Sitting Fees</b>              |                                           |         |                                     |         |                                          |         |
| Mr. Rajendra Prasad Chetani                  | 0.61                                      | 0.49    | -                                   | -       | -                                        | -       |
| Mr. Sanjay Kumar Maheswary                   | 0.61                                      | 0.56    | -                                   | -       | -                                        | -       |
| Mr. Vinod Kumar Maheshwary                   | 0.61                                      | 0.56    | -                                   | -       | -                                        | -       |
| Mr. Vinod Mimani                             | 0.43                                      | 0.40    | -                                   | -       | -                                        | -       |
| Ms. Drisha Poddar                            | 0.05                                      | 0.05    | -                                   | -       | -                                        | -       |
| Ms. Sunita Sarda                             | -                                         | 0.35    | -                                   | -       | -                                        | -       |
| <b>c) Unsecured Loans Taken</b>              |                                           |         |                                     |         |                                          |         |
| ACMA Industrials Projects (P) Ltd            | -                                         | -       | -                                   | -       | -                                        | 150.00  |
| Indian Glass & Electricals Ltd               | -                                         | -       | -                                   | -       | -                                        | 44.00   |
| <b>d) Repayment of Unsecured Loans</b>       |                                           |         |                                     |         |                                          |         |
| Mr. Krishna Kumar Mohta                      | -                                         | 2.50    | -                                   | -       | -                                        | -       |
| <b>e) Interest on Unsecured Loans Taken</b>  |                                           |         |                                     |         |                                          |         |
| ACMA Industrials Projects (P) Ltd            | -                                         | -       | -                                   | -       | 23.01                                    | 5.56    |
| Indian Glass & Electricals Ltd               | -                                         | -       | -                                   | -       | 10.52                                    | 5.82    |
| Krishna Kumar Mohta                          | -                                         | 0.30    | -                                   | -       | -                                        | -       |
| <b>f) Rent Paid</b>                          |                                           |         |                                     |         |                                          |         |
| Mrs. Savita Mohta                            | -                                         | -       | 54.48                               | 35.60   | -                                        | -       |
| <b>g) Dividend Paid</b>                      |                                           |         |                                     |         |                                          |         |
| Mr. Krishna Kumar Mohta                      | 1.06                                      | 0.55    | -                                   | -       | -                                        | -       |
| Mr. Bharat Mohta                             | 4.55                                      | 2.37    | -                                   | -       | -                                        | -       |
| Mr. Vinod Mimani                             | 0.01                                      | -       | -                                   | -       | -                                        | -       |
| Mrs. Savita Mohta                            | 5.50                                      | 2.86    | -                                   | -       | -                                        | -       |
| Mrs. Avanti Mohta                            | 4.52                                      | 2.35    | -                                   | -       | -                                        | -       |
| M/s Krishna Kumar Mohta HUF                  | 0.17                                      | 0.09    | -                                   | -       | -                                        | -       |
| M/s Bharat Mohta HUF                         | 2.73                                      | 1.42    | -                                   | -       | -                                        | -       |
| Arvind Engineering Works Ltd                 | 0.37                                      | 0.19    | -                                   | -       | -                                        | -       |
| Security Company Limited                     | 7.32                                      | 3.81    | -                                   | -       | -                                        | -       |
| Indian Glass & Electricals Ltd               | 0.72                                      | 0.38    | -                                   | -       | -                                        | -       |

Mr. R.P Chetani, Mr. R.K Agarwal and Mr. S.K. Maheswary have also been paid Dividend but the amount is below Rs. 300/- hence not reported above.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

- b) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

| Particulars                                     | Key Management Personnel / Other Directors |                     |                      | Enterprises having Significant Influence |                     |                      |
|-------------------------------------------------|--------------------------------------------|---------------------|----------------------|------------------------------------------|---------------------|----------------------|
|                                                 | As at 31 March 2018                        | As at 31 March 2017 | As at 1st April 2016 | As at 31 March 2018                      | As at 31 March 2017 | As at 1st April 2016 |
| <b>(i) Unsecured Loans Taken</b>                |                                            |                     |                      |                                          |                     |                      |
| ACMA Industrials Projects (P) Ltd               | -                                          | -                   | -                    | 150.00                                   | 150.00              | -                    |
| Indian Glass & Electricals Ltd                  | -                                          | -                   | -                    | 44.00                                    | 44.00               | -                    |
| Krishna Kumar Mohta                             | -                                          | -                   | 2.50                 | -                                        | -                   | -                    |
| <b>(ii) Interest Expense on Unsecured Loans</b> |                                            |                     |                      |                                          |                     |                      |
| ACMA Industrials Projects (P) Ltd               | -                                          | -                   | -                    | -                                        | 5.01                | -                    |
| Indian Glass & Electricals Ltd                  | -                                          | -                   | -                    | -                                        | 5.24                | -                    |
| Krishna Kumar Mohta                             | -                                          | 0.27                | -                    | -                                        | -                   | -                    |

- 32 a) Working Capital facilities and Capital Expenditure Term Loan including LC & Buyers Credit Limit are from Union Bank of India and DBS Bank, on multiple banking system Secured by charge of stocks of Raw material, Katha and Cutch whether Raw or in process of manufacture and all articles manufactured there from, Stores, Book debts, Plant & Machinery and certain other assets and mortgaged by deposit of title deeds of Land at Bareilly measuring 91,600 square meter on pari – passu basis and have been guaranteed by two Promoter Directors. Additionally, corporate guarantee has been provided by an Associate Company.

| Banks                       | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|-----------------------------|------------------|-----------------------------|-------------------------|
| <b>DBS Bank</b>             |                  |                             |                         |
| Term Loan                   | 11.85%           | 44.28                       | 75.92                   |
| Working Capital Demand Loan | MCLR + 0.75%     | -                           | (83.68)                 |
| Cash Credit Account         | MCLR + 1.25%     | -                           | 1,400.00                |
| <b>Union Bank of India</b>  |                  |                             |                         |
| Term Loan                   | MCLR + 1.05%     | 237.90                      | 150.00                  |
| Cash Credit Account         | MCLR + 0.75%     | -                           | 296.91                  |

- b) Working Capital Demand Loan & Cash Credit facility from Citi Bank are free from any chargeas on the date of Balance Sheet.

| Banks                       | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|-----------------------------|------------------|-----------------------------|-------------------------|
| <b>CITI Bank</b>            |                  |                             |                         |
| Working Capital Demand Loan | 8.25%            | -                           | 120.91                  |
| Cash Credit Account         | 9.00%            | -                           | 1,100.00                |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

- c) Vehicle Loans sanctioned by Banks against hypothecation of the respective vehicle

| Banks               | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|---------------------|------------------|-----------------------------|-------------------------|
| ICICI Bank Ltd.     | 10.24%           | 4.91                        | 12.78                   |
| Kotak Mahindra Bank | 9.85%            | 45.74                       | 15.80                   |
| Union Bank of India | 7.70%            | 1.00                        | 1.27                    |
| HDFC Bank Limited   | 9.50%            | 5.91                        | 2.16                    |
| BMW Finance         | 7.90%            | 13.60                       | 11.57                   |
| Yes Bank Limited    | 8.50%            | 8.25                        | 1.79                    |

- 33** The Company operates in only one Business Segment, i.e., manufacturing and trading in Katha and in only one Geographic Segment i.e., India. Accordingly there are no separate reportable segment as per IND AS 108.
- 34** During the year, due to introduction of Goods and Service Tax, unavailed Service Tax, VAT and Cenvat Credit charged to Profit & Loss Account in the earlier Years amounting to Rs. 222.96 lakhs was treated as Exceptional Income in the Current year. The unavailed Service Tax, VAT Credit and Cenvat Credit was carried as Cenvat balance in the returns and hence was claimed in GST Tran 1.
- 35** The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts payable to Trade Payables at the year-end together with interest payable thereon to these parties, are not ascertainable.
- 36 Corporate Social Responsibility (CSR)**

A CSR Committee has been formed by the Company as per the provisions of Section 135 of the Companies Act, 2013. The details of the expenditure being incurred during the year on CSR activities are

- Amount of Rs. 16.50 lakhs required to be spend by the Company during the year.
- Revenue Expenditure incurred during the year directly or through Implementing agencies towards CSR Activities amounted to Rs. 20.31 lakhs (including unspent amount of PY Rs. 2.77 lakhs).

**37 Non Cancellable Operating Leases:**

The group's significant leasing arrangements are in respect of residential flats, office premises, warehouses etc. taken on lease. The arrangements range between more than 5 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

| Particulars                                                           | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>1st April 2016 |
|-----------------------------------------------------------------------|------------------------|------------------------|-------------------------|
| Lease rental payments recognized in the Statement of Profit and Loss. | 89.90                  | 118.00                 | -                       |
| <b>In respect of assets taken on non-cancellable operating lease:</b> |                        |                        |                         |
| <b>Lease obligations</b>                                              |                        |                        |                         |
| <b>Future minimum lease rental payments</b>                           |                        |                        |                         |
| - not later than one year                                             | 141.64                 | 54.90                  | -                       |
| - later than one year but not later than five years                   | 494.70                 | 248.46                 | -                       |
| - later than five years                                               | 218.82                 | 288.90                 | -                       |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### 38 Employee Benefits

- (a) Contribution to Defined Contribution Plans Recognised as Expense are as under

| Particulars    | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------|---------------------------------------|---------------------------------------|
| Provident Fund | 118.56                                | 89.84                                 |

- (b) Defined Benefit Plan

Gratuity: The Company has a defined Gratuity Plan for its employees. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Scheme is funded with an insurance company in the form of qualifying insurance policy.

#### Disclosure for Defined Benefit Plans based on actuarial report

| Particulars                                                                | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Changes in Defined Benefit Obligation :</b>                             |                                       |                                       |
| Present Value of Defined Benefit Obligation at the Beginning of the Year   | 392.09                                | 295.10                                |
| Current Service Cost                                                       | 25.21                                 | 19.61                                 |
| Interest Cost                                                              | 24.94                                 | 20.69                                 |
| <b>Components of actuarial gain/losses on obligations:</b>                 |                                       |                                       |
| Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions   | -                                     | -                                     |
| Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions     | (16.18)                               | (8.09)                                |
| Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments    | 17.25                                 | 104.86                                |
| Past service cost                                                          | 41.23                                 | -                                     |
| Benefits Paid                                                              | (66.49)                               | (40.09)                               |
| Present Value of Defined Benefit Obligation at the end of the Year         | 418.06                                | 392.09                                |
| <b>Change in Plan Assets :</b>                                             |                                       |                                       |
| Fair Value of Plan Assets at the Beginning of the Year                     | 303.01                                | 294.07                                |
| Interest Income                                                            | 19.51                                 | 21.38                                 |
| Re Measurements Gains/(Losses)                                             | -                                     | -                                     |
| Return on Plan Assets, (Excluding Amount Included in net Interest Expense) | 3.84                                  | (0.91)                                |
| Contribution by Employers                                                  | 87.10                                 | 28.56                                 |
| Benefits Paid                                                              | (66.49)                               | (40.09)                               |
| Fair Value of Plan Assets at the End of the Year                           | 346.97                                | 303.01                                |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

| Particulars                                                                                 | For the Year Ended<br>31st March 2018                 | For the Year Ended<br>31st March 2017                 |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| <b>Service cost:</b>                                                                        |                                                       |                                                       |
| <b>Current Service Cost</b>                                                                 | <b>25</b>                                             | 20                                                    |
| Past service cost and loss/(gain) on curtailments and settlement                            | <b>41</b>                                             | -                                                     |
| <b>Net interest cost</b>                                                                    | <b>5</b>                                              | (1)                                                   |
| Expenses Recognized in the Statement of Profit and Loss                                     | <b>71.88</b>                                          | 18.92                                                 |
| <b>Expenses Recognised in other Comprehensive Income</b>                                    |                                                       |                                                       |
| Return on Plan Assets, (Excluding Amount Included in net Interest Expense)                  | <b>(3.84)</b>                                         | 0.91                                                  |
| Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions                    | -                                                     | -                                                     |
| Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions                      | <b>(16.18)</b>                                        | (8.09)                                                |
| Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments on Plan Liabilities | <b>17.25</b>                                          | 104.86                                                |
| Total Actuarial (Gains)/Losses Recognized in other Comprehensive Income                     | <b>(2.76)</b>                                         | 97.69                                                 |
| <b>The Major Categories of Plan Assets as a % of Total Plan</b>                             |                                                       |                                                       |
| Qualifying Insurance Policy                                                                 | <b>100%</b>                                           | 100%                                                  |
| <b>The Principal Actuarial Assumption Used :</b>                                            |                                                       |                                                       |
| Discount Rate                                                                               | 7.6%                                                  | 7.1%                                                  |
| Salary Growth Rate                                                                          | 5%                                                    | 5%                                                    |
| Withdrawal Rate                                                                             | 5% at younger ages<br>reducing to 1% at<br>older ages | 5% at younger ages<br>reducing to 1% at older<br>ages |

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

### Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

| Particulars                                                                                        | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Sensitivity Analysis for Significant Assumptions as on 31st March, 2018 are as Follows :</b>    | <b>INR Lacs</b>                       |                                       |
| Assumptions                                                                                        | <b>Discount Rate</b>                  |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>0.5% Increase</b>                  | <b>0.5% Decrease</b>                  |
| Impact on Defined Benefit Plan (₹)                                                                 | 402.99                                | 434.24                                |
| <b>Assumptions</b>                                                                                 | <b>Future Salary Increase</b>         |                                       |
| Sensitivity Level                                                                                  | 0.5% Increase                         | 0.5% Decrease                         |
| Impact on Defined Benefit Plan (₹)                                                                 | 434.24                                | 402.98                                |
| <b>Assumptions</b>                                                                                 | <b>Withdrawal Rate</b>                |                                       |
| Sensitivity Level                                                                                  | W.R. * 110%                           | W.R. * 90%                            |
| Impact on Defined Benefit Plan (₹)                                                                 | 419.90                                | 416.18                                |
| <b>Sensitivity Analysis for Significant Assumptions as on 31st March, 2017 are as Follows :</b>    | <b>INR Lacs</b>                       |                                       |
| <b>Assumptions</b>                                                                                 | <b>Discount Rate</b>                  |                                       |
| Sensitivity Level                                                                                  | 0.5% Increase                         | 0.5% Decrease                         |
| Impact on Defined Benefit Plan (₹)                                                                 | 377.73                                | 407.53                                |
| <b>Assumptions</b>                                                                                 | <b>Future Salary Increase</b>         |                                       |
| Sensitivity Level                                                                                  | 0.5% Increase                         | 0.5% Decrease                         |
| Impact on Defined Benefit Plan (₹)                                                                 | 407.54                                | 377.87                                |
| <b>Assumptions</b>                                                                                 | <b>Withdrawal Rate</b>                |                                       |
| Sensitivity Level                                                                                  | W.R. * 110%                           | W.R. * 90%                            |
| Impact on Defined Benefit Plan (₹)                                                                 | 393.62                                | 390.83                                |
| *The Weighted Average Duration of the Defined Benefit Obligation as at 31st March 2018 is 58 years |                                       |                                       |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 39 Fair Values

(₹ in Lacs)

#### Financial Instruments with category:

| Particulars                                                            | Fair Value             |                        |                         |
|------------------------------------------------------------------------|------------------------|------------------------|-------------------------|
|                                                                        | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>1st April 2016 |
| <b>Financial Assets</b>                                                |                        |                        |                         |
| Investments in Equity Shares at FVOCI                                  | 0.02                   | 0.02                   | 0.02                    |
| Trade receivables - at amortised cost                                  | 3658.82                | 4055.45                | 1748.57                 |
| Security Deposits - at amortised cost                                  | 47.93                  | 26.93                  | 24.76                   |
| Cash and Cash equivalents at amortised cost                            | 321.79                 | 96.65                  | 193.58                  |
| Balance with Bank other than Cash and Cash Equivalent - amortised cost | 462.90                 | 219.64                 | 206.41                  |
| Loans & Advances - amortised cost                                      | 25.58                  | 37.84                  | 19.68                   |
| <b>Total</b>                                                           | <b>4,517.04</b>        | <b>4,436.52</b>        | <b>2,193.02</b>         |
| <b>Financial Liabilities</b>                                           |                        |                        |                         |
| Loans from Bank and others-at amortised cost                           | 4,095.46               | 4,609.39               | 1,798.03                |
| Security Deposits - at amortised cost                                  | 5.05                   | 10.06                  | 10.06                   |
| Payable to Employees                                                   | 173.02                 | 173.08                 | 163.71                  |
| Unclaimed Dividend                                                     | 11.79                  | 8.45                   | 6.59                    |
| Trade Payables                                                         | 3,217.79               | 3,351.18               | 1,063.22                |
| <b>Total</b>                                                           | <b>7,503.11</b>        | <b>8,152.16</b>        | <b>3,041.61</b>         |

#### Fair Value Hierarchy

| Particulars                                                                                       | Fair Market value using                            |                                                  |                                                    |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
|                                                                                                   | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:</b> |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:</b> |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:</b>  |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |

The above excludes investment in Joint Venture amounting to Rs. 755.56 lakhs (P.Y. - Rs. 336.53 lakhs

Unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

Since there is insufficient recent information available w.r.t fair value measurement of the equity shares of Vishnuhari Investments & Properties, cost is considered as the best estimate.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)**

(₹ in Lacs)

**40. Financial Risk Management Objectives and Policies**

The Company's financial liabilities comprise loans, Trade and other payables. The main purpose of these financial liabilities is to finance the Company's operation. The Company's principal financial assets include Investments, Short term loans and advances, Trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company regularly assess these risks, monitor, evaluate and deploy mitigation measures to manage the risks within risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowing, investments ,trade payables,trade receivables etc.

**b. Interest Rate Risk and Sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations with Floating rate of interest.

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

| Particulars | Increase/ decrease in Basis points | Effect on Profit before tax | Effect on Pre tax Equity |
|-------------|------------------------------------|-----------------------------|--------------------------|
| 31.03.2018  | +50                                | (3.14)                      | (3.14)                   |
|             | -50                                | 3.14                        | 3.14                     |
| 31.03.2017  | +50                                | 3.14                        | 3.14                     |
|             | -50                                | (3.14)                      | (3.14)                   |

The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

**c. Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are hedged by the Company.

**d. Credit Risk**

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

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers and Outstanding receivables are regularly monitored.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### e. Liquidity Risk

Liquidity Risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Bank loans, Credit purchases etc.

The table below provides undiscounted cash flows towards Financial Liability into relevant maturity based on the remaining period at the balance sheet date to the contract maturity date.

#### As at 31st March' 2018

| Particulars                                           | On Demand       | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|-------------------------------------------------------|-----------------|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans (including Current maturities) | 2,918.00        | 274.85           | 354.00        | -                 | 3,546.68        |
| Trade Payables                                        | -               | 3,217.79         | -             | -                 | 3,217.79        |
| <b>Total</b>                                          | <b>2,918.00</b> | <b>3,492.64</b>  | <b>354.00</b> | <b>-</b>          | <b>6,764.47</b> |

#### As at 31st March' 2017

| Particulars                                           | On Demand       | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|-------------------------------------------------------|-----------------|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans (including Current maturities) | 2,664.13        | 245.99           | 440.98        | -                 | 3,351.10        |
| Trade Payables                                        | -               | 3,351.18         | -             | -                 | 3,351.18        |
| <b>Total</b>                                          | <b>2,664.13</b> | <b>3,597.17</b>  | <b>440.98</b> | <b>-</b>          | <b>6,702.28</b> |

### 41 Capital Management

For the purpose of the Company's Capital Management, Capital includes issued equity capital, shares premium and all other Equity Reserves attributable to the Equity holders of the Parent. The Primary objective of the Company's capital management is to maximise the Shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

| Particulars           | 31st March 2018 | 31st March 2017 |
|-----------------------|-----------------|-----------------|
| Borrowings            | 748.00          | 850.88          |
| Trade Payables        | 3,217.79        | 3,351.18        |
| Short term Borrowings | 3,067.55        | 3,502.47        |
| Net Debt              | 7,033.35        | 7,704.52        |
| Equity                | 33,248.35       | 31,561.21       |
| Total Capital         | 33,248.35       | 31,561.21       |
| Gearing Ratio         | 21.15%          | 24.41%          |

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 42 First Time Adoption of Ind AS

These financial statements for the year ended 31 March 2018, are the first financial statements of the Company prepared in accordance with Ind AS.

#### Exemptions Applied:

Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS

- a. **Deemed Cost** Ind AS 101 allows a first time adopter to continue with the carrying value for all its Property, Plant and Equipment and Intangible Assets as recognised in its previous GAAP financials on the date of transition. Accordingly, the Company has opted for this exemption and decided to carry its Property, Plant and equipment (except Land ) at carrying value as per Indian GAAP on the date of transition i.e. 1 April, 2016 after making necessary adjustments . Freehold Land is revalued as on 1 April, 2016.

The company has considered Fair Value for Property, i.e, Freehold measuring 2,10,222 sq. mt. situated at Bareilly, India with impact of Rs. 28375.45 lakhs (net of deferred tax) in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the Reserves and Surplus.

- b. **Estimates** The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

- Cost of Defined Benefit Plan and the Present Value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

- Impairment of Trade receivables based on Expected Credit Model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2016, the date of transition to Ind AS and as of 31 March 2017

- c. **Classification and measurement of Financial Assets** The Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS in accordance with Ind AS 101.
- d. The Company has adopted to measure investments in Joint Ventures and Associates at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.
- e. **Proposed Dividend** Under Indian GAAP, proposed dividend (including Dividend Distribution Tax) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company usually when approved by shareholders in a general meeting or paid.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 42 (f) Balance Sheet as at 31st March 2018

(₹ in Lacs)

| Particulars                              | Indian GAAP            | IND AS           |                         |
|------------------------------------------|------------------------|------------------|-------------------------|
|                                          | As at<br>31 March 2016 | Adjustments      | As at<br>1st April 2016 |
| <b>ASSETS</b>                            |                        |                  |                         |
| <b>Non-current assets</b>                |                        |                  |                         |
| a) Property, Plant and Equipment         | 1,273.25               | 35,570.75        | 36,844.00               |
| b) Capital Work-in-Progress              | 9.86                   | -                | 9.86                    |
| c) Financial Assets                      |                        |                  |                         |
| i) Investments                           | 30.27                  | -                | 30.27                   |
| ii) Other Financial Assets               | 113.77                 | (89.01)          | 24.76                   |
| d) Other Non-Current Assets              | -                      | 77.55            | 77.55                   |
|                                          | <b>1,427.15</b>        | <b>35,559.29</b> | <b>36,986.44</b>        |
| <b>Current assets</b>                    |                        |                  |                         |
| a) Inventories                           | 1,870.76               | (126.16)         | 1,744.60                |
| b) Financial Assets                      |                        |                  |                         |
| i) Trade Receivables                     | 1,750.33               | (1.76)           | 1,748.57                |
| ii) Cash and Cash Equivalents            | 193.58                 | -                | 193.58                  |
| iii) Bank Balances other than (ii) above | 199.53                 | 6.88             | 206.41                  |
| iv) Loans                                | -                      | 19.68            | 19.68                   |
| v) Other Financial Assets                | -                      | 12.87            | 12.87                   |
| c) Current tax asset (Net)               | -                      | 1.80             | 1.80                    |
| d) Other Current Assets                  | 518.32                 | (49.77)          | 468.55                  |
|                                          | <b>4,532.52</b>        | <b>(136.46)</b>  | <b>4,396.06</b>         |
| <b>Total Assets</b>                      | <b>5,959.67</b>        | <b>35,422.82</b> | <b>41,382.50</b>        |
| <b>EQUITY AND LIABILITIES</b>            |                        |                  |                         |
| a) Equity Share Capital                  | 160.23                 | -                | 160.23                  |
| b) Other Equity                          | 2,220.13               | 28,125.30        | 30,345.43               |
|                                          | <b>2,380.36</b>        | <b>28,125.30</b> | <b>30,505.66</b>        |
| <b>LIABILITIES</b>                       |                        |                  |                         |
| <b>Non-current liabilities</b>           |                        |                  |                         |
| a) Financial Liabilities                 |                        |                  |                         |
| i) Borrowings                            | 215.04                 | (4.09)           | 210.95                  |
| ii) Others                               | -                      | 10.06            | 10.06                   |
| b) Deferred Tax Liabilities (Net)        | 61.27                  | 7,370.18         | 7,431.45                |
| c) Other Non Current Liabilities         | 124.32                 | (124.32)         | -                       |
| c) Provisions                            | 125.01                 | (23.56)          | 101.45                  |
|                                          | <b>525.64</b>          | <b>7,228.27</b>  | <b>7,753.91</b>         |
| <b>Current Liabilities</b>               |                        |                  |                         |
| a) Financial Liabilities                 |                        |                  |                         |
| i) Borrowings                            | 1,488.90               | 0.63             | 1,489.53                |
| ii) Trade Payables                       | 1,344.76               | (281.54)         | 1,063.22                |
| iii) Others                              | 99.19                  | 158.60           | 257.79                  |
| b) Other Current Liabilities             | 76.76                  | 86.74            | 163.50                  |
| c) Provisions                            | 44.06                  | 104.83           | 148.89                  |
|                                          | <b>3,053.67</b>        | <b>69.26</b>     | <b>3,122.93</b>         |
| <b>Total Equity and liabilities</b>      | <b>5,959.67</b>        | <b>35,422.83</b> | <b>41,382.50</b>        |

Note :- INDAS adjustment includes reclassification and re-grouping of figures.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 42 (g) Balance Sheet as at 31st March 2018

(₹ in Lacs)

| Particulars                              | IGAAP                  | IND AS           | Ind AS                 |
|------------------------------------------|------------------------|------------------|------------------------|
|                                          | As at<br>31 March 2017 | (adjustments)    | As at<br>31 March 2017 |
| <b>ASSETS</b>                            |                        |                  |                        |
| Non-current assets                       |                        |                  |                        |
| a) Property, plant and equipment         | 1,852.79               | 35,570.75        | 37,423.54              |
| b) Capital work-in-progress              | 67.15                  | -                | 67.15                  |
| c) Financial assets                      |                        |                  |                        |
| i) Investments                           | 336.55                 | -                | 336.55                 |
| ii) Other Financial Assets               | 108.80                 | (81.87)          | 26.93                  |
| d) Other non-current assets              | -                      | 86.04            | 86.04                  |
|                                          | <b>2,365.29</b>        | <b>35,574.92</b> | <b>37,940.21</b>       |
| <b>Current assets</b>                    |                        |                  |                        |
| a) Inventories                           | 4,748.54               | (126.16)         | 4,622.38               |
| b) Financial assets                      |                        |                  |                        |
| i) Trade receivables                     | 4,063.25               | (7.80)           | 4,055.45               |
| ii) Cash and Cash equivalents            | 96.65                  | -                | 96.65                  |
| iii) Bank Balances other than (ii) above | 213.08                 | 6.56             | 219.64                 |
| iv) Loans                                | 1,296.56               | (1,258.72)       | 37.84                  |
| v) Other Financial Assets                | -                      | 54.18            | 54.18                  |
| d) Other current assets                  | -                      | 1,180.64         | 1,180.64               |
|                                          | <b>10,418.08</b>       | <b>(151.30)</b>  | <b>10,266.78</b>       |
| <b>Total Assets</b>                      | <b>12,783.37</b>       | <b>35,423.62</b> | <b>48,206.99</b>       |
| <b>EQUITY AND LIABILITIES</b>            |                        |                  |                        |
| a) Equity Share capital                  | 640.03                 | -                | 640.03                 |
| b) Other equity                          | 2,846.31               | 28,074.87        | 30,921.18              |
|                                          | <b>3,486.34</b>        | <b>28,074.87</b> | <b>31,561.21</b>       |
| <b>LIABILITIES</b>                       |                        |                  |                        |
| <b>Non-current liabilities</b>           |                        |                  |                        |
| a) Financial liabilities                 |                        |                  |                        |
| i) Borrowings                            | 446.31                 | 404.57           | 850.88                 |
| ii) Others                               | -                      | 10.06            | 10.06                  |
| b) Deferred tax liabilities (Net)        | 85.33                  | 7,358.39         | 7,443.72               |
| c) Other non-current liabilities         | 124.60                 | (124.60)         | -                      |
| d) Provisions                            | 210.27                 | (13.23)          | 197.04                 |
|                                          | <b>866.51</b>          | <b>7,635.19</b>  | <b>8,501.70</b>        |
| <b>Current liabilities</b>               |                        |                  |                        |
| a) Financial liabilities                 |                        |                  |                        |
| i) Borrowings                            | 3,912.36               | (409.89)         | 3,502.47               |
| ii) Trade payables                       | 3,652.15               | (300.98)         | 3,351.17               |
| iii) Others                              | 248.78                 | 178.74           | 427.52                 |
| b) Provisions                            | 455.00                 | (281.69)         | 173.31                 |
| c) Current Tax Liabilities (Net)         | -                      | 441.83           | 441.83                 |
| d) Other current liabilities             | 162.23                 | 85.55            | 247.78                 |
|                                          | <b>8,430.52</b>        | <b>(286.44)</b>  | <b>8,144.08</b>        |
| <b>Total Equity and liabilities</b>      | <b>12,783.37</b>       | <b>35,423.62</b> | <b>48,206.99</b>       |

Note :- INDAS adjustment includes reclassification and re-grouping of figures.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

### 42 (h) Statement of Profit & Loss for the period ended 31st March, 2017

(₹ in Lacs)

| Particulars                                                                                                          | Previous GAAP    | IND AS          | INDAS            |
|----------------------------------------------------------------------------------------------------------------------|------------------|-----------------|------------------|
|                                                                                                                      | 2016-17          | (adjustments)   | 2016-17          |
| <b>Revenue From Operations</b>                                                                                       |                  |                 |                  |
| Revenue from Sale of Products                                                                                        | 17,971.70        | 817.68          | 18,789.38        |
| Other Income                                                                                                         | 46.61            | -               | 46.61            |
| <b>Total income</b>                                                                                                  | <b>18,018.31</b> | <b>817.68</b>   | <b>18,835.99</b> |
| <b>Expenses</b>                                                                                                      |                  |                 |                  |
| Cost of material consumed                                                                                            | 11,860.83        | -               | 11,860.83        |
| Change in inventories of finished goods, stock in trade and work -in-progress                                        | (1,524.49)       | -               | (1,524.49)       |
| Excise Duty                                                                                                          | -                | (817.68)        | 817.68           |
| Employee benefit expense                                                                                             | 1,917.18         | (61.40)         | 1,855.78         |
| Finance costs                                                                                                        | 309.91           | (2.38)          | 307.53           |
| Depreciation and amortisation expense                                                                                | 223.07           | -               | 223.07           |
| Other expenses                                                                                                       | 3,460.08         | 6.03            | 3,466.11         |
| <b>Total expense</b>                                                                                                 | <b>16,246.58</b> | <b>(875.43)</b> | <b>17,006.51</b> |
| <b>Profit/(loss) before exceptional items and tax</b>                                                                | <b>1,771.73</b>  | <b>57.75</b>    | <b>1,829.48</b>  |
| <b>Exceptional items</b>                                                                                             | -                | -               | -                |
| <b>Profit before tax from continuing operations</b>                                                                  | <b>1,771.73</b>  | <b>57.75</b>    | <b>1,829.48</b>  |
| <b>Income Tax Expense:</b>                                                                                           |                  |                 |                  |
| (1) Current tax                                                                                                      | 641.69           | -               | 641.69           |
| (2) Deferred tax                                                                                                     | 24.06            | 18.40           | 42.46            |
| <b>Total Tax Expense</b>                                                                                             | <b>665.75</b>    | <b>18.40</b>    | <b>684.15</b>    |
| <b>Profit/(loss) for the period</b>                                                                                  | <b>1,105.98</b>  | <b>39.36</b>    | <b>1,145.33</b>  |
| <b>Other Comprehensive Income</b>                                                                                    |                  |                 |                  |
| <b>(a) Items that will not be reclassified to profit or loss</b>                                                     |                  |                 |                  |
| Remeasurement of net defined benefit liability                                                                       | -                | (97.69)         | (97.69)          |
| Gains and losses from investments in equity instruments designated at fair value through other comprehensive income; | -                | -               | -                |
| <b>(b) Income tax relating to items that will not be reclassified to profit or loss</b>                              | -                | 30.19           | 30.19            |
| (i) Items that will be reclassified to profit or loss                                                                | -                | -               | -                |
| (ii) Income tax relating to items that will be reclassified to profit or loss                                        | -                | -               | -                |
| <b>Other comprehensive income/(loss) for the period</b>                                                              | -                | <b>(67.50)</b>  | <b>(67.50)</b>   |
| <b>Total Comprehensive Income for the period</b>                                                                     | <b>1,105.98</b>  | <b>(28.14)</b>  | <b>1,077.83</b>  |
| <b>Earnings per equity share (for continuing operation):</b>                                                         |                  |                 |                  |
| (1) Basic                                                                                                            | 17.28            | 0.62            | 17.90            |
| (2) Diluted                                                                                                          | 17.28            | 0.62            | 17.90            |



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

43. The main Products of the Company i.e. Katha & Cutch along with its Raw Materials like Khair Wood, Katha Lugdi, Cutch Lugdi, are covered under U. P. Forest Act and a transit fee has to be paid on movement of all these items.. Uttar Pradesh Government by its various amendments changed the transit fee from Rs. 38/- Per M.T to Rs. 200/- Per Cubic Meter and Subsequently 5% advolrum.

Honorable Supreme Court in its interim order dated 26/04/2016, directed the Uttar Pradesh Government to collect transit fees @ 5% advolrum subject to final outcome of the case and also directed U. P. Government to keep the said amount in a separate account so that it can be paid back to the effected parties with interest @ 9% Per Annum if final order is in favour of the parties.

Subsequently Honorable Supreme Court by its final order dated 15/09/2017 directed Uttar Pradesh Government to collect transit fees @ Rs 38/- Per M.T only and refund the excess amount collected from parties along with interest @ 9% per annum.

In view of the above, an excess amount of Rs. 1000.29 lakhs paid as transit fees to the Forest Department of Uttar Pradesh is refundable with interest @ 9% per annum. The company has made necessary applications which is under process and will be accounted for as and when the company will get the refund.

### 44 Contingent Liabilities and Commitments

- a) "Katha" the main product of the Company was brought within the Ambit of Central Excise Duty w.e.f. 1st March, 2011 under Chapter 14 of Central Excise Tariff. However, the Central Excise Authority issued Show Cause notices with the contention that Raw Katha produced by processing Gambier ( an excisable item) is also liable to duty. Hence a demand of Rs.35.95 crores was raised on the Company for the period up to March 2010 Rs.31.03 crores and from April 2010 to February,2011 Rs.4.92 cores. Against such orders in one of our appeal, the appellate authority not only accepted our ground of valuation of the product as per CAS4 but also reduce the demand of Rs. 11.93 crores to Rs. 2.48 crores. On the same ground total demand of Rs. 35.95 crores could get reduce to Rs. 11.62 crores. Consequently as per legal advice obtained, no provision was made till 2017 and was shown as contingent liability.

During the year vide order No.A/70281 – 70288/2018 EX (DB) dt.25.01.2018 and Order No. A/70819-70823/2018 EX (DB) Dt. 22.02.2018 CESTAT Appellate Tribunal passed final order in favour of the Company setting aside the impugned orders passed by Commissioner of Central Excise of Customs Meerut II demanding duty, penalties and interest thereon amounting to Rs.35.95 crores.

In view of the above, though the contingent liability now does not exist, but the department as may move to the higher court. Hence this note is continuing.

- b) Katha manufactured by the Company commonly known as Indian Katha on which Company was paying central excise duty @ 5/6 % under Chapter Heading No. 14049050 was not acceptable to the Department and raised a demand of Rs.15.74 crores under chapter Heading No.32019090. This was shown as Contingent Liability till March,2017. Inspite of CESTAT, Allahabad's order in favour of the Company as the Excise Authority Preferred S L P before Hon'ble Supreme Court. During the year Supreme Court rejected the Appeal vide its order dt. 28.07.2017. Accordingly the said Contingent Liability, hence forth, does not exist.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (Contd.)

- c) Demand for sales tax amounting to Rs. 148.48 lacs (Rs. 139.98 lacs) which are not acknowledged as debts. Against the same company has paid under protest a total of Rs. 27.32 lacs (Rs. 18.20 lacs) included in loans and Advances and TDR of Rs. 2.64 lacs (Rs. 2.64 lacs) are deposited with the sales tax authorities.
- d) Mandi Samitee demand on Katha amounting to Rs. 2.38 lacs (Rs. 2.38 Lacs) has been disputed by the Company and stayed by Honorable High Court, Allahabad.
- e) During the year, Commissioner of Customs, Nhava Sheva had passed an Ex-Party Judgement and raised a demand of Rs. 3,41,77,936/- together with a penalty of Rs 3,41,77,936/- against a Show Cause Notice issued by the Additional Director General, Directorate of Revenue Intelligence, Kolkata in the year 2010. The said order passed by the Commissioner being contrary to law and against the principle of natural justice, based on assumption and presumptions without any evidence on record and was not acceptable to the Company, hence an appeal was preferred by the Company before CESTAT Nhava Sheva by producing evidence of pre-deposit of Rs.40.00 lacs being 11.7% of duty demanded against the requirement of 7.5% of the duty demanded while filing the appeal. Simultaneously, (2) two of the Whole Time Directors were also made liable in the above said order on whom a penalty of Rs.15.00 lacs and Rs.10.00 lacs respectively imposed. An appeal was also preferred on their behalf and a sum of Rs.1.90 las was deposited by the Company and the amount is appearing in Loans & Advances account. Consequently, as per the legal advice obtained, no provision is made at this stage. Final adjustment if any will be done as and when the matter is crystalized.

**45.** For better presentation previous year's figures have been regrouped / re-arranged wherever necessary.

For **Agrawal Sanjay & Company**  
Chartered Accountants  
Firm Registration Number - 329088E

**Radhakrishnan Tondon**  
Partner  
Membership No.: 060534  
**Place: Kolkata**  
**Date: May 30, 2018**

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

|                    |                     |                    |
|--------------------|---------------------|--------------------|
| <b>K.K. Damani</b> | <b>Bharat Mohta</b> | <b>R.P.Chetani</b> |
| Executive Director | WTD & CEO           | Director           |
| DIN:01385252       | DIN: 00392090       | DIN: 00392215      |

|                         |                   |
|-------------------------|-------------------|
| <b>R.K. Agarwal</b>     | <b>Anup Gupta</b> |
| Chief Financial Officer | Company Secretary |



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
The Indian Wood Products Company Limited

### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of THE INDIAN WOOD PRODUCTS COMPANY LIMITED ("hereinafter referred to as "the Holding Company"), which includes its share of Profit/Loss in its Joint Venture, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes In Equity for the year then ended and a summary of the significant accounting policies and other explanatory information based on the relevant records (herein after referred to as "Consolidated Ind AS financial statements").

### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows and consolidated changes in equity of the company including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the Holding Company and its Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and its joint venture for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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



the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the Other Auditor in terms of their report referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit Opinion on the consolidated Ind AS Financial Statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of Report of the other auditor on separate Financial statement of the Joint Venture referred to in the Other Matters paragraph below, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated financial position of the Company and its joint venture as at 31st March, 2018, and its consolidated Profit, consolidated total comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## Other Matters

- (1) The consolidated Ind AS financial statements include the Group's share of net loss of Rs. 149.13 Lakhs for the year ended 31st March, 2018 as considered in the consolidated Ind AS financial statements, in respect of one joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture is based solely on the reports of the other auditors.
- (2) The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these consolidated Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous auditors whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 30th May, 2017 and 14th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books and the report of the other auditor.



- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of changes in Equity dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of written representations received from the Directors of the holding company as on 31st March, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls and since the company has only an International Joint Venture no further reporting needs to be done and the report on Internal Financial Control over Financial Reporting under clause (i) of Sub-section 3 of Section 143 of the Companies Act'2013 ("the Act") of the standalone financial Statement fulfils the requirement.
- (g) 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:
  - (i) The holding company and its Joint venture has disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statement- Refer Note - 48 Contingent Liabilities;
  - (ii) The holding company and its Joint Venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the holding company.

For **AGRAWAL SANJAY & COMPANY**

Chartered Accountants

Firm's Registration No-329088E

**Radhakrishan Tondon**

Partner

Membership No. - 060534

**Place: Kolkata**

**Date: 30th May, 2018**



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lacs)

| Particulars                              | Note  | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|------------------------------------------|-------|-------------------------|-------------------------|--------------------------|
| <b>ASSETS</b>                            |       |                         |                         |                          |
| <b>Non-current assets</b>                |       |                         |                         |                          |
| a) Property, Plant and Equipment         | 3     | 37,860.70               | 37,423.54               | 36,844.00                |
| b) Capital Work-in-Progress              |       | 186.21                  | 67.15                   | 9.86                     |
| c) Financial Assets                      |       |                         |                         |                          |
| i) Investments                           | 4     | 608.87                  | 338.97                  | 30.27                    |
| ii) Other Financial Assets               | 5     | 47.93                   | 26.93                   | 24.76                    |
| d) Other Non-Current Assets              | 6     | 219.42                  | 86.04                   | 77.55                    |
|                                          |       | <u>38,923.13</u>        | <u>37,942.63</u>        | <u>36,986.44</u>         |
| <b>Current assets</b>                    |       |                         |                         |                          |
| a) Inventories                           | 7     | 4,981.03                | 4,622.38                | 1,744.60                 |
| b) Financial Assets                      |       |                         |                         |                          |
| i) Trade Receivables                     | 8     | 3,658.82                | 4,055.45                | 1,748.57                 |
| ii) Cash and Cash Equivalents            | 9     | 321.79                  | 96.65                   | 193.58                   |
| iii) Bank Balances other than (ii) above | 10    | 462.90                  | 219.64                  | 206.41                   |
| iv) Loans                                | 11    | 25.58                   | 37.84                   | 19.68                    |
| v) Other Financial Assets                | 12    | 0.47                    | 54.18                   | 12.87                    |
| c) Current tax asset (Net)               |       | -                       | -                       | 1.80                     |
| d) Other Current Assets                  | 13    | 671.73                  | 1,180.64                | 468.55                   |
|                                          |       | <u>10,122.32</u>        | <u>10,266.78</u>        | <u>4,396.06</u>          |
| <b>Total Assets</b>                      |       | <u>49,045.45</u>        | <u>48,209.41</u>        | <u>41,382.50</u>         |
| <b>EQUITY AND LIABILITIES</b>            |       |                         |                         |                          |
| a) Equity Share Capital                  | 14    | 640.03                  | 640.03                  | 160.23                   |
| b) Other Equity                          | 15    | 32,461.61               | 30,923.60               | 30,345.43                |
|                                          |       | <u>33,101.64</u>        | <u>31,563.63</u>        | <u>30,505.66</u>         |
| <b>LIABILITIES</b>                       |       |                         |                         |                          |
| <b>Non-current liabilities</b>           |       |                         |                         |                          |
| a) Financial Liabilities                 |       |                         |                         |                          |
| i) Borrowings                            | 16    | 748.00                  | 850.88                  | 210.95                   |
| ii) Others                               |       | 5.05                    | 10.06                   | 10.06                    |
| b) Deferred Tax Liabilities (Net)        | 17    | 7,446.31                | 7,443.72                | 7,431.45                 |
| c) Provisions                            | 18    | 155.28                  | 197.04                  | 101.45                   |
|                                          |       | <u>8,354.64</u>         | <u>8,501.70</u>         | <u>7,753.91</u>          |
| <b>Current Liabilities</b>               |       |                         |                         |                          |
| a) Financial Liabilities                 |       |                         |                         |                          |
| i) Borrowings                            | 19    | 3,067.55                | 3,502.47                | 1,489.53                 |
| ii) Trade Payables (Refer Note 35)       |       | 3,217.79                | 3,351.17                | 1,063.22                 |
| iii) Others                              | 20    | 459.66                  | 427.52                  | 257.79                   |
| b) Provisions                            | 21    | 211.53                  | 173.31                  | 148.89                   |
| c) Current Tax Liabilities (Net)         |       | 571.54                  | 441.83                  | -                        |
| d) Other Current Liabilities             | 22    | 61.10                   | 247.78                  | 163.50                   |
|                                          |       | <u>7,589.17</u>         | <u>8,144.08</u>         | <u>3,122.93</u>          |
| <b>Total Equity and Liabilities</b>      |       | <u>49,045.45</u>        | <u>48,209.41</u>        | <u>41,382.50</u>         |
| Significant Accounting Policies          | 1 - 2 |                         |                         |                          |

The accompanying notes 1 - 49 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Sanjay & Company**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishnan Tondon**

Partner

Membership No.: 060534

Place: Kolkata

Date: May 30, 2018

For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.

**K.K. Damani**  
Executive Director  
DIN:01385252

**Bharat Mohta**  
WTD & CEO  
DIN: 00392090

**R.P.Chetani**  
Director  
DIN: 00392215

**R.K. Agarwal**  
Chief Financial Officer

**Anup Gupta**  
Company Secretary



## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lacs)

| Particulars                                                                  | Note  | 2017-18          | 2016-17    |
|------------------------------------------------------------------------------|-------|------------------|------------|
| <b>Revenue From Operations</b>                                               |       |                  |            |
| Revenue from Sale of Products                                                |       | <b>21,885.94</b> | 18,789.38  |
| Other Income                                                                 | 23    | <b>72.56</b>     | 46.61      |
| <b>Total income</b>                                                          |       | <b>21,958.50</b> | 18,835.99  |
| <b>Expenses</b>                                                              |       |                  |            |
| Cost of material consumed                                                    | 24    | <b>13,076.94</b> | 11,860.83  |
| Change in inventories of finished goods, stock in trade and work-in-progress | 25    | <b>(610.58)</b>  | (1,524.49) |
| Excise Duty                                                                  |       | <b>321.17</b>    | 817.68     |
| Employee benefit expense                                                     | 26    | <b>2,269.08</b>  | 1,855.78   |
| Finance costs                                                                | 27    | <b>505.83</b>    | 307.53     |
| Depreciation and amortisation expense                                        | 3     | <b>278.01</b>    | 223.07     |
| Other expenses                                                               | 28    | <b>3,677.85</b>  | 3,466.11   |
| <b>Total expense</b>                                                         |       | <b>19,518.30</b> | 17,006.51  |
| Share of Profit/Loss of Joint Venture                                        |       | <b>(144.54)</b>  | 2.44       |
| <b>Profit/(loss) before exceptional items and tax</b>                        |       | <b>2,295.66</b>  | 1,831.92   |
| Exceptional Items (Refer Note :- 34)                                         |       | <b>222.96</b>    | -          |
| <b>Profit before tax from Continuing operation</b>                           |       | <b>2,518.62</b>  | 1,831.92   |
| Income Tax expense:                                                          |       |                  |            |
| Current tax                                                                  | 29    | <b>930.00</b>    | 641.69     |
| Deferred tax                                                                 | 29    | <b>1.63</b>      | 42.46      |
| <b>Total Tax Expense</b>                                                     |       | <b>931.63</b>    | 684.15     |
| <b>Profit/(loss) for the period</b>                                          |       | <b>1,586.99</b>  | 1,147.77   |
| <b>Other Comprehensive Income</b>                                            |       |                  |            |
| <b>Items that will not be reclassified to profit or loss</b>                 |       |                  |            |
| Remeasurement of net defined benefit liability                               |       | <b>2.76</b>      | (97.69)    |
| Share of Other Comprehensive Income through Joint Venture                    |       | <b>(4.59)</b>    | (0.02)     |
| Income tax relating to items that will not be reclassified to profit or loss | 29    | <b>(0.96)</b>    | 30.19      |
| <b>Other Comprehensive Income/(loss) for the period</b>                      |       | <b>(2.79)</b>    | (67.52)    |
| <b>Total Comprehensive Income for the period</b>                             |       | <b>1,584.20</b>  | 1,080.25   |
| Earnings per equity share (for continuing operation):                        | 30    |                  |            |
| (1) Basic                                                                    |       | <b>24.81</b>     | 17.94      |
| (2) Diluted                                                                  |       | <b>24.81</b>     | 17.94      |
| Significant accounting policies                                              | 1 - 2 |                  |            |

The accompanying notes 1 - 49 are an integral part of the Financial Statements.

In terms of our Report attached

For **Agrawal Sanjay & Company**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishnan Tondon**

Partner

Membership No.: 060534

**Place: Kolkata**

**Date: May 30, 2018**

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

**K.K. Damani**

Executive Director

DIN:01385252

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**R.P.Chetani**

Director

DIN: 00392215

**R.K. Agarwal**

Chief Financial Officer

**Anup Gupta**

Company Secretary



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

|                                                               | 31st March 2018   | 31st March, 2017  |
|---------------------------------------------------------------|-------------------|-------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                  |                   |                   |
| Net profit before tax                                         | 2,518.62          | 1,831.92          |
| Adjustment for                                                |                   |                   |
| Acturial Loss/Gain ( Due to Ind AS)                           |                   |                   |
| In respect of employees                                       | -                 | (61.39)           |
| Upfront fees on Loan                                          | -                 | (2.39)            |
| Expected Loss on Debtors                                      | -                 | 6.03              |
| Depreciation                                                  | 278.01            | 223.07            |
| Finance Cost                                                  | 505.83            | 309.91            |
| Interest Received                                             | (31.57)           | (14.73)           |
| Liabilities no longer required written back                   | -                 | (5.43)            |
| Exceptional items                                             | (222.96)          | -                 |
| Advances written off                                          | 3.40              | -                 |
| Loss / (Gain) on sale of Property, Plant & Equipment          | (0.21)            | 3.32              |
| Loss on Currency derivatives                                  | (14.36)           | (36.79)           |
| <b>Operating Profit/(Loss) before working capital changes</b> | <b>518.14</b>     | <b>421.60</b>     |
| Adjustment for                                                |                   |                   |
| Trade & Other Receivables                                     | 817.23            | (3,049.26)        |
| Inventories                                                   | (358.65)          | (2,877.78)        |
| Trade Payables                                                | (290.32)          | 2,469.94          |
| <b>Cash generated for operations</b>                          | <b>3,205.02</b>   | <b>(1,203.58)</b> |
| Direct Tax Paid                                               | 795.20            | 187.10            |
| <b>Cash Flow before extra ordinary items</b>                  | <b>2,409.82</b>   | <b>(1,390.68)</b> |
| Exceptional Items                                             | 222.96            | -                 |
| <b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>                | <b>2,632.78</b>   | <b>(1,390.68)</b> |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                   |                   |
| Investment in shares                                          | (274.49)          | (338.97)          |
| Purchase of Fixed Assets                                      | (834.89)          | (871.53)          |
| Sale of Fixed Assets                                          | 0.85              | 8.30              |
| Interest Received                                             | 31.57             | 14.73             |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                  | <b>(1,076.96)</b> | <b>(1,187.47)</b> |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                   |                   |
| Proceeds from Borrowings                                      | 311.08            | 2,808.85          |
| Repayment of Borrowings                                       | (832.29)          | (4.54)            |
| Dividend / Dividend tax paid                                  | (42.86)           | (22.20)           |
| Interest paid                                                 | (523.35)          | (280.78)          |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                  | <b>(1,087.42)</b> | <b>2,501.33</b>   |



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018 (Contd.)

(₹ in Lacs)

|                                                              |        |         |
|--------------------------------------------------------------|--------|---------|
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 468.40 | (76.82) |
| CASH AND CASH EQUIVALENTS (Refer Note 9 & 10)                |        |         |
| AT START OF THE YEAR                                         | 316.29 | 393.11  |
| AT CLOSE OF THE YEAR                                         | 784.69 | 316.29  |

**NOTE:**

- 1) The above Statement of Cash Flows has been prepared under the indirect method as set out in the IND AS-7 Statement of Cash Flows
- 2) The amendments to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statement due to this amendment.

| Particulars                 | As at<br>31.03.2017 | Cash Flow | Non Cash<br>Changes | As at<br>31.03.2018 |
|-----------------------------|---------------------|-----------|---------------------|---------------------|
| Borrowing-Non Current       | 850.88              | (102.34)  | (0.54)              | <b>748.00</b>       |
| Other Financial Liabilities | 3,502.47            | (447.15)  | -                   | <b>3,055.32</b>     |
| Borrowing-Current           | 245.99              | 32.42     | (3.56)              | <b>274.85</b>       |

In terms of our Report attached  
**For Agrawal Sanjay & Company**  
 Chartered Accountants  
 Firm Registration Number - 329088E

**Radhakrishnan Tondon**  
 Partner  
 Membership No.: 060534  
**Place: Kolkata**  
**Date: May 30, 2018**

**For and on behalf of Board of Directors of  
 The Indian Wood Products Co. Ltd.**

**K.K. Damani**  
 Executive Director  
 DIN:01385252

**Bharat Mohta**  
 WTD & CEO  
 DIN: 00392090

**R.P.Chetani**  
 Director  
 DIN: 00392215

**R.K. Agarwal**  
 Chief Financial Officer

**Anup Gupta**  
 Company Secretary



## STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH 2018

(₹ in Lacs)

|                                                      | Share capital | Other Equity    |                            |                     |                   |                    |                  |
|------------------------------------------------------|---------------|-----------------|----------------------------|---------------------|-------------------|--------------------|------------------|
|                                                      |               | Capital Reserve | Securities Premium Reserve | Revaluation Reserve | Retained Earnings | Other Items of OCI | Total            |
| <b>Balance at 31 March 2016</b>                      | <b>160.23</b> | <b>0.03</b>     | <b>379.71</b>              | -                   | <b>29,964.16</b>  | <b>1.53</b>        | <b>30,345.43</b> |
| Profit for the period                                | -             | -               | -                          | -                   | 1,111.77          | -                  | 1,111.77         |
| Other comprehensive income for Opening Balance Sheet | -             | -               | -                          | -                   | (22.28)           | -                  | (22.28)          |
| Ind AS Adjustments for 2016-17                       | -             | -               | -                          | -                   | 54.40             | (97.69)            | (43.29)          |
| Share from Joint Venture                             | -             | -               | -                          | -                   | -                 | (0.02)             | (0.02)           |
| IND AS Adjustment for De-ferred Tax - Current year   | -             | -               | -                          | -                   | (18.40)           | 30.19              | 11.79            |
| Total comprehensive income/ (loss) for the period    | -             | -               | -                          | -                   | 1,125.49          | (67.52)            | 1,057.97         |
| Issue of Bonus shares                                | 479.80        | -               | (379.71)                   | -                   | (100.09)          | -                  | (479.80)         |
| <b>Transactions with owners</b>                      | <b>479.80</b> |                 | <b>(379.71)</b>            | -                   | <b>(100.09)</b>   | -                  | <b>(479.80)</b>  |
| <b>Balance at 31 March 2017</b>                      | <b>640.03</b> | <b>0.03</b>     | -                          | -                   | <b>30,989.56</b>  | <b>(65.99)</b>     | <b>30,923.60</b> |
| Dividend and Dividend Tax paid in 2017-18            | -             | -               | -                          | -                   | (46.20)           | -                  | (46.20)          |
| Other Comprehensive Income                           | -             | -               | -                          | -                   | -                 | 2.76               | 2.76             |
| Share from Joint Venture                             | -             | -               | -                          | -                   | -                 | (4.59)             | (4.59)           |
| Tax on the above                                     | -             | -               | -                          | -                   | -                 | (0.96)             | (0.96)           |
| Profit for the period                                | -             | -               | -                          | -                   | 1,586.99          | -                  | 1,586.99         |
| <b>Balance at 31 March 2018</b>                      | <b>640.03</b> | <b>0.03</b>     | -                          | -                   | <b>32,530.35</b>  | <b>(68.78)</b>     | <b>32,461.61</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

### 1 Background and Operations

The Indian Wood Products Company Limited (the Company) is a public company domiciled in India and was incorporated on 23rd December 1919 under the provisions of the Companies Act, 1913. The Company is listed on two recognised stock exchanges in India, i.e, BSE Ltd and Calcutta Stock Exchange (CSE). The Registered office of the company is at Bombay Mutual Building, 9, Brabourne Road, 7th Floor, Kolkata-700001 and has a head office and works at Izzatnagar, Bareilly (U.P). The company is primarily engaged in the manufacturing of Katha in India. Registered Address of other places where manufacturing activities are carried on are disclosed suitably in this report elsewhere.

### 2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated. The Consolidated Financial Statements were approved by Board of Directors on 30th May 2018.

#### a. Basis of Preparation:

##### i. Compliance with IND AS:

These Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under section 133 of the Companies Act, 2013 (the Act) read with rule 4 of the Companies (Indian Accounting standards) Rules, 2015 & Companies (Indian Accounting Standards) Amendment Rules 2016.

These Consolidated Financial Statements for the year ended 31st March, 2018 are the first financials with comparatives prepared under IND AS. For all periods up to and including the year ended 31st March '17, the company has prepared its financial statements in accordance with the generally accepted accounting principles (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting IND AS.

The date of transition to Ind AS is 1st April, 2016. Refer Note No. 42 for the first time adoption exemptions availed by the company.

Reconciliations and explanations for the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and Statement of Cash Flows are provided in Note.

##### ii. Historical cost convention:

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the following:

- a) Land which is revalued as on 1st April '16
- b) Certain Financial Assets and Liabilities (including derivative instruments) and contingent consideration that are measured at fair value; and
- c) Defined Benefit Plan Assets measured at fair value;

#### b. Principal of Consolidation and Equity Accounting

##### Joint Venture

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognised at cost in the consolidated balance sheet.

##### Equity Method

- Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in consolidated



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

profit and loss, and the group's share of other comprehensive income of the investee in consolidated other comprehensive income.

- Dividend received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

- When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity."

### c. Property, Plant and Equipment

Freehold land is carried at the revalued figure as per the Valuation done by the management based on circle rate of 1st April'16 (Refer Note 42(a)). All the other items of Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation/amortisation and impairments, if any, cost of acquisition includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the Company and are directly attributable to bringing the asset to its position, are also capitalized.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. All other repairs & maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises cost of fixed assets that are not yet ready for their intended use at the year end.

### Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1st April'16 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment, except for land which has been taken on the revalued amount as on 1st April'16.

### Depreciation and amortization:

Depreciation is calculated using the straight-line method to allocate cost of Property, Plant and Equipment, net of residual values, over their estimated useful lives as follows:

| Asset Class             | Useful Life (In years) |
|-------------------------|------------------------|
| Building                | 3 to 60                |
| Plant & Machinery*      | 8 to 15                |
| Electric Installations* | 10 to 15               |
| Laboratory Apparatus    | 10                     |
| Motor Vehicles*         | 8 to 10                |
| Computers*              | 3 to 8                 |
| Office Equipments*      | 3 to 5                 |
| Furniture and Fixtures  | 10                     |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

\*Based on management evaluation, the useful lives as given above best represent the period over which the Management expects to use these Assets. Hence, the useful lives of for these Assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on additions / deletions during the year is provided from the date on which the asset is capitalized up to the month in which the asset is disposed off.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains/(losses).

The Company reviews the residual values, useful lives and methods of depreciation of plant, property and equipment at each financial year end and adjusts prospectively, if appropriate.

### d. Segment Reporting:

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

#### Segment Accounting Policies

The Company prepares its segment information in conformity with the accounting policies that are adopted for preparing and presenting the financial statements of the Company as a whole.

### e. Financial assets:

#### i. Classification:

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- b) those measured at amortised cost.

#### ii. Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### iii. Impairment of financial assets:

The Company assesses if there is any significant increase in credit risk pertaining to the assets and accordingly creates necessary provisions through Expected Credit Loss Method, wherever required.

#### iv. Derecognition of financial assets:

A financial asset is derecognised only when



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

- i) the Company has transferred the rights to receive the cash flows from the financial asset or
- ii) the Company retains the contractual rights to receive the cash flows of the financial assets, but transfers substantially all the risks and rewards of the Assets.

### f. Foreign Currency Transactions and Translation:

#### i. Functional and presentation currencies:

Items included in the Consolidated Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in INR which is the functional and presentation currency for the company.

#### ii. Transactions & Balances:

Foreign Currency Transactions are translated into the functional currency at the Exchange Rates on the date of transaction. Foreign exchange Gains and Losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the closing rates are generally recognized in the Statement of Profit and Loss.

#### iii. The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate as on that balance sheet date income and expenses are translated at average exchange rates, and
- all resulting exchange differences are recognised in other comprehensive income
- When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Non-monetary foreign currency items are carried at cost and accordingly the investments in shares of foreign Joint Venture are expressed in Indian currency at the rate of exchange prevailing at the time when the original investments are made or Fair Values determined.

### g. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, Value Added Taxes, Goods and Service Tax and amounts collected on behalf of third parties.

The Company recognizes revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Sale of goods:

Timing of recognition: Sale of goods is recognized when substantial risks and rewards of ownership are passed to the customers, depending on individual terms, and are stated net of trade discounts, rebates, incentives, subsidy, sales tax and value added tax except excise duty.

#### Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

payments or receipts over the expected life of a financial liability or a financial asset to their gross carrying amount. Interest Income are included under the head "Other Income" in the Statement of Profit and Loss.

### **h. Inventories:**

- a) Raw Material, Stores and Spares are valued at lower of cost and net realizable value.
- b) Work-in-progress, Finished Goods are valued at lower of cost and net realizable value.
- c) Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Cost is assigned on the basis of weighted average method.

### **i. Trade Receivables:**

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using Effective Interest Method.

### **j. Trade and other payables:**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

### **k. Borrowings:**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost Effective Interest Method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in Statement of Profit and Loss over the period of the borrowings.

### **l. Income Taxes**

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its Joint Venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### m. **Borrowing Cost:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed out in the Consolidated Statement of Profit & Loss Account in the period in which they are incurred.

### n. **Leases**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. All other leases are operating lease.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### o. **Employee Benefits:**

#### i. **Short term Employee benefit Expenses:**

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

#### ii. **Defined Contribution Plan - Provident fund:**

Contribution to Provident fund is made at a predetermined rate and charged to revenue on accrual basis

#### iii. **Defined Benefit Plan - Gratuity:**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and the Statement of Profit and Loss in a subsequent period.

The company contributes to a Group Insurance - cum - Gratuity Scheme with Life Insurance Corporation of India towards meeting its gratuity obligation.

#### iv. **Bonus and Production Linked Incentive:**

The Company recognizes a liability and expenses for bonuses as per Bonus Act'1949. The Company



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

also recognizes a liability and expenses for Incentive Bonuses as per agreement entered into with the worker union. The Company recognizes a provision where there is a past practice that has created constructive obligations and a reliable estimate of such obligations.

**v. Leave encashment / Compensated absences:**

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**p. Provisions and Contingent Liabilities and Assets:**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

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

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

**q. Cash and Cash Equivalents:**

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short- term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**r. Impairment of Assets:**

Assets are assessed by the Company at each reporting period whether there is an indication of impairment that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use.

**s. Earnings Per Share:**

Basic earnings per share: Basic earnings per share is calculated by dividing:

- i) the profit attributable to owners of the Company
- ii) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year .

Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- i) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ii) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(Contd.)*

### t. **Dividend:**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, on or before the end of the reporting period but not distributed at the end of the reporting period.

### u. **Rounding off:**

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Lakhs, unless otherwise stated

### v. **Critical Estimates and Judgements**

The preparation of Consolidated Financial Statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The preparation of the Consolidated Financial Statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. These estimates and associated assumptions are based on historical experience and management's best knowledge of current events and actions the Company may take in future.

Information about critical estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities are:

- i) Impairment of financial assets (including trade receivable)
- ii) Estimation of defined benefit
- iii) Estimation of current tax expenses and payable
- iv) Estimation of provisions and contingencies

### w. **Applicability of Amendments to Ind-AS 7:**

The amendments to Ind-AS 7 are applicable from April 1, 2017. It requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The requirements of the amendment and their effect on the financial statements is shown in the Cash Flow.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Note 3 - Property, Plant and Equipment

(₹ in Lacs)

| Particulars                     | Freehold Land* | Leasehold Land | Building | Computer Equipment | Effluent Treatment Plant | Electrical Installations | Furniture & Fixtures | Laboratory Apparatus | Motor Car & Vehicle | Office Equipments | Plant & Refrigeration Machinery | Trolleys & Trays | Tube Well | Weighing Scale | Total     |
|---------------------------------|----------------|----------------|----------|--------------------|--------------------------|--------------------------|----------------------|----------------------|---------------------|-------------------|---------------------------------|------------------|-----------|----------------|-----------|
| <b>Gross Block</b>              |                |                |          |                    |                          |                          |                      |                      |                     |                   |                                 |                  |           |                |           |
| <b>At April 1, 2016</b>         | 35,737.74      | -              | 130.07   | 6.63               | 1.04                     | 136.16                   | 15.89                | 0.79                 | 107.90              | 4.26              | 322.48                          | 50.18            | 0.27      | 1.99           | 36,844.00 |
| Additions                       | -              | -              | 36.80    | 7.28               | -                        | 23.57                    | 12.56                | 0.41                 | 13.55               | 1.09              | 410.33                          | 90.35            | 2.06      | 0.91           | 814.22    |
| Disposals / deductions          | -              | -              | -        | -                  | -                        | -                        | -                    | -                    | (38.49)             | -                 | -                               | -                | -         | -              | (38.49)   |
| <b>At March 31, 2017</b>        | 35,737.74      | -              | 166.87   | 13.91              | 1.04                     | 159.73                   | 28.45                | 1.19                 | 82.96               | 5.35              | 732.81                          | 140.53           | 2.33      | 2.90           | 37,619.74 |
| Additions                       | -              | 257.91         | 67.67    | 5.24               | -                        | 23.90                    | 2.02                 | 3.20                 | 132.26              | 19.63             | 50.29                           | 5.70             | -         | 1.05           | 715.82    |
| Disposals / deductions          | -              | -              | -        | -                  | -                        | -                        | -                    | -                    | (9.30)              | -                 | -                               | -                | -         | -              | (9.30)    |
| <b>At March 31, 2018</b>        | 35,737.74      | 257.91         | 234.54   | 19.14              | 1.04                     | 183.63                   | 30.47                | 4.39                 | 205.92              | 24.98             | 783.10                          | 146.23           | 2.33      | 3.95           | 38,326.26 |
| <b>Accumulated Depreciation</b> |                |                |          |                    |                          |                          |                      |                      |                     |                   |                                 |                  |           |                |           |
| <b>At April 1, 2016</b>         | -              | -              | -        | -                  | -                        | -                        | -                    | -                    | -                   | -                 | -                               | -                | -         | -              | -         |
| Charge for the year             | -              | -              | 7.38     | 5.18               | -                        | 22.97                    | 3.58                 | 0.14                 | 22.37               | 0.89              | 61.71                           | 9.22             | 0.20      | 0.38           | 223.07    |
| Disposals                       | -              | -              | -        | -                  | -                        | -                        | -                    | -                    | (26.87)             | -                 | -                               | -                | -         | -              | (26.87)   |
| <b>At March 31, 2017</b>        | -              | -              | 7.38     | 5.18               | -                        | 22.97                    | 3.58                 | 0.14                 | (4.50)              | 0.89              | 61.71                           | 9.22             | 0.20      | 0.38           | 196.21    |
| Charge for the year             | -              | 0.53           | 7.89     | 4.67               | -                        | 24.51                    | 3.44                 | 0.14                 | 29.05               | 3.64              | 103.84                          | 9.37             | 0.15      | 0.32           | 278.01    |
| Disposals                       | -              | -              | -        | -                  | -                        | -                        | -                    | -                    | (8.66)              | -                 | -                               | -                | -         | -              | (8.66)    |
| <b>At March 31, 2018</b>        | -              | 0.53           | 15.27    | 9.86               | -                        | 47.48                    | 7.02                 | 0.28                 | 15.89               | 4.53              | 165.55                          | 18.59            | 0.35      | 0.70           | 465.56    |
| <b>Net Block</b>                |                |                |          |                    |                          |                          |                      |                      |                     |                   |                                 |                  |           |                |           |
| <b>At March 31, 2017</b>        | 35,737.74      | -              | 159.49   | 8.73               | 1.04                     | 136.76                   | 24.87                | 1.07                 | 87.47               | 4.46              | 671.08                          | 131.31           | 2.12      | 2.52           | 37,423.54 |
| <b>At March 31, 2018</b>        | 35,737.74      | 257.38         | 219.26   | 9.28               | 1.04                     | 136.14                   | 23.45                | 4.11                 | 190.02              | 20.45             | 617.55                          | 127.65           | 1.98      | 3.26           | 37,860.70 |

The Company has used Indian GAAP carrying Value as deemed cost as permitted by Ind AS 101 - First Time Adoption, for Property Plant and Equipments existing as on April 1, 2016 i. e. date of transition to Ind AS except Freehold Land which is revalued (Refer Note 42(a)). Accordingly, the net WDV as per Indian GAAP as on April 1, 2016 has been considered as Gross Block under Ind AS. The accumulated depreciation so netted off as on April 1, 2016 is as below:-

|                                 |           |   |        |       |       |        |       |      |        |       |        |        |        |      |      |           |
|---------------------------------|-----------|---|--------|-------|-------|--------|-------|------|--------|-------|--------|--------|--------|------|------|-----------|
| <b>Gross Block</b>              | 35,737.74 | - | 194.03 | 45.74 | 20.79 | 236.83 | 58.96 | 5.07 | 200.24 | 12.05 | 470.62 | 568.36 | 173.12 | 2.74 | 5.59 | 37,731.88 |
| <b>Accumulated Depreciation</b> | -         | - | 63.96  | 39.11 | 19.75 | 100.67 | 43.07 | 4.28 | 92.34  | 7.78  | 148.14 | 239.76 | 122.94 | 2.47 | 3.60 | 887.87    |
| <b>Written Down Value</b>       | 35,737.74 | - | 130.07 | 6.63  | 1.04  | 136.16 | 15.89 | 0.79 | 107.90 | 4.26  | 322.48 | 328.60 | 50.18  | 0.27 | 1.99 | 36,844.00 |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 4 - Non Current - Financial Assets - Investments

(₹ in Lacs)

| Particulars                                                                                                         | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Fair Value through Other Comprehensive Income</b>                                                                |                         |                         |                          |
| <b>Investment in Equity Shares, Unquoted</b>                                                                        |                         |                         |                          |
| <b>Investment in Joint Venture</b>                                                                                  |                         |                         |                          |
| M/s. PT Sumatra Resources International, Indonesia<br>- Nil (2016 - 500) Equity Shares of USD 100                   | -                       | -                       | 30.25                    |
| M/s. Agro & Spice Trading Pte Ltd, Singapore<br>- 11,50,050 (2017 - 3,00,050; 2016- Nil)<br>Equity Shares of USD 1* | 608.85                  | 207.49                  | -                        |
| Share Application Pending Allotment                                                                                 | -                       | 131.46                  | -                        |
| <b>Investment in Others</b>                                                                                         |                         |                         |                          |
| M/s. Vishnuhari Investment & Properties Ltd.<br>339 Equity Shares of Rs 10/- each fully paid up                     | 0.02                    | 0.02                    | 0.02                     |
| <b>Total</b>                                                                                                        | <b>608.87</b>           | <b>338.97</b>           | <b>30.27</b>             |

\*Note: M/s Agro and Spice Trading Pte Ltd, Singapore is 50% Joint Venture of the Company as at Balance Sheet Date.

### Note 5 - Non Current Financial Assets - Others

| Particulars                          | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|--------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b>    |                         |                         |                          |
| <b>Unsecured and considered good</b> |                         |                         |                          |
| Security Deposits                    | 47.93                   | 26.93                   | 24.76                    |
| <b>Total</b>                         | <b>47.93</b>            | <b>26.93</b>            | <b>24.76</b>             |

### Note 6 - Other Non Current Assets

| Particulars                                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------|-------------------------|-------------------------|--------------------------|
| Capital Advances                            | 136.43                  | 18.88                   | 18.88                    |
| Prepaid Expenses                            | 2.33                    | 0.35                    | -                        |
| Tax payment under Protest (Refer Note - 43) | 80.66                   | 66.81                   | 58.67                    |
| <b>Total</b>                                | <b>219.42</b>           | <b>86.04</b>            | <b>77.55</b>             |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 7 - Inventories

(₹ in Lacs)

| Particulars          | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|----------------------|-------------------------|-------------------------|--------------------------|
| Raw Materials        | 1,566.86                | 1,775.18                | 517.34                   |
| Work in Progress     | 1,160.04                | 1,885.25                | 890.20                   |
| Finished Goods**     | 2,063.70                | 774.77                  | 206.90                   |
| Consumables          | 6.14                    | 4.45                    | 8.43                     |
| Stores and Spares    | 183.41                  | 181.78                  | 120.85                   |
| Tools and Implements | 0.88                    | 0.95                    | 0.88                     |
| <b>Total</b>         | <b>4,981.03</b>         | <b>4,622.38</b>         | <b>1,744.60</b>          |

\*\*Note: Finished good includes excise duty NIL (2017- Rs. 46.86 lakhs, 2016- Rs. 8.43 lakhs)

### Note 8 - Financial Assets - Current - Trade Receivables

| Particulars                         | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b>   |                         |                         |                          |
| Unsecured, considered good          | 3,663.25                | 4,062.95                | 1,748.79                 |
| Secured, considered good            | -                       | 0.30                    | 1.55                     |
| Less : Allowance for Doubtful Debts | 4.43                    | 7.80                    | 1.77                     |
| <b>Total</b>                        | <b>3,658.82</b>         | <b>4,055.45</b>         | <b>1,748.57</b>          |

### Note 9 - Financial Assets - Current - Cash and Cash Equivalents

| Particulars                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------|-------------------------|-------------------------|--------------------------|
| Balance with banks          |                         |                         |                          |
| In Current Account Balances | 134.90                  | 34.81                   | 141.63                   |
| Cash on hand                | 9.59                    | 13.52                   | 9.87                     |
| Cheques on hand             | 177.30                  | 48.32                   | 42.08                    |
| <b>Total</b>                | <b>321.79</b>           | <b>96.65</b>            | <b>193.58</b>            |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 10 - Financial Assets - Current - Bank Balances other than Cash and Cash Equivalents (₹ in Lacs)

| Particulars                                            | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|--------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| Balance with banks                                     |                         |                         |                          |
| In Restricted Bank Balance (Unclaimed Dividend)        | 11.79                   | 8.45                    | 6.59                     |
| In Deposit Account with Banks & Financial Institutions |                         |                         |                          |
| Against Margin Money for Letter of Credit              | 409.58                  | 201.94                  | 189.94                   |
| Margin Money with IL&FS                                | 38.84                   | 6.56                    | 6.88                     |
| Against Sales Tax (Refer Note 43)                      | 2.64                    | 2.64                    | 2.64                     |
| Against Others Compliances                             | 0.05                    | 0.05                    | 0.36                     |
| <b>Total</b>                                           | <b>462.90</b>           | <b>219.64</b>           | <b>206.41</b>            |

### Note 11 - Financial Assets - Current - Loans and Advances

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Unsecured Considered Good</b>  |                         |                         |                          |
| Advance to employees              | 25.58                   | 31.46                   | 18.13                    |
| Others                            | -                       | 6.38                    | 1.55                     |
| <b>Total</b>                      | <b>25.58</b>            | <b>37.84</b>            | <b>19.68</b>             |

### Note 12 - Financial Assets - Current - Others

| Particulars                                           | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| Interest receivable                                   | 0.47                    | 21.76                   | 12.87                    |
| Sale of shares of P T Sumatra Resources International | -                       | 32.42                   | -                        |
| <b>Total</b>                                          | <b>0.47</b>             | <b>54.18</b>            | <b>12.87</b>             |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### Note 13 - Other Current Assets

| Particulars                          | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|--------------------------------------|-------------------------|-------------------------|--------------------------|
| Advance to Suppliers                 | 68.89                   | 387.14                  | 168.04                   |
| Other Advances                       | 66.38                   | 84.38                   | 0.18                     |
| Prepaid Charges                      | 10.20                   | 1.04                    | -                        |
| Balances with Government Authorities | 526.26                  | 708.08                  | 300.33                   |
| <b>Total</b>                         | <b>671.73</b>           | <b>1,180.64</b>         | <b>468.55</b>            |

### Note 14 - Equity Share Capital

| Particulars                                                    | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|----------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Authorised</b>                                              |                         |                         |                          |
| Equity Shares of Rs.10/- each 1,00,00,000 (2016 - 50,00,000)   | 1,000.00                | 1,000.00                | 500.00                   |
| Preference Shares of Rs. 100/- each 5,00,000 (PY - NIL)        | 500.00                  | -                       | -                        |
| <b>Total</b>                                                   | <b>1,500.00</b>         | <b>1,000.00</b>         | <b>500.00</b>            |
| <b>Issued, subscribed and fully paid up</b>                    |                         |                         |                          |
| Fully paid up Equity Shares of Rs. 10/- each                   | 639.73                  | 639.73                  | 159.93                   |
| Add: 5,682 Equity Shares Forfeited (amount originally paid up) | 0.30                    | 0.30                    | 0.30                     |
| <b>Total</b>                                                   | <b>640.03</b>           | <b>640.03</b>           | <b>160.23</b>            |

#### (a) Reconciliation of Equity Shares Outstanding

| Particulars                                      | As at 31.03.2018 |               | As at 31.03.2017 |               | As at 01.04.2016 |               |
|--------------------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                                  | No. of shares    | Amount        | No. of shares    | Amount        | No. of shares    | Amount        |
| Opening balance                                  | 6,397,272        | 639.73        | 1,599,318        | 159.93        | 1,599,318        | 159.93        |
| Change during the year                           | -                | -             | 4,797,954        | 479.80        | -                | -             |
| <b>Shares outstanding at the end of the year</b> | <b>6,397,272</b> | <b>639.73</b> | <b>6,397,272</b> | <b>639.73</b> | <b>1,599,318</b> | <b>159.93</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### (b) Terms and Rights attached to Equity Shares

(₹ in Lacs)

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 Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of the 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.

### (c) Shareholders holding more than 5% shares in the Company

| Particulars              | As at 31.03.2018 |       | As at 31.03.2017 |       | As at 01.04.2016 |       |
|--------------------------|------------------|-------|------------------|-------|------------------|-------|
|                          | No. of shares    | %     | No. of shares    | %     | No. of shares    | %     |
| Security Company Limited | 1,220,356        | 19.08 | 1,220,356        | 19.08 | 305,089          | 19.08 |
| Savita Mohta             | 916,020          | 14.32 | 916,020          | 14.32 | 229,005          | 14.32 |
| Bharat Mohta             | 758,900          | 11.86 | 758,900          | 11.86 | 189,725          | 11.86 |
| Avanti Mohta             | 752,616          | 11.76 | 752,616          | 11.76 | 188,154          | 11.76 |
| Bharat Mohta HUF         | 455,000          | 7.11  | 455,000          | 7.11  | 113,750          | 7.11  |

### Note 15 - Other Equity

| Particulars                                         | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Securities Premium</b>                           | -                       | 379.71                  | 379.71                   |
| Less :- Bonus Issued                                | -                       | (379.71)                | -                        |
| <b>Closing Balance</b>                              | -                       | -                       | 379.71                   |
| <b>Capital Reserve</b>                              | 0.03                    | 0.03                    | 0.03                     |
| <b>Retained Earnings (Refer Foot Note (i))</b>      | 32,530.35               | 30,989.56               | 29,964.16                |
| <b>Opening Revaluation Reserve</b>                  | -                       | -                       | 292.75                   |
| Less: Adjustment during the year                    | -                       | -                       | (292.75)                 |
| <b>Closing Balance</b>                              | 32,672.48               | 30,989.59               | 29,964.19                |
| <b>Other Comprehensive Income Reserve - Opening</b> | (65.99)                 | 2.22                    | 2.22                     |
| Add: During the year                                | 2.76                    | (97.69)                 | (0.69)                   |
| Add: Share of Joint Venture                         | (4.59)                  | (0.02)                  | -                        |
| Less: Deferred tax                                  | (0.96)                  | 29.50                   | -                        |
| <b>Closing Balance</b>                              | (68.77)                 | (65.99)                 | 1.53                     |
| <b>Total</b>                                        | 32,461.61               | 30,923.60               | 30,345.43                |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****Foot Note (i) - Movement in Retained Earnings**

(₹ in Lacs)

| Particulars                                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------|-------------------------|-------------------------|--------------------------|
| General Reserve - Opening                         | 28,744.15               | 28,866.52               | 28,866.52                |
| Add : During the Year                             | -                       | (22.28)                 | -                        |
| Less: Bonus paid during the year                  | -                       | (100.09)                | -                        |
| <b>Closing Balance</b>                            | <b>28,744.15</b>        | <b>28,744.15</b>        | <b>28,866.52</b>         |
| Profit & Loss Account - Opening                   | 2,245.41                | 1,097.64                | 1,097.64                 |
| Add: Profit During the year                       | 1,586.99                | 1,145.77                | -                        |
| Less: Dividend & Divided Tax paid during the year | (46.20)                 | -                       | -                        |
| <b>Closing Balance</b>                            | <b>3,786.20</b>         | <b>2,245.41</b>         | <b>1,097.64</b>          |
| <b>Total</b>                                      | <b>32,530.35</b>        | <b>30,989.56</b>        | <b>29,964.16</b>         |

Foot Note (ii) - The Board of Director has recommended a Dividend of Rs. 1.25 per Equity Share of Rs. 10/- each subject to the approval of Shareholders in the ensuing Annual General Meeting. Proposed Dividend as above amounting to Rs. 96.25 lakhs for the Financial Year 2017-18 and Dividend Distribution Tax thereon, has not been recognised as liability as on 31-03-2018 in term of Revised "IND AS 10 - Events after the Reporting Period". Consequently the same has not be appropriated from Surplus during the Year.

**Note 16 :- Non Current Financial Liabilities - Borrowings**

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Secured</b>                    |                         |                         |                          |
| Term Loan (Refer Note :- 32)      |                         |                         |                          |
| From Banks                        | 274.59                  | 418.96                  | 183.12                   |
| Vehicle Loan                      | 79.41                   | 22.02                   | 27.83                    |
| <b>Unsecured</b>                  |                         |                         |                          |
| From Bodies Corporate             | 394.00                  | 394.00                  | -                        |
| Interest Accured on above         | -                       | 15.89                   | -                        |
| <b>Total</b>                      | <b>748.00</b>           | <b>850.88</b>           | <b>210.95</b>            |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 17 - Deferred Tax Liabilities (Net)

(₹ in Lacs)

| Particulars                                                                                                                                             | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| Opening Balance                                                                                                                                         | 7,443.72                | 7,431.45                | 7,431.45                 |
| Add :- Liability created on difference between Written Down Value of Property, Plant and Equipment as per the books of accounts and Income Tax Act'1961 | 3.05                    | 24.06                   | (1.15)                   |
| Add :- Liability created on the remeasurement benefits of the Defined Benefit Plans through OCI                                                         | 0.96                    | (30.19)                 | -                        |
| Less :- Liabilities created/(Reversed) on Ind AS adjustments made during the year                                                                       | (1.42)                  | 18.40                   | -                        |
| <b>Total</b>                                                                                                                                            | <b>7,446.31</b>         | <b>7,443.72</b>         | <b>7,431.45</b>          |

### Note 18 - Non Current Provisions

| Particulars      | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|------------------|-------------------------|-------------------------|--------------------------|
| Gratuity         | 44.59                   | 63.87                   | -                        |
| Leave Encashment | 110.69                  | 133.17                  | 101.45                   |
| <b>Total</b>     | <b>155.28</b>           | <b>197.04</b>           | <b>101.45</b>            |

### Note 19 - Financial Liabilities - Current - Borrowings

| Particulars                       | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Measured at Amortised Cost</b> |                         |                         |                          |
| <b>Loan repayable on demand</b>   |                         |                         |                          |
| <b>Secured</b>                    |                         |                         |                          |
| From banks (Refer note :- 32)     |                         |                         |                          |
| Cash Credit                       | 417.82                  | 2,664.13                | 1,352.86                 |
| Working Capital Demand Loan       | 2,500.00                | -                       | -                        |
| Interest accrued but not due      | 12.23                   | -                       | -                        |
| <b>Unsecured</b>                  |                         |                         |                          |
| From Bodies Corporate             | 137.50                  | 826.50                  | 131.50                   |
| Interest accrued but not due      | -                       | 11.57                   | 0.63                     |
| From Directors                    | -                       | 0.27                    | 2.50                     |
| Deposits                          | -                       | -                       | 2.04                     |
| <b>Total</b>                      | <b>3,067.55</b>         | <b>3,502.47</b>         | <b>1,489.53</b>          |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)****Note 20 - Financial Liabilities - Current - Others**

(₹ in Lacs)

| Particulars                                                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Secured</b>                                              |                         |                         |                          |
| Current Maturity of Long Term Borrowings (Refer Note :- 32) |                         |                         |                          |
| Term Loans from Banks                                       | <b>229.49</b>           | 228.13                  | 79.54                    |
| Vehicle Loans                                               | <b>45.36</b>            | 15.84                   | 18.01                    |
| Interest accrued but not due                                | -                       | 2.02                    | -                        |
| Payable to Employees                                        | <b>173.02</b>           | 173.08                  | 153.65                   |
| Unclaimed Dividend                                          | <b>11.79</b>            | 8.45                    | 6.59                     |
| <b>Total</b>                                                | <b>459.66</b>           | 427.52                  | 257.79                   |

**Note 21 - Provisions**

| Particulars                     | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|---------------------------------|-------------------------|-------------------------|--------------------------|
| Rates & Taxes (Refer Note - 44) | <b>135.60</b>           | 148.10                  | 147.86                   |
| Leave Encashment                | <b>49.43</b>            | -                       | -                        |
| Gratuity                        | <b>26.50</b>            | 25.21                   | 1.03                     |
| <b>Total</b>                    | <b>211.53</b>           | 173.31                  | 148.89                   |

**Note 22 :- Other Current Liabilities**

| Particulars                 | As at<br>31 March, 2018 | As at<br>31 March, 2017 | As at<br>1st April, 2016 |
|-----------------------------|-------------------------|-------------------------|--------------------------|
| Advance from Customer       | <b>0.64</b>             | 98.98                   | 98.73                    |
| Other statutory liabilities | <b>60.46</b>            | 148.80                  | 64.77                    |
| <b>Total</b>                | <b>61.10</b>            | 247.78                  | 163.50                   |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### Note 23 - Other Income

(₹ in Lacs)

| Particulars                                                  | 2017-18      | 2016-17      |
|--------------------------------------------------------------|--------------|--------------|
| Interest Income                                              | 31.57        | 14.73        |
| Net gain/(loss) on disposal of property, plant and equipment | 0.21         | (3.32)       |
| Liabilities no longer required (written back)                | -            | 5.43         |
| Miscellaneous Income                                         | 40.78        | 29.77        |
| <b>Total</b>                                                 | <b>72.56</b> | <b>46.61</b> |

### Note 24 - Cost of Material Consumed

| Particulars                         | 2017-18          | 2016-17          |
|-------------------------------------|------------------|------------------|
| Opening Stock                       | 1,775.18         | 517.34           |
| Purchases of Raw Materials          | 12,848.92        | 13,126.73        |
| Add: Extraction Expenses            | 49.10            | 51.14            |
| Foreign Exchange Fluctuations (Net) | (29.40)          | (59.20)          |
|                                     | 14,643.80        | 13,636.01        |
| Less : Closing Stock                | (1,566.86)       | (1,775.18)       |
| <b>Cost of Material Consumed</b>    | <b>13,076.94</b> | <b>11,860.83</b> |

### Note 25 - Change in inventories of finished goods and work -in-progress

| Particulars                                        | 2017-18         | 2016-17           |
|----------------------------------------------------|-----------------|-------------------|
| Opening stock (Finished Goods & Stock in Progress) | 2,613.16        | 1,088.67          |
| Closing stock (Finished Goods & Stock in Progress) | 3,223.74        | 2,613.16          |
| <b>Total</b>                                       | <b>(610.58)</b> | <b>(1,524.49)</b> |

### Note 26 - Employee Benefit Expenses

| Particulars                            | 2017-18         | 2016-17         |
|----------------------------------------|-----------------|-----------------|
| Salaries, Bonus & Other benefits       | 1,529.85        | 1,368.72        |
| Contribution to Provident & Other Fund | 118.56          | 89.84           |
| Managerial remuneration                | 369.83          | 155.65          |
| Contribution to Gratuity Fund          | 71.88           | 80.32           |
| Staff welfare expenses                 | 178.96          | 161.25          |
| <b>Total</b>                           | <b>2,269.08</b> | <b>1,855.78</b> |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(₹ in Lacs)

**Note 27 - Finance Cost**

| Particulars                 | 2017-18       | 2016-17       |
|-----------------------------|---------------|---------------|
| Interest on Bank Borrowings | 347.80        | 246.82        |
| Interest to Others          | 124.95        | 43.39         |
| Other Charges               | 33.08         | 17.33         |
| <b>Total</b>                | <b>505.83</b> | <b>307.53</b> |

**Note 28 - Other Expenses**

| Particulars                             | 2017-18         | 2016-17         |
|-----------------------------------------|-----------------|-----------------|
| Stores and Spare parts consumed         | 512.15          | 435.89          |
| Other Consumable and Chemicals Consumed | 94.14           | 87.20           |
| Machine Katha Expenses                  | 637.28          | 713.78          |
| Power and Fuel                          | 669.67          | 638.78          |
| Factory Maintenance Charges             | 101.41          | 80.97           |
| Rates & Taxes                           | 440.64          | 671.73          |
| Rent                                    | 153.24          | 73.07           |
| Insurance                               | 33.61           | 15.45           |
| Repairs & Maintenance                   |                 |                 |
| Buildings                               | 21.03           | 7.42            |
| Plant & Machinery                       | 65.72           | 43.54           |
| Others                                  | 33.65           | 27.22           |
| Traveling Expenses                      | 131.22          | 192.15          |
| CSR Expenses                            | 20.30           | 4.00            |
| Consultancy & Service Charges           | 273.26          | 130.61          |
| Freight & Selling Expenses              | 165.98          | 114.30          |
| Miscellaneous Expenses                  | 301.01          | 190.96          |
| Net loss on Currency Derivatives        | 15.04           | 24.58           |
| Sales Tax paid for earlier years        | 0.04            | 1.67            |
| Directors sitting fees                  | 2.29            | 2.40            |
| Allowance on Doubtful Debts             | -               | 6.03            |
| Auditors Renumeration                   |                 |                 |
| For Audit fees                          | 3.84            | 3.74            |
| For Other Services                      | 2.33            | 0.62            |
| <b>Total</b>                            | <b>3,677.85</b> | <b>3,466.11</b> |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### Note 29 - Tax Expenses

| Particulars                                       | 2017-18       | 2016-17 |
|---------------------------------------------------|---------------|---------|
| <b>(1) Current tax</b>                            |               |         |
| Current Tax Expenses                              | <b>930.00</b> | 650.00  |
| Short/(Excess) Tax for earlier year               | -             | (8.31)  |
| <b>Total</b>                                      | <b>930.00</b> | 641.69  |
| <b>(2) Deferred tax</b>                           |               |         |
| Income Tax Expenses                               | <b>1.63</b>   | 42.46   |
| Income Tax Expenses on Other Comprehensive Income | <b>0.96</b>   | 30.19   |
| <b>Total</b>                                      | <b>2.59</b>   | 72.65   |

### Note 30 :- Earnings Per Share

| Particulars                                                                          | 2017-18          | 2016-17   |
|--------------------------------------------------------------------------------------|------------------|-----------|
| <b>Profit After Tax</b>                                                              |                  |           |
| (a) Net Profit for calculation of Basic and Diluted EPS (₹ in lakhs)                 | <b>1,586.99</b>  | 1,147.77  |
| (b) Weighted Average Number of Equity Shares in calculation of Basic and Diluted EPS | <b>6,397,272</b> | 6,397,272 |
| <b>Basic and Diluted EPS (a) / (b)</b>                                               | <b>24.81</b>     | 17.94     |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 31. Related Party Transaction

#### (i) Name of related parties and nature of relationship:-

| a) Parties where Control Exists     |                      |                      |                      |                       |
|-------------------------------------|----------------------|----------------------|----------------------|-----------------------|
| Joint Ventures                      | Country of Operation | As at 31 March, 2018 | As at 31 March, 2017 | As at 1st April, 2016 |
| Agro and Spice Trading Pte Ltd      | Singapore            | 50%                  | 50%                  | -                     |
| Pt Sumatra Resources International, | Indonesia            | -                    | -                    | 50%                   |

| b) Key Management Personnel |                              |
|-----------------------------|------------------------------|
| Name                        | Position Held                |
| Mr. Krishna Kumar Mohta     | Chairman & Managing Director |
| Mr. Bharat Mohta            | CEO & Whole Time Director    |
| Mr. Krishna Kumar Damani    | Executive Director           |
| Mr. Raj Kumar Agarwal       | Chief Financial Officer      |
| Mr. Anup Gupta              | Company Secretary            |

| c) Other Directors          |                        |
|-----------------------------|------------------------|
| Name                        | Position Held          |
| Mr. Rajendra Prasad Chetani | Non-Executive Director |
| Mr. Sanjay Kumar Maheswary  | Independent Director   |
| Mr. Vinod Kumar Maheshwary  | Independent Director   |
| Mr. Vinod Mimani            | Independent Director   |
| Ms. Drisha Poddar           | Independent Director   |

| d) Relatives of Key Management Personnel |                                                          |
|------------------------------------------|----------------------------------------------------------|
| Name                                     | Position Held                                            |
| Mrs. Savita Mohta                        | Spouse of Mr. K. K. Mohta (Chairman & Managing Director) |
| Mrs. Avanti Mohta                        | Spouse of Mr. Bharat Mohta (CEO)                         |
| Krishna Kumar Mohta HUF                  | Karta is Chairman & Managing Director                    |
| Bharat Mohta HUF                         | Karta is CEO & WTD                                       |

| e) Enterprises having significant influence |                     |
|---------------------------------------------|---------------------|
| Name                                        | Position Held       |
| ACMA Industrials Projects (P) Ltd           | Significant Control |
| Arvind Engineering Works Ltd                | Common Director     |
| Security Company Limited                    | Common Director     |
| Indian Glass & Electricals Ltd              | Common Director     |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### (ii) Transactions with related parties

| <b>a) The following transactions occurred with related parties:-</b> |                                           |         |                                     |         |                                          |         |
|----------------------------------------------------------------------|-------------------------------------------|---------|-------------------------------------|---------|------------------------------------------|---------|
| Particulars                                                          | Key Management Personnel/ Other Directors |         | Relatives of Key Manement Personnel |         | Enterprises having Significant Influence |         |
|                                                                      | 2017-18                                   | 2016-17 | 2017-18                             | 2016-17 | 2017-18                                  | 2016-17 |
| <b>a) Remuneration and Employee Benefits</b>                         |                                           |         |                                     |         |                                          |         |
| Krishna Kumar Mohta                                                  | 156.19                                    | 82.43   | -                                   | -       | -                                        | -       |
| Bharat Mohta                                                         | 144.22                                    | 57.95   | -                                   | -       | -                                        | -       |
| Krishna Kumar Damani                                                 | 72.84                                     | 18.50   | -                                   | -       | -                                        | -       |
| Raj Kumar Agarwal                                                    | 20.01                                     | 16.60   | -                                   | -       | -                                        | -       |
| Anup Gupta                                                           | 4.31                                      | 3.01    | -                                   | -       | -                                        | -       |
| <b>b) Director Sitting Fees</b>                                      |                                           |         |                                     |         |                                          |         |
| Mr. Rajendra Prasad Chetani                                          | 0.61                                      | 0.49    | -                                   | -       | -                                        | -       |
| Mr. Sanjay Kumar Maheswary                                           | 0.61                                      | 0.56    | -                                   | -       | -                                        | -       |
| Mr. Vinod Kumar Maheshwary                                           | 0.61                                      | 0.56    | -                                   | -       | -                                        | -       |
| Mr. Vinod Mimani                                                     | 0.43                                      | 0.40    | -                                   | -       | -                                        | -       |
| Ms. Drisha Poddar                                                    | 0.05                                      | 0.05    | -                                   | -       | -                                        | -       |
| Ms. Sunita Sarda                                                     | -                                         | 0.35    | -                                   | -       | -                                        | -       |
| <b>c) Unsecured Loans Taken</b>                                      |                                           |         |                                     |         |                                          |         |
| ACMA Industrials Projects (P) Ltd                                    | -                                         | -       | -                                   | -       | -                                        | 150.00  |
| Indian Glass & Electricals Ltd                                       | -                                         | -       | -                                   | -       | -                                        | 44.00   |
| <b>d) Repayment of Unsecured Loans</b>                               |                                           |         |                                     |         |                                          |         |
| Mr. Krishna Kumar Mohta                                              | -                                         | 2.50    | -                                   | -       | -                                        | -       |
| <b>e) Interest on Unsecured Loans Taken</b>                          |                                           |         |                                     |         |                                          |         |
| ACMA Industrials Projects (P) Ltd                                    | -                                         | -       | -                                   | -       | 23.01                                    | 5.56    |
| Indian Glass & Electricals Ltd                                       | -                                         | -       | -                                   | -       | 10.52                                    | 5.82    |
| Krishna Kumar Mohta                                                  | -                                         | 0.30    | -                                   | -       | -                                        | -       |
| <b>f) Rent Paid</b>                                                  |                                           |         |                                     |         |                                          |         |
| Mrs. Savita Mohta                                                    | -                                         | -       | 54.48                               | 35.60   | -                                        | -       |
| <b>g) Dividend Paid</b>                                              |                                           |         |                                     |         |                                          |         |
| Mr. Krishna Kumar Mohta                                              | 1.06                                      | 0.55    | -                                   | -       | -                                        | -       |
| Mr. Bharat Mohta                                                     | 4.55                                      | 2.37    | -                                   | -       | -                                        | -       |
| Mr. Vinod Mimani                                                     | 0.01                                      | -       | -                                   | -       | -                                        | -       |
| Mrs. Savita Mohta                                                    | 5.50                                      | 2.86    | -                                   | -       | -                                        | -       |
| Mrs. Avanti Mohta                                                    | 4.52                                      | 2.35    | -                                   | -       | -                                        | -       |
| M/s Krishna Kumar Mohta HUF                                          | 0.17                                      | 0.09    | -                                   | -       | -                                        | -       |
| M/s Bharat Mohta HUF                                                 | 2.73                                      | 1.42    | -                                   | -       | -                                        | -       |
| Arvind Engineering Works Ltd                                         | 0.37                                      | 0.19    | -                                   | -       | -                                        | -       |
| Security Company Limited                                             | 7.32                                      | 3.81    | -                                   | -       | -                                        | -       |
| Indian Glass & Electricals Ltd                                       | 0.72                                      | 0.38    | -                                   | -       | -                                        | -       |

Mr. R.P. Chetani, Mr. R.K. Agarwal and Mr. S.K. Maheswary have also been paid Dividend but the amount is below Rs. 300/- hence not reported above.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

b) The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

| Particulars                                     | Key Management Personnel / Other Directors |                     |                      | Enterprises having Significant Influence |                     |                      |
|-------------------------------------------------|--------------------------------------------|---------------------|----------------------|------------------------------------------|---------------------|----------------------|
|                                                 | As at 31 March 2018                        | As at 31 March 2017 | As at 1st April 2016 | As at 31 March 2018                      | As at 31 March 2017 | As at 1st April 2016 |
| <b>(i) Unsecured Loans Taken</b>                |                                            |                     |                      |                                          |                     |                      |
| ACMA Industrials Projects (P) Ltd               | -                                          | -                   | -                    | 150.00                                   | 150.00              | -                    |
| Indian Glass & Electricals Ltd                  | -                                          | -                   | -                    | 44.00                                    | 44.00               | -                    |
| Krishna Kumar Mohta                             | -                                          | -                   | 2.50                 | -                                        | -                   | -                    |
| <b>(ii) Interest Expense on Unsecured Loans</b> |                                            |                     |                      |                                          |                     |                      |
| ACMA Industrials Projects (P) Ltd               | -                                          | -                   | -                    | -                                        | 5.01                | -                    |
| Indian Glass & Electricals Ltd                  | -                                          | -                   | -                    | -                                        | 5.24                | -                    |
| Krishna Kumar Mohta                             | -                                          | 0.27                | -                    | -                                        | -                   | -                    |

- 32 a) Working Capital facilities and Capital Expenditure Term Loan including LC & Buyers Credit Limit are from Union Bank of India and DBS Bank, on multiple banking system Secured by charge of stocks of Raw material, Katha and Cutch whether Raw or in process of manufacture and all articles manufactured there from, Stores, Book debts, Plant & Machinery and certain other assets and mortgaged by deposit of title deeds of Land at Bareilly measuring 91,600 square meter on pari – passu basis and have been guaranteed by two Promoter Directors. Additionally, corporate guarantee has been provided by an Associate Company.

| Banks                       | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|-----------------------------|------------------|-----------------------------|-------------------------|
| <b>DBS Bank</b>             |                  |                             |                         |
| Term Loan                   | 11.85%           | 44.28                       | 75.92                   |
| Working Capital Demand Loan | MCLR + 0.75%     | -                           | -83.68                  |
| Cash Credit Account         | MCLR + 1.25%     | -                           | 1,400.00                |
| <b>Union Bank of India</b>  |                  |                             |                         |
| Term Loan                   | MCLR + 1.05%     | 237.90                      | 150.00                  |
| Cash Credit Account         | MCLR + 0.75%     | -                           | 296.91                  |

- b) Working Capital Demand Loan & Cash Credit facility from Citi Bank are free from any chargeas on the date of Balance Sheet.

| Banks                       | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|-----------------------------|------------------|-----------------------------|-------------------------|
| <b>CITI Bank</b>            |                  |                             |                         |
| Working Capital Demand Loan | 8.25%            | -                           | 120.91                  |
| Cash Credit Account         | 9.00%            | -                           | 1,100.00                |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

- c) Vehicle Loans sanctioned by Banks against hypothecation of the respective vehicle

| Banks               | Rate of Interest | Non Current<br>(₹ in lakhs) | Current<br>(₹ in lakhs) |
|---------------------|------------------|-----------------------------|-------------------------|
| ICICI Bank Ltd.     | 10.24%           | 4.91                        | 12.78                   |
| Kotak Mahindra Bank | 9.85%            | 45.74                       | 15.80                   |
| Union Bank of India | 7.70%            | 1.00                        | 1.27                    |
| HDFC Bank Limited   | 9.50%            | 5.91                        | 2.16                    |
| BMW Finance         | 7.90%            | 13.60                       | 11.57                   |
| Yes Bank Limited    | 8.50%            | 8.25                        | 1.79                    |

- 33** The Company operates in only one Business Segment, i.e., manufacturing and trading in Katha and in only one Geographic Segment i.e., India. Accordingly there are no separate reportable segment as per IND AS 108.
- 34** During the year, due to introduction of Goods and Service Tax, unavailed Service Tax, VAT and Cenvat Credit charged to Profit & Loss Account in the earlier Years amounting to **Rs. 222.96 lakhs** was treated as Exceptional Income in the Current year. The unavailed Service Tax, VAT Credit and Cenvat Credit was carried as Cenvat balance in the returns and hence was claimed in GST Tran 1.
- 35** The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts payable to Trade Payables at the year-end together with interest payable thereon to these parties, are not ascertainable.
- 36 Corporate Social Responsibility (CSR)**

A CSR Committee has been formed by the Company as per the provisions of Section 135 of the Companies Act, 2013. The details of the expenditure being incurred during the year on CSR activities are

- Amount of Rs. 16.50 lakhs required to be spend by the Company during the year.
- Revenue Expenditure incurred during the year directly or through Implementing agencies towards CSR Activites amounted to Rs. 20.31 lakhs (including unspent amount of PY Rs. 2.77 lakhs).

**37 Non Cancellable Operating Leases:**

The group's significant leasing arrangements are in respect of residential flats, office premises, warehouses etc. taken on lease. The arrangements range between more than 5 years and are generally renewable by mutual consent or mutually agreeable terms. Under these arrangements refundable interest-free deposits have been given.

| Particulars                                                           | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>1st April 2016 |
|-----------------------------------------------------------------------|------------------------|------------------------|-------------------------|
| Lease rental payments recognized in the Statement of Profit & Loss.   | <b>89.90</b>           | 118.00                 | -                       |
| <b>In respect of assets taken on non-cancellable operating lease:</b> |                        |                        |                         |
| <b>Lease obligations</b>                                              |                        |                        |                         |
| <b>Future minimum lease rental payments</b>                           |                        |                        |                         |
| - not later than one year                                             | <b>141.64</b>          | 54.90                  | -                       |
| - later than one year but not later than five years                   | <b>494.70</b>          | 248.46                 | -                       |
| - later than five years                                               | <b>218.82</b>          | 288.90                 | -                       |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### 38 Employee Benefits

(a) Contribution to Defined Contribution Plans Recognised as Expense are as under

| Particulars    | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------|---------------------------------------|---------------------------------------|
| Provident Fund | 118.56                                | 89.84                                 |

(b) Defined Benefit Plan

Gratuity: The Company has a defined Gratuity Plan for its employees. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

The Scheme is funded with an insurance company in the form of qualifying insurance policy.

#### Disclosure for Defined Benefit Plans based on actuarial report

| Particulars                                                                | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Changes in Defined Benefit Obligation :</b>                             |                                       |                                       |
| Present Value of Defined Benefit Obligation at the Beginning of the Year   | 392.09                                | 295.10                                |
| Current Service Cost                                                       | 25.21                                 | 19.61                                 |
| Interest Cost                                                              | 24.94                                 | 20.69                                 |
| <b>Components of actuarial gain/losses on obligations:</b>                 | -                                     | -                                     |
| Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions   | -                                     | -                                     |
| Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions     | (16.18)                               | (8.09)                                |
| Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments    | 17.25                                 | 104.86                                |
| Past service cost                                                          | 41.23                                 | -                                     |
| Benefits Paid                                                              | (66.49)                               | (40.09)                               |
| Present Value of Defined Benefit Obligation at the end of the Year         | 418.06                                | 392.09                                |
| <b>Change in Plan Assets :</b>                                             |                                       |                                       |
| Fair Value of Plan Assets at the Beginning of the Year                     | 303.01                                | 294.07                                |
| Interest Income                                                            | 19.51                                 | 21.38                                 |
| Re Measurements Gains/(Losses)                                             | -                                     | -                                     |
| Return on Plan Assets, (Excluding Amount Included in net Interest Expense) | 3.84                                  | (0.91)                                |
| Contribution by Employers                                                  | 87.10                                 | 28.56                                 |
| Benefits Paid                                                              | (66.49)                               | (40.09)                               |
| Fair Value of Plan Assets at the End of the Year                           | 346.97                                | 303.01                                |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

| Particulars                                                                                 | For the Year Ended<br>31st March 2018                 | For the Year Ended<br>31st March 2017                 |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------------------------------------------|
| <b>Service cost:</b>                                                                        |                                                       |                                                       |
| <b>Current service cost</b>                                                                 | <b>25</b>                                             | 20                                                    |
| Past service cost and loss/(gain) on curtailments and settlement                            | <b>41</b>                                             | -                                                     |
| <b>Net interest cost</b>                                                                    | <b>5</b>                                              | -1                                                    |
| Expenses Recognized in the Statement of Profit and Loss                                     | <b>71.88</b>                                          | 18.92                                                 |
| <b>Expenses Recognised in other Comprehensive Income</b>                                    |                                                       |                                                       |
| Return on Plan Assets, (Excluding Amount Included in net Interest Expense)                  | <b>(3.84)</b>                                         | 0.91                                                  |
| Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions                    | -                                                     | -                                                     |
| Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions                      | <b>(16.18)</b>                                        | -8.09                                                 |
| Actuarial (Gains)/Losses Arising from Changes in Experience Adjustments on Plan Liabilities | <b>17.25</b>                                          | 104.86                                                |
| Total Actuarial (Gains)/Losses Recognized in other Comprehensive Income                     | <b>(2.76)</b>                                         | 97.69                                                 |
| <b>The Major Categories of Plan Assets as a % of Total Plan</b>                             |                                                       |                                                       |
| Qualifying Insurance Policy                                                                 | <b>100%</b>                                           | 100%                                                  |
| <b>The Principal Actuarial Assumption Used :</b>                                            |                                                       |                                                       |
| Discount Rate                                                                               | <b>7.6%</b>                                           | 7.1%                                                  |
| Salary Growth Rate                                                                          | <b>5%</b>                                             | 5%                                                    |
| Withdrawal Rate                                                                             | 5% at younger ages<br>reducing to 1% at<br>older ages | 5% at younger ages<br>reducing to 1% at older<br>ages |

The estimates of future salary increases have been considered in actuarial valuation after taking into consideration the impact of inflation, seniority, promotion and other relevant factors such as supply and demand situation in the employment market.

### Basis Used to Determine Expected Rate of Return on Assets :

The expected return on plan assets is based on market expectation, at the beginning of the period, which is used for calculating returns over the entire life of the related obligation. The Gratuity Scheme is invested in group Gratuity-Cum-Life assurance cash accumulation policy offered by Life Insurance Corporation of India.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

| Particulars                                                                                        | For the Year Ended<br>31st March 2018 | For the Year Ended<br>31st March 2017 |
|----------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| <b>Sensitivity Analysis for Significant Assumptions as on 31st March, 2018 are as Follows :</b>    | <b>INR Lacs</b>                       |                                       |
| <b>Assumptions</b>                                                                                 | <b>Discount Rate</b>                  |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>0.5% Increase</b>                  | <b>0.5% Decrease</b>                  |
| Impact on Defined Benefit Plan (INR)                                                               | 402.99                                | 434.24                                |
| <b>Assumptions</b>                                                                                 | <b>Future Salary Increase</b>         |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>0.5% Increase</b>                  | <b>0.5% Decrease</b>                  |
| Impact on Defined Benefit Plan (INR)                                                               | 434.24                                | 402.98                                |
| <b>Assumptions</b>                                                                                 | <b>Withdrawal Rate</b>                |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>W.R. * 110%</b>                    | <b>W.R. * 90%</b>                     |
| Impact on Defined Benefit Plan (INR)                                                               | 419.90                                | 416.18                                |
| <b>Sensitivity Analysis for Significant Assumptions as on 31st March, 2017 are as Follows :</b>    | <b>INR Lacs</b>                       |                                       |
| <b>Assumptions</b>                                                                                 | <b>Discount Rate</b>                  |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>0.5% Increase</b>                  | <b>0.5% Decrease</b>                  |
| Impact on Defined Benefit Plan (INR)                                                               | 377.73                                | 407.53                                |
| <b>Assumptions</b>                                                                                 | <b>Future Salary Increase</b>         |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>0.5% Increase</b>                  | <b>0.5% Decrease</b>                  |
| Impact on Defined Benefit Plan (INR)                                                               | 407.54                                | 377.87                                |
| <b>Assumptions</b>                                                                                 | <b>Withdrawal Rate</b>                |                                       |
| <b>Sensitivity Level</b>                                                                           | <b>W.R. * 110%</b>                    | <b>W.R. * 90%</b>                     |
| Impact on Defined Benefit Plan (INR)                                                               | 393.62                                | 390.83                                |
| *The Weighted Average Duration of the Defined Benefit Obligation as at 31st March 2018 is 58 years |                                       |                                       |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 39 Fair Values

(₹ in Lacs)

#### Financial Instruments with category:

| Particulars                                                            | Fair Value             |                        |                         |
|------------------------------------------------------------------------|------------------------|------------------------|-------------------------|
|                                                                        | As at<br>31 March 2018 | As at<br>31 March 2017 | As at<br>1st April 2016 |
| <b>Financial Assets</b>                                                |                        |                        |                         |
| Investments in Equity Shares at FVOCI                                  | 0.02                   | 0.02                   | 0.02                    |
| Trade receivables - at amortised cost                                  | 3658.82                | 4055.45                | 1748.57                 |
| Security Deposits - at amortised cost                                  | 47.93                  | 26.93                  | 24.76                   |
| Cash and Cash equivalents at amortised cost                            | 321.79                 | 96.65                  | 193.58                  |
| Balance with Bank other than Cash and Cash Equivalent - amortised cost | 462.90                 | 219.64                 | 206.41                  |
| Loans & Advances - amortised cost                                      | 25.58                  | 37.84                  | 19.68                   |
| <b>Total</b>                                                           | <b>4,517.04</b>        | <b>4,436.52</b>        | <b>2,193.02</b>         |
| <b>Financial Liabilities</b>                                           |                        |                        |                         |
| Loans from Bank and others-at amortised cost                           | 4,095.46               | 4,609.39               | 1,798.03                |
| Security Deposits - at amortised cost                                  | 5.05                   | 10.06                  | 10.06                   |
| Payable to Employees                                                   | 173.02                 | 173.08                 | 163.71                  |
| Unclaimed Dividend                                                     | 11.79                  | 8.45                   | 6.59                    |
| Trade Payables                                                         | 3,217.79               | 3,351.18               | 1,063.22                |
| <b>Total</b>                                                           | <b>7,503.11</b>        | <b>8,152.16</b>        | <b>3,041.61</b>         |

#### Fair Value Hierarchy

| Particulars                                                                                       | Fair Market value using                            |                                                  |                                                    |
|---------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|----------------------------------------------------|
|                                                                                                   | Quoted prices<br>in active<br>markets<br>(Level 1) | Significant<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:</b> |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:</b> |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |
| <b>Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:</b>  |                                                    |                                                  |                                                    |
| Assets measured at Fair value                                                                     |                                                    |                                                  |                                                    |
| Investments in Equity Shares of Vishnuhari Investments & Property Ltd.(FVOCI)                     | -                                                  | -                                                | 0.02                                               |

The above excludes investment in Joint Venture amounting to Rs. 755.56 lakhs (P.Y. - Rs. 336.53 lakhs)

Unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as the best estimate of fair value.

Since there is insufficient recent information available w.r.t fair value measurement of the equity shares of Vishnuhari Investments & Properties, cost is considered as the best estimate.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)**

(₹ in Lacs)

**40. Financial Risk Management Objectives and Policies**

The Company's financial liabilities comprise loans, Trade and other payables. The main purpose of these financial liabilities is to finance the Company's operation. The Company's principal financial assets include Investments, Short term loans and advances, Trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company regularly assess these risks, monitor, evaluate and deploy mitigation measures to manage the risks within risk appetite. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

**a. Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowing, investments, trade payables, trade receivables etc.

**b. Interest Rate Risk and Sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to the long term debt obligations with Floating rate of interest.

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

| Particulars | Increase/ decrease<br>in Basis points | Effect on Profit<br>before tax | Effect on Pre tax<br>Equity |
|-------------|---------------------------------------|--------------------------------|-----------------------------|
| 31.03.2018  | +50                                   | (3.14)                         | (3.14)                      |
|             | -50                                   | 3.14                           | 3.14                        |
| 31.03.2017  | +50                                   | 3.14                           | 3.14                        |
|             | -50                                   | (3.14)                         | (3.14)                      |

The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

**c. Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are hedged by the Company.

**d. Credit Risk**

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

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers and Outstanding receivables are regularly monitored.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### e. Liquidity Risk

Liquidity Risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Bank loans, Credit purchases etc.

The table below provides undiscounted cash flows towards Financial Liability into relevant maturity based on the remaining period at the balance sheet date to the contract maturity date.

#### As at 31st March' 2018

| Particulars                                           | On Demand       | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|-------------------------------------------------------|-----------------|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans (including Current maturities) | 2,918.00        | 274.85           | 354.00        | -                 | 3,546.68        |
| Trade Payables                                        | -               | 3,217.79         | -             | -                 | 3,217.79        |
| <b>Total</b>                                          | <b>2,918.00</b> | <b>3,492.64</b>  | <b>354.00</b> | <b>-</b>          | <b>6,764.47</b> |

#### As at 31st March' 2017

| Particulars                                           | On Demand       | Less than 1 year | 1 to 5 years  | More than 5 years | Total           |
|-------------------------------------------------------|-----------------|------------------|---------------|-------------------|-----------------|
| Interest Bearing Loans (including Current maturities) | 2,664.13        | 245.99           | 440.98        | -                 | 3,351.10        |
| Trade Payables                                        | -               | 3,351.18         | -             | -                 | 3,351.18        |
| <b>Total</b>                                          | <b>2,664.13</b> | <b>3,597.17</b>  | <b>440.98</b> | <b>-</b>          | <b>6,702.28</b> |

### 41 Capital Management

For the purpose of the Company's Capital Management, Capital includes issued equity capital, shares premium and all other Equity Reserves attributable to the Equity holders of the Parent. The Primary objective of the Company's capital management is to maximise the Shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

| Particulars           | 31st March 2018  | 31st March 2017  |
|-----------------------|------------------|------------------|
| Borrowings            | 748.00           | 850.88           |
| Trade Payables        | 3,217.79         | 3,351.18         |
| Short term Borrowings | 3,067.55         | 3,502.47         |
| <b>Net Debt</b>       | <b>7,033.35</b>  | <b>7,704.52</b>  |
| Equity                | 34,180.93        | 31,561.21        |
| <b>Total Capital</b>  | <b>34,180.93</b> | <b>31,561.21</b> |
| <b>Gearing Ratio</b>  | <b>20.58%</b>    | <b>24.41%</b>    |

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 42 First Time Adoption of Ind AS

These financial statements for the year ended 31 March 2018, are the first financial statements of the Company prepared in accordance with Ind AS.

#### Exemptions Applied:

Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS

- a. **Deemed Cost** Ind AS 101 allows a first time adopter to continue with the carrying value for all its Property, Plant and Equipment and Intangible Assets as recognised in its previous GAAP financials on the date of transition. Accordingly, the Company has opted for this exemption and decided to carry its Property, Plant and equipment (except Land) at carrying value as per Indian GAAP on the date of transition i.e. 1 April, 2016 after making necessary adjustments. Freehold Land is revalued as on 1 April, 2016.

The company has considered Fair Value for Property, i.e., Freehold measuring 2,10,222 sq. mt. situated at Bareilly, India with impact of Rs. 28375.45 lakhs (net of deferred tax) in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the Reserves and Surplus.

- b. **Estimates** The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions as described below that affect the reported amounts and the accompanying disclosures. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

- Cost of Defined Benefit Plan and the Present Value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

- Impairment of Trade Receivables based on Expected Credit Model.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April, 2016, the date of transition to Ind AS and as of 31 March 2017.

- c. **Classification and measurement of Financial Assets** The Company has assessed the classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS in accordance with Ind AS 101.
- d. The Company has adopted to measure investments in Joint Ventures and Associates at Net Assets Value in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.
- e. Proposed Dividend Under Indian GAAP, proposed dividend (including Dividend Distribution Tax) is recognized as a liability in the period to which it relates, irrespective of when it is declared. Under Ind AS, proposed dividend is recognized as a liability in the period in which it is declared by the company usually when approved by shareholders in a general meeting or paid.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 42 (f) Reconciliation of Consolidated Balance Sheet as at 31st March 2017

(₹ in Lacs)

| Particulars                              | IGAAP                               |                                    | IGAAP                                                 | IND AS<br>(adjustments) | Ind AS                    |
|------------------------------------------|-------------------------------------|------------------------------------|-------------------------------------------------------|-------------------------|---------------------------|
|                                          | Consolidated<br>as at March<br>2017 | Joint<br>Ventures at<br>March 2017 | Consolidated<br>figures<br>excluding<br>Joint Venture |                         | As at<br>31 March<br>2017 |
| <b>ASSETS</b>                            |                                     |                                    |                                                       |                         |                           |
| <b>Non-current assets</b>                |                                     |                                    |                                                       |                         |                           |
| a) Property, plant and equipment         | 1,908.87                            | 56.08                              | 1,852.79                                              | 35,570.75               | 37,423.54                 |
| b) Goodwill                              | 4.40                                | 4.40                               | -                                                     | -                       | -                         |
| c) Capital work-in-progress              | 67.15                               | -                                  | 67.15                                                 | -                       | 67.15                     |
| d) Financial assets                      |                                     |                                    |                                                       | -                       |                           |
| i) Investments                           | 0.02                                | (336.53)                           | 336.55                                                | -                       | 336.55                    |
| ii) Other Financial Assets               | 270.90                              | 162.10                             | 108.80                                                | (81.87)                 | 26.93                     |
| e) Other non-current assets              | -                                   | -                                  | -                                                     | 86.04                   | 86.04                     |
|                                          | <b>2,251.34</b>                     | <b>(113.95)</b>                    | <b>2,365.29</b>                                       | <b>35,574.92</b>        | <b>37,940.21</b>          |
| <b>Current assets</b>                    |                                     |                                    |                                                       |                         |                           |
| a) Inventories                           | 4,920.49                            | 171.95                             | 4,748.54                                              | (126.16)                | 4,622.38                  |
| b) Financial assets                      |                                     |                                    |                                                       |                         |                           |
| i) Trade receivables                     | 4,229.05                            | 165.80                             | 4,063.25                                              | (7.80)                  | 4,055.45                  |
| ii) Cash and Cash equivalents            | 121.44                              | 24.79                              | 96.65                                                 | -                       | 96.65                     |
| iii) Bank Balances other than (ii) above | 204.63                              | (8.45)                             | 213.08                                                | 6.56                    | 219.64                    |
| iv) Loans                                | 1,322.50                            | 25.94                              | 1,296.56                                              | (1,258.72)              | 37.84                     |
| v) Other Financial Assets                | -                                   | -                                  | -                                                     | 54.18                   | 54.18                     |
| c) Other current assets                  | -                                   | -                                  | -                                                     | 1,180.64                | 1,180.64                  |
|                                          | <b>10,798.11</b>                    | <b>380.03</b>                      | <b>10,418.08</b>                                      | <b>(151.30)</b>         | <b>10,266.78</b>          |
| <b>Total Assets</b>                      | <b>13,049.45</b>                    | <b>266.08</b>                      | <b>12,783.37</b>                                      | <b>35,423.62</b>        | <b>48,206.99</b>          |
| <b>EQUITY AND LIABILITIES</b>            |                                     |                                    |                                                       |                         |                           |
| a) Equity Share capital                  | 640.03                              | -                                  | 640.03                                                | -                       | 640.03                    |
| b) Other equity                          | 2,868.88                            | 22.57                              | 2,846.31                                              | 28,074.87               | 30,921.18                 |
|                                          | <b>3,508.91</b>                     | <b>22.57</b>                       | <b>3,486.34</b>                                       | <b>28,074.87</b>        | <b>31,561.21</b>          |
| <b>LIABILITIES</b>                       |                                     |                                    |                                                       |                         |                           |
| <b>Non-current liabilities</b>           |                                     |                                    |                                                       |                         |                           |
| a) Financial liabilities                 |                                     |                                    |                                                       |                         |                           |
| i) Borrowings                            | 446.31                              | -                                  | 446.31                                                | 404.57                  | 850.88                    |
| ii) Others                               | -                                   | -                                  | -                                                     | 10.06                   | 10.06                     |
| b) Deferred tax liabilities (Net)        | 85.33                               | -                                  | 85.33                                                 | 7,358.39                | 7,443.72                  |
| c) Other non-current liabilities         | 124.59                              | -                                  | 124.60                                                | (124.60)                | -                         |
| d) Provisions                            | 210.27                              | -                                  | 210.27                                                | (13.23)                 | 197.04                    |
|                                          | <b>866.50</b>                       | <b>-</b>                           | <b>866.51</b>                                         | <b>7,635.19</b>         | <b>8,501.70</b>           |
| <b>Current liabilities</b>               |                                     |                                    |                                                       |                         |                           |
| a) Financial liabilities                 |                                     |                                    |                                                       |                         |                           |
| i) Borrowings                            | 3,912.36                            | -                                  | 3,912.36                                              | (409.89)                | 3,502.47                  |
| ii) Trade payables                       | 3,895.05                            | 242.90                             | 3,652.15                                              | (300.98)                | 3,351.17                  |
| iii) Others                              | 248.78                              | -                                  | 248.78                                                | 178.74                  | 427.52                    |
| b) Other current liabilities             | 162.85                              | 0.62                               | 162.23                                                | 85.55                   | 247.78                    |
| c) Current Tax Liabilities (Net)         | -                                   | -                                  | -                                                     | 441.83                  | 441.83                    |
| d) Provisions                            | 455.00                              | -                                  | 455.00                                                | (281.69)                | 173.31                    |
|                                          | <b>8,674.04</b>                     | <b>243.52</b>                      | <b>8,430.52</b>                                       | <b>(286.44)</b>         | <b>8,144.08</b>           |
| <b>Total Equity and liabilities</b>      | <b>13,049.45</b>                    | <b>266.08</b>                      | <b>12,783.37</b>                                      | <b>35,423.62</b>        | <b>48,206.99</b>          |

Note :- IndAS adjustment includes reclassification and re-grouping of figures.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 42 (g) Reconciliation of Consolidated Balance Sheet as at 1st April 2016

(₹ in Lacs)

| Particulars                              | IGAAP<br>Consolidated<br>as at March<br>2016 | IGAAP<br>Joint<br>Ventures at<br>March 2016 | IGAAP<br>Consolidated<br>figures<br>excluding<br>Joint Venture | IND AS<br>(adjustments) | Ind AS<br>As at<br>31 March<br>2016 |
|------------------------------------------|----------------------------------------------|---------------------------------------------|----------------------------------------------------------------|-------------------------|-------------------------------------|
| <b>ASSETS</b>                            |                                              |                                             |                                                                |                         |                                     |
| <b>Non-current assets</b>                |                                              |                                             |                                                                |                         |                                     |
| a) Property, plant and equipment         | 1,301.96                                     | 28.71                                       | 1,273.25                                                       | 35,570.75               | 36,844.00                           |
| b) Capital work-in-progress              | 9.86                                         | -                                           | 9.86                                                           | -                       | 9.86                                |
| c) Financial assets                      |                                              |                                             |                                                                |                         |                                     |
| i) Investments                           | 0.02                                         | (30.25)                                     | 30.27                                                          | -                       | 30.27                               |
| ii) Other Financial Assets               | 113.77                                       | (0.00)                                      | 113.77                                                         | (89.01)                 | 24.76                               |
| d) Other non-current assets              | -                                            | -                                           | -                                                              | 77.55                   | 77.55                               |
|                                          | <b>1,425.61</b>                              | <b>(1.54)</b>                               | <b>1,427.15</b>                                                | <b>35,559.29</b>        | <b>36,986.44</b>                    |
| <b>Current assets</b>                    |                                              |                                             |                                                                |                         |                                     |
| a) Inventories                           | 1,870.76                                     | -                                           | 1,870.76                                                       | (126.16)                | 1,744.60                            |
| b) Financial assets                      |                                              |                                             |                                                                |                         |                                     |
| i) Trade receivables                     | 1,750.34                                     | 0.01                                        | 1,750.33                                                       | (1.76)                  | 1,748.57                            |
| ii) Cash and Cash equivalents            | 394.17                                       | 200.59                                      | 193.58                                                         | -                       | 193.58                              |
| iii) Bank Balances other than (ii) above | -                                            | (199.53)                                    | 199.53                                                         | 6.88                    | 206.41                              |
| iv) Loans                                | -                                            | -                                           | -                                                              | 19.68                   | 19.68                               |
| v) Other Financial Assets                | -                                            | -                                           | -                                                              | 12.87                   | 12.87                               |
| d) Current tax asset (Net)               | -                                            | -                                           | -                                                              | 1.80                    | 1.80                                |
| e) Other current assets                  | 518.32                                       | -                                           | 518.32                                                         | (49.77)                 | 468.55                              |
|                                          | <b>4,533.59</b>                              | <b>1.07</b>                                 | <b>4,532.52</b>                                                | <b>(136.46)</b>         | <b>4,396.06</b>                     |
| <b>Total Assets</b>                      | <b>5,959.20</b>                              | <b>(0.47)</b>                               | <b>5,959.67</b>                                                | <b>35,422.83</b>        | <b>41,382.50</b>                    |
| <b>EQUITY AND LIABILITIES</b>            |                                              |                                             |                                                                |                         |                                     |
| a) Equity Share capital                  | 160.23                                       | -                                           | 160.23                                                         | -                       | 160.23                              |
| b) Other equity                          | 2,219.66                                     | (0.47)                                      | 2,220.13                                                       | 28,125.30               | 30,345.43                           |
|                                          | <b>2,379.89</b>                              | <b>(0.47)</b>                               | <b>2,380.36</b>                                                | <b>28,125.30</b>        | <b>30,505.66</b>                    |
| <b>LIABILITIES</b>                       |                                              |                                             |                                                                |                         |                                     |
| <b>Non-current liabilities</b>           |                                              |                                             |                                                                |                         |                                     |
| a) Financial liabilities                 |                                              |                                             |                                                                |                         |                                     |
| i) Borrowings                            | 215.04                                       | -                                           | 215.04                                                         | (4.10)                  | 210.95                              |
| ii) Others                               | -                                            | -                                           | -                                                              | 10.06                   | 10.06                               |
| b) Deferred tax liabilities (Net)        | 61.27                                        | -                                           | 61.27                                                          | 7,370.18                | 7,431.45                            |
| c) Other non-current liabilities         | 124.32                                       | -                                           | 124.32                                                         | (124.32)                | -                                   |
| d) Provisions                            | 125.01                                       | -                                           | 125.01                                                         | (23.56)                 | 101.45                              |
|                                          | <b>525.64</b>                                | <b>-</b>                                    | <b>525.65</b>                                                  | <b>7,228.26</b>         | <b>7,753.91</b>                     |
| <b>Current liabilities</b>               |                                              |                                             |                                                                |                         |                                     |
| a) Financial liabilities                 |                                              |                                             |                                                                |                         |                                     |
| i) Borrowings                            | 1,488.90                                     | -                                           | 1,488.90                                                       | 0.63                    | 1,489.53                            |
| ii) Trade payables                       | 1,344.76                                     | -                                           | 1,344.76                                                       | (281.54)                | 1,063.22                            |
| iii) Others                              | 99.19                                        | -                                           | 99.19                                                          | 158.60                  | 257.79                              |
| b) Other current liabilities             | 76.76                                        | -                                           | 76.76                                                          | 86.74                   | 163.50                              |
| c) Provisions                            | 44.06                                        | -                                           | 44.06                                                          | 104.83                  | 148.89                              |
|                                          | <b>3,053.67</b>                              | <b>0.00</b>                                 | <b>3,053.67</b>                                                | <b>69.26</b>            | <b>3,122.93</b>                     |
| <b>Total Equity and liabilities</b>      | <b>5,959.20</b>                              | <b>(0.47)</b>                               | <b>5,959.67</b>                                                | <b>35,422.83</b>        | <b>41,382.50</b>                    |

Note :- IndAS adjustment includes reclassification and re-grouping of figures.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### 42 (h) Reconciliation of Consolidated Profit & Loss and Other Comprehensive Income for the period ended 31st March 2017

| Particulars                                                                   | IGAAP                               | IGAAP                                 | Consolidated figures excluding Joint Venture | IND AS (adjustments) | Ind AS              |
|-------------------------------------------------------------------------------|-------------------------------------|---------------------------------------|----------------------------------------------|----------------------|---------------------|
|                                                                               | Consolidated as on 31st March, 2017 | Joint Ventures as on 31st March, 2017 |                                              |                      | As at 31 March 2017 |
| <b>I. Revenue From Operations</b>                                             |                                     |                                       |                                              |                      |                     |
| Revenue from Sale of Products                                                 | 19,088.69                           | 1,116.99                              | 17,971.70                                    | 817.68               | 18,789.38           |
| Other Income                                                                  | 50.05                               | 3.44                                  | 46.61                                        | -                    | 46.61               |
| <b>Total income (I)</b>                                                       | <b>19,138.74</b>                    | <b>1,120.43</b>                       | <b>18,018.31</b>                             | <b>817.68</b>        | <b>18,835.99</b>    |
| <b>II. Expenses</b>                                                           |                                     |                                       |                                              |                      |                     |
| Cost of material consumed                                                     | 12,889.52                           | 1,028.69                              | 11,860.83                                    | -                    | 11,860.83           |
| Change in inventories of finished goods, stock in trade and work -in-progress | (1,524.49)                          | -                                     | (1,524.49)                                   | -                    | (1,524.49)          |
| Excise Duty                                                                   | -                                   | -                                     | -                                            | (817.68)             | 817.68              |
| Employee benefit expense                                                      | 1,937.07                            | 19.89                                 | 1,917.18                                     | (61.40)              | 1,855.78            |
| Finance costs                                                                 | 309.91                              | -                                     | 309.91                                       | (2.38)               | 307.53              |
| Depreciation and amortisation expense                                         | 223.10                              | 0.03                                  | 223.07                                       | -                    | 223.07              |
| Other expenses                                                                | 3,526.11                            | 66.03                                 | 3,460.08                                     | 6.03                 | 3,466.11            |
| <b>Total expense (II)</b>                                                     | <b>17,361.22</b>                    | <b>1,114.64</b>                       | <b>16,246.58</b>                             | <b>(875.43)</b>      | <b>17,006.51</b>    |
| Share of Profit/Loss of Joint Venture                                         | -                                   | -                                     | -                                            | 2.44                 | 2.44                |
| <b>III. Profit/(loss) before exceptional items and tax (I-II)</b>             | <b>1,777.52</b>                     | <b>5.79</b>                           | <b>1,771.73</b>                              | <b>1,695.55</b>      | <b>1,831.92</b>     |
| <b>IV. Exceptional items</b>                                                  | -                                   | -                                     | -                                            | -                    | -                   |
| <b>V. Profit before tax from continuing operations (III+IV)</b>               | <b>1,777.52</b>                     | <b>5.79</b>                           | <b>1,771.73</b>                              | <b>1,695.55</b>      | <b>1,831.92</b>     |
| <b>VI. Tax expense:</b>                                                       |                                     |                                       |                                              |                      |                     |
| (1) Current tax                                                               | 641.69                              | -                                     | 641.69                                       | -                    | 641.69              |
| (2) Deferred tax                                                              | 24.06                               | -                                     | 24.06                                        | 18.40                | 42.46               |
| <b>Total Tax Expense (VI)</b>                                                 | <b>665.75</b>                       | <b>-</b>                              | <b>665.75</b>                                | <b>18.40</b>         | <b>684.15</b>       |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

### 42 (h) Reconciliation of Consolidated Profit & Loss and Other Comprehensive Income for the period ended 31st March 2017 (Contd.)

| Particulars                                                                                                          | IGAAP                               | IGAAP                                 | Consolidated figures excluding Joint Venture | IND AS (adjustments) | Ind AS              |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------|----------------------------------------------|----------------------|---------------------|
|                                                                                                                      | Consolidated as on 31st March, 2017 | Joint Ventures as on 31st March, 2017 |                                              |                      | As at 31 March 2017 |
| <b>VII. Profit/(loss) for the period (V-VI)</b>                                                                      | <b>1,111.77</b>                     | <b>5.79</b>                           | <b>1,105.98</b>                              | <b>1,677.15</b>      | <b>1,147.77</b>     |
| <b>VIII. Other Comprehensive Income</b>                                                                              |                                     |                                       |                                              |                      |                     |
| <b>(i) (a) Items that will not be reclassified to profit or loss</b>                                                 |                                     |                                       |                                              |                      |                     |
| Remeasurement of net defined benefit liability                                                                       | -                                   | -                                     | -                                            | (97.69)              | (97.69)             |
| Share of Other Comprehensive Income through Joint Venture                                                            | -                                   | -                                     | -                                            | (0.02)               | (0.02)              |
| Gains and losses from investments in equity instruments designated at fair value through other comprehensive income; | -                                   | -                                     | -                                            | -                    | -                   |
| <b>(i) (b) Income tax relating to items that will not be reclassified to profit or loss</b>                          | -                                   | -                                     | -                                            | 30.19                | 30.19               |
| <b>(ii) (a) Items that will be reclassified to profit or loss</b>                                                    | -                                   | -                                     | -                                            | -                    | -                   |
| <b>(ii) (b) Income tax relating to items that will be reclassified to profit or loss</b>                             | -                                   | -                                     | -                                            | -                    | -                   |
| <b>Other Comprehensive Income/(loss) for the period (VIII)</b>                                                       | -                                   | -                                     | -                                            | <b>(67.52)</b>       | <b>(67.52)</b>      |
| <b>Total Comprehensive Income for the period (VII+VIII)</b>                                                          | -                                   | -                                     | -                                            | <b>1,609.63</b>      | <b>1,080.25</b>     |

### 43 Interest in Other Entities

The Consolidated Financial Statements present the Consolidated Accounts of Indian Wood Products Limited with its following Joint Venture

| Name of Company                     | Country of Incorporation | Activities                           | Proportion of ownership of interest as at 31.03.2018 | Proportion of ownership of interest as at 31.03.2017 | Proportion of ownership of interest as at 31.03.2016 |
|-------------------------------------|--------------------------|--------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Agro and Spice Trading Pte Ltd      | Singapore                | Trading in Spices                    | 50%                                                  | 50%                                                  | 0%                                                   |
| PT. Sumatra Resources International | Indonesia                | Trading and manufacturing of Gambier | 0%                                                   | 0%                                                   | 50%                                                  |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### 44 Movement of Investment in Joint Venture and Associates using equity method

(₹ in Lacs)

| Particulars                              | AGRO AND SPICE TRADING PTE. LTD |         |         | PT Sumatra |         |         |
|------------------------------------------|---------------------------------|---------|---------|------------|---------|---------|
|                                          | 2017-18                         | 2016-17 | 2015-16 | 2017-18    | 2016-17 | 2015-16 |
| Investment as at beginning of the Period | 338.95                          | 336.53  | -       | -          | 30.25   | 30.25   |
| Add: Investment during the period        | 419.04                          |         | -       | -          |         | -       |
| Add: Share of profit for the period      | -144.54                         | 2.44    | -       | -          | -       | -       |
| Add: Share of OCI for the period         | -4.59                           | -0.02   | -       | -          | -       | -       |
| Less: Disposed off Investment            | -                               | -       | -       | -          | 32.42   | -       |
| Profit from sale of Joint Venture        | -                               | -       | -       | -          | 2.17    | -       |
| Investment as at end of the Period       | 608.85                          | 338.95  | -       | -          | -       | 30.25   |

### 45 Additional Information pertaining to the Parent Company and Joint Venture as per Schedule III of Companies Act 2013

| Name of the entity                      | Net Assets<br>(Total assets minus total liabilities) |                  | Share in Profit & Loss              |                 | Share in Other comprehensive income (OCI) |              | Share in Total comprehensive income (TCI) |                 |
|-----------------------------------------|------------------------------------------------------|------------------|-------------------------------------|-----------------|-------------------------------------------|--------------|-------------------------------------------|-----------------|
|                                         | As % of consolidated net assets                      | Net Assets       | As % of consolidated profit or loss | Amount          | As % of consolidated profit or loss       | Amount       | As % of consolidated profit or loss       | Amount          |
| <b>Parent</b>                           |                                                      |                  |                                     |                 |                                           |              |                                           |                 |
| The Indian wood Product Company limited | 100.44%                                              | 33,248.35        | 109.11%                             | 1,731.53        | -64.52%                                   | 1.80         | 109.41%                                   | 1,733.33        |
| Joint Ventures                          |                                                      |                  |                                     |                 |                                           |              |                                           |                 |
| Foreign                                 | -0.44%                                               | -146.71          | -9.11%                              | -144.54         | 164.52%                                   | -4.59        | -9.41%                                    | -149.13         |
| <b>TOTAL</b>                            | <b>100%</b>                                          | <b>33,101.64</b> | <b>100%</b>                         | <b>1,586.99</b> | <b>100%</b>                               | <b>-2.79</b> | <b>100%</b>                               | <b>1,584.20</b> |

### 46 Investment in Foreign Joint Venture

#### Agro and Spice Trading Pte. Ltd.

| Particulars                                | As at 31 March 2018 |              | As at 31 March 2017 |              |
|--------------------------------------------|---------------------|--------------|---------------------|--------------|
|                                            | (₹)                 | (\$)         | (₹)                 | (\$)         |
| Non-current assets                         | 1,003.23            | 15.42        | 433.16              | 6.68         |
| Current assets                             | 1,353.41            | 20.81        | 760.07              | 11.72        |
| Non-current liabilities                    | 650.44              | 10.00        | -                   | -            |
| Current liabilities                        | 462.74              | 7.11         | 487.02              | 7.51         |
| <b>Equity</b>                              | <b>1,243.45</b>     | <b>19.12</b> | <b>706.21</b>       | <b>10.89</b> |
| Proportion of the Group Ownership Interest | 50%                 | 50%          | 50%                 | 50%          |
| Carrying Amount of the Group's Interest    | 621.72              | 9.56         | 353.10              | 5.45         |



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

(₹ in Lacs)

## 46 Investment in Foreign Joint Venture (Contd.)

| Particulars                                   | As at 31 March 2018 |              | As at 31 March 2017 |       |
|-----------------------------------------------|---------------------|--------------|---------------------|-------|
|                                               | (₹)                 | (\$)         | (₹)                 | (\$)  |
| Revenue from Operation                        | 3,997.70            | 61.99        | 2,243.54            | 33.46 |
| Cost of material consumed                     | 3,654.94            | 56.67        | 2,066.15            | 30.81 |
| Employee benefit expense                      | 225.98              | 3.50         | 42.08               | 0.63  |
| Finance costs                                 | 11.52               | 0.18         | 5.42                | 0.08  |
| Depreciation and amortisation expense         | 8.06                | 0.13         | 0.07                | -     |
| Other expenses                                | 380.97              | 5.91         | 124.91              | 1.86  |
| <b>Profit/(loss) before tax</b>               | <b>-283.76</b>      | <b>-4.40</b> | 4.91                | 0.07  |
| Current tax                                   | 5.32                | 0.08         | -                   | -     |
| <b>Profit/(loss) for the Year</b>             | <b>-289.08</b>      | <b>-4.48</b> | 4.91                | 0.07  |
| Other Comprehensive Income                    | -9.19               | -0.14        | -0.03               | -0.00 |
| <b>Total Comprehensive Income</b>             | <b>-298.27</b>      | <b>-4.62</b> | 4.88                | 0.07  |
| Proportion of the Group Ownership Interest    | 50%                 | 50%          | 50%                 | 50%   |
| Group Share of the Profit                     | -144.54             | -2.24        | 2.45                | 0.04  |
| Group Share of the Other Comprehensive Income | -4.59               | -0.07        | -0.02               | -0.00 |

47. The main Products of the Company i.e. Katha & Cutch along with its Raw Materials like Khair Wood, Katha Lugdi, Cutch Lugdi, are covered under U. P. Forest Act and a transit fee has to be paid on movement of all these items.. Uttar Pradesh Government by its various amendments changed the transit fee from Rs. 38/- Per M.T to Rs. 200/- Per Cubic Meter and Subsequently 5% advolrum.

Honorable Supreme Court in its interim order dated 26/04/2016, directed the Uttar Pradesh Government to collect transit fees @ 5% advolrum subject to final outcome of the case and also directed U. P. Government to keep the said amount in a separate account so that it can be paid back to the effected parties with interest @ 9% Per Annum if final order is in favour of the parties.

Subsequently Honorable Supreme Court by its final order dated 15/09/2017 directed Uttar Pradesh Government to collect transit fees @ Rs 38/- Per M.T only and refund the excess amount collected from parties along with interest @ 9% per annum.

In view of the above, an excess amount of Rs. 1000.29 lakhs paid as transit fees to the Forest Department of Uttar Pradesh is refundable with interest @ 9% per annum. The company has made necessary applications which is under process and will be accounted for as and when the company will get the refund.

## 48 Contingent Liabilities and Commitments

- a) "Katha" the main product of the Company was brought within the Ambit of Central Excise Duty w.e.f. 1st March, 2011 under Chapter 14 of Central Excise Tariff. However, the Central Excise Authority issued Show Cause notices with the contention that Raw Katha produced by processing Gambier ( an excisable item) is also liable to duty. Hence a demand of Rs.35.95 crores was raised on the Company for the period up to March 2010 Rs.31.03 crores and from April 2010 to February,2011 Rs.4.92 crores. Against such orders in one of our appeal, the appellate authority not only accepted our ground of valuation of the product as per CAS4 but also reduce the demand of Rs. 11.93 crores to Rs. 2.48 crores. On the same ground total demand



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

of Rs. 35.95 crores could get reduce to Rs. 11.62 crores. Consequently as per legal advice obtained, no provision was made till 2017 and was shown as contingent liability.

During the year vide order No.A/70281 – 70288/2018 EX (DB) dt.25.01.2018 and Order No. A/70819-70823/2018 EX (DB) Dt. 22.02.2018 CESTAT Appellate Tribunal passed final order in favour of the Company setting aside the impugned orders passed by Commissioner of Central Excise of Customs Meerut II demanding duty, penalties and interest thereon amounting to Rs.35.95 crores.

In view of the above, though the contingent liability now does not exist, but the department as may move to the higher court. Hence this note is continuing.

- b) Katha manufactured by the Company commonly known as Indian Katha on which Company was paying central excise duty @ 5/6 % under Chapter Heading No. 14049050 was not acceptable to the Department and raised a demand of Rs.15.74 crores under chapter Heading No.32019090. This was shown as Contingent Liability till March,2017. Inspite of CESTAT, Allahabad's order in favour of the Company as the Excise Authority Preferred S L P before Hon'ble Supreme Court. During the year Supreme Court rejected the Appeal vide its order dt. 28.07.2017. Accordingly the said Contingent Liability, hence forth, does not exist.
- c) Demand for sales tax amounting to Rs. 148.48 lacs (Rs. 139.98 lacs) which are not acknowledged as debts. Against the same company has paid under protest a total of Rs. 27.32 lacs (Rs. 18.20 lacs) included in loans and Advances and TDR of Rs. 2.64 lacs (Rs. 2.64 lacs) are deposited with the sales tax authorities.
- d) Mandi Samitee demand on Katha amounting to Rs. 2.38 lacs (Rs. 2.38 Lacs) has been disputed by the Company and stayed by Honorable High Court, Allahabad.
- e) During the year, Commissioner of Customs, Nhava Sheva had passed an Ex-Party Judgement and raised a demand of Rs. 3,41,77,936/- together with a penalty of Rs 3,41,77,936/- against a Show Cause Notice issued by the Additional Director General, Directorate of Revenue Intelligence, Kolkata in the year 2010. The said order passed by the Commissioner being contrary to law and against the principle of natural justice, based on assumption and presumptions without any evidence on record and was not acceptable to the Company, hence an appeal was preferred by the Company before CESTAT Nhava Sheva by producing evidence of pre-deposit of Rs.40.00 lacs being 11.7% of duty demanded against the requirement of 7.5% of the duty demanded while filing the appeal.Simultaneously, (2) two of the Whole Time Directors were also made liable in the above said order on whom a penalty of Rs.15.00 lacs and Rs.10.00 lacs respectively imposed. An appeal was also preferred on their behalf and a sum of Rs.1.90 las was deposited by the Company and the amount is appearing in Loans & Advances account.Consequently, as per the legal advice obtained, no provision is made at this stage. Final adjustment if any will be done as and when the matter is crystalized.

49. For better presentation previous year's figures have been regrouped / re-arranged wherever necessary.

**For Agrawal Sanjay & Company**

Chartered Accountants

Firm Registration Number - 329088E

**Radhakrishnan Tondon**

Partner

Membership No.: 060534

**Place: Kolkata**

**Date: May 30, 2018**

**For and on behalf of Board of Directors of  
The Indian Wood Products Co. Ltd.**

**K.K. Damani**

Executive Director

DIN:01385252

**Bharat Mohta**

WTD & CEO

DIN: 00392090

**R.P.Chetani**

Director

DIN: 00392215

**R.K. Agarwal**

Chief Financial Officer

**Anup Gupta**

Company Secretary



# THE INDIAN WOOD PRODUCTS COMPANY LTD

CIN : L20101WB1919PLC003557

Regd Off : 9 Brabourne Road, 7th Floor, Kolkata – 700 001

Tel No.: +91 8232023820; Fax No.: +91 33 22426799; Email ID: iwpcal1@cal2.vsnl.net.in

Website : www.iwpkatha.com

## NOTICE

NOTICE is hereby given that the Ninety-Eighth Annual General Meeting of the Members of the Company will be held at Bharatiya Bhasha Parishad, 36-A, Shakespeare Sarani, 4th floor, Kolkata –700 017 on Monday the 17th day of September, 2018 at 3.30 PM to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt
  - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2018 together with the Reports of the Directors and the Auditors thereon.
  - b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018 together with the Reports of the Auditors thereon.
2. To declare Dividend on equity shares for the year ended 31st March, 2018
3. To appoint a Director in place of Mr. K K Damani (DIN 01385252) who retires by rotation and eligible offers himself for re-appointment.

### Registered Office:

**Bombay Mutual Building**

**9, Brabourne Road**

**Kolkata – 700 001**

**Dated: 30th May, 2018**

### By Order of the Board

**For The Indian Wood Products Co Ltd**

**Anup Gupta**

**Company Secretary**

### NOTES:

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
2. The Proxy form should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time of the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company can appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. The Register of Member of the Company will remain closed from 11th September, 2018 to 17th September, 2018 (both days inclusive)
5. Dividend declared, will be paid to those shareholders whose names will appear in the Register of Shareholders / Beneficiary Owners Position List provided by the Depositories as at close of business on 10th September 2018.
6. Instruction for e-voting, along with the attendance Slip and Proxy Form, is annexed to this Notice of 98th Annual General Meeting for the convenience of Shareholders.



7. **Members / Proxies / Authorized Representative are requested to bring their attendance slip along with their copy of Annual Report to the meeting.**
8. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. As a measure to save our natural resources, we request Members to registered their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail address with M/s. Niche Technologies Pvt Ltd, D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata – 700 001 the Registrar & Share Transfer Agent of the Company.
10. It is observed that a sizable number of Notices, Annual Report & Dividend warrants have returned undelivered with the remark as Left, Not known etc for the last few years. Members are therefore requested to furnish their Bank particulars, change of address if any to the Registrar and Share Transfer Agent as mentioned above for timely payment of Dividend and for proper communication.
11. **Mandatory updation of PAN and Bank details** – Pursuant to SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios do not have / or have incomplete details with respect to PAN and Bank Account particulars are mandatorily required to furnish these details to the Company / RTA for registration in their folios. Accordingly, Company is taking necessary steps & issuing mandate form to the Shareholders to update their Pan /Bank details as required. Members are therefore requested to update their records on receipt of the letter.
12. Members seeking any information with regard to accounts are requested to write to the Company Secretary **at least ten days in advance** of Annual General Meeting, to enable the Company to keep the information ready.
13. The notice of the 98th AGM and instructions for e-voting along with the attendance slip and proxy form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the documents are being sent by the permitted mode.
14. The Company is offering voting facility through electronic means (remote e-voting) to the members to cast their votes electronically on the Resolutions proposed at this AGM and for which purpose the Company has engaged the services of National Securities Depository Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The detailed instructions for e-voting are given as a separate attachment to this notice.
15. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination or cancelling/varying nomination are requested to send their requests in Form No. SH-13 / SH-14, to the Registrar and Transfer Agent of the Company. These forms will be made available on request.
16. All documents referred to in the Notice will be available for inspection at the Company's Corporate Office during normal business hours on working days up to the date of the AGM.
17. A route map to the AGM venue is appended to the Notice for reference of the members.
18. Additional Information pursuant to Regulation 36 of Listing Regulations on Director seeking re-appointment at this AGM is furnished here under. The director has furnished consent for his re-appointment as required under the Companies Act, 2013 and the Rules thereunder.

**Brief Resume of Directors seeking appointment / re-appointment**

|                                                                                                     |                          |
|-----------------------------------------------------------------------------------------------------|--------------------------|
| <b>Name of the Director</b>                                                                         | Mr. Krishna Kumar Damani |
| <b>DIN</b>                                                                                          | 01385252                 |
| <b>Date of Birth/ Age</b>                                                                           | 17.08.1949 / 69 Years    |
| <b>Date of Appointment</b>                                                                          | 15.04.1998               |
| <b>Number of Meetings of the Board attended during the financial year (2017-18)</b>                 | 2 out of 8               |
| <b>List of Directorship/ Membership /Chairmanship of Committees of other Board</b>                  | NIL                      |
| <b>Shareholding in the Company</b>                                                                  | NIL                      |
| <b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b> | None                     |

**Voting through electronic means**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulation 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 14th September 2018 (9:00 AM) and ends on 16th September 2018 (5:00 PM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 10th September 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e- voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
    - i. Open email and open PDF file viz;  
"remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
    - ii. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
    - iii. Click on Shareholder – Login
    - iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
    - v. Password change menu appears. Change the password/PIN with new password of your choice with



minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- vii. Select “EVEN” of “The Indian Wood Products Company Limited”.
- viii. Now you are ready for remote e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- x. Upon confirmation, the message “Vote cast successfully” will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to msassociates16@gmail.com with a copy marked to evoting@nsdl.co.in
- B** In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:
  - I. Initial password is provided in the Annexure enclosed herewith with this AGM notice.
  - II. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI** In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII** If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- VIII** You can also update your mobile number and e-mail id in the user profile details of the folio, which may be used for sending future communication(s).
- IX** The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 10th September, 2018. A person who is not a member as on cut off date should treat this notice for information purpose only.
- X** Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 10th September 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA.  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222- 990.
- XI** A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII** A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date of 10th September, 2018 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XIII** Md.Shahnawaz, Company Secretary (in whole-time practice) (Membership No. ACS21427 and CP No-15076) of 16A, Abdul Hamid Street, 5th Floor, Room No. 501, Kolkata – 700069 has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e- voting process in a fair and transparent manner.
- XIV** The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow



voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

- XV** The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI** The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.iwpkatha.com](http://www.iwpkatha.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the company shares are listed.
- XVII** Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.

**Registered Office:**  
**Bombay Mutual Building**  
**9, Brabourne Road**  
**Kolkata – 700 001**  
**Dated: 30th May, 2018**

**By Order of the Board**  
**For The Indian Wood Products Co Ltd**

**Anup Gupta**  
**Company Secretary**



## The Indian Wood Products Company Ltd

CIN L20101WB1919PLC003557

Regd off: 7th floor, 9 Brabourne Road, Kolkata – 700 001

Tel 033 8232023820, Fax No.033 22426799 email: iwpcal1@cal2.vsnl.net.in

### ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Hall)

I hereby record my presence of the 98th Annual General Meeting of the Company held on Monday 17th September, 2018 at 3.30 PM at Bharatiya Bhasha Parishad, 36A Shakespeare Sarani, Kolkata – 700 017 or any adjournment thereof.

Full Name of the member (in BLOCK LETTERS) .....

Folio No.....DP ID No.....Client ID No.....

Name of Member (s) .....

Name of the Proxy holder .....

Registered Address .....

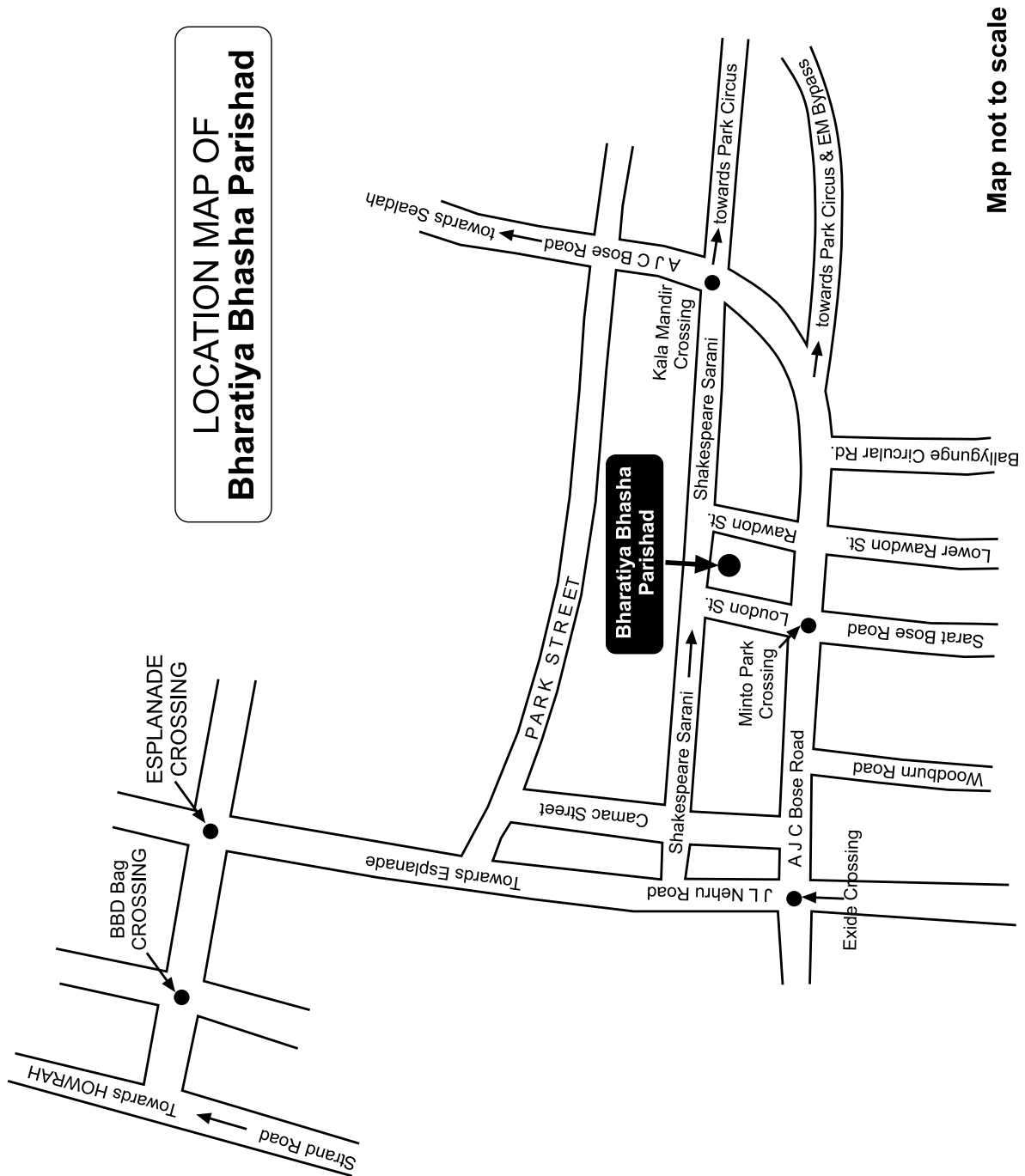
No. of shares Held .....

-----  
Signature of the Member / Representative / Proxy Holder\*

\* Strike out whichever is not applicable.

Note:

Shareholder / Proxy holder wishing to attend the meeting must bring this Attendance slip to the venue and hand over at the entrance duly signed.





## The Indian Wood Products Company Ltd

CIN L20101WB1919PLC003557

Regd off: 7th floor, 9 Brabourne Road, Kolkata – 700 001

Tel 033 8232023820, Fax No.033 22426799

Website: www.iwpkatha.com; E-mail: iwpcal1@cal2.vsnl.net.in



[Pursuant to Section 105(6) of the Companies Act, 2013 of the Companies (Management and Administration) Rules 2014]

### PROXY FORM (FORM NO.MGT-11)

Folio No.....DP ID No.....Client ID No.....

Name of Member (s) .....email id.....

Registered address .....

.....

I/We, being the Member(s) holding.....shares of the above named Company, hereby appoint

(1) Name.....

Address .....

E-Mail Id .....Signature.....OR failing him

(2) Name.....

Address .....

E-Mail Id .....Signature.....OR failing him

(3) Name.....

Address .....

E-Mail Id .....Signature.....



As my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at the 98th AGM of the Company, to be held on 17th day of September, 2018 at 3.30 PM at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata – 700017 and at any adjournment thereof in respect of such resolution(s) as are indicated below :



| SI No                    | Resolution                                                                                                                                                                                    | For | Against |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| <b>Ordinary Business</b> |                                                                                                                                                                                               |     |         |
| 1                        | a) To receive, Consider and Adopt the Audited Standalone Financial Statements for the Financial year ended 31st March,2018 together with the Report of the Directors and the Auditors thereon |     |         |
|                          | b) To receive, Consider and Adopt the Audited Consolidated Financial Statements for the Financial year ended 31st March,2018 together with the Report of the Auditors thereon                 |     |         |
| 2                        | To Declare Dividend @ 12.5% on equity shares for the year ended 31st March, 2018                                                                                                              |     |         |
| 3                        | To appoint Mr. K K Damani as a Director, liable to retire by rotation.                                                                                                                        |     |         |

Signed this.....day of .....2018

Signature of Shareholder(s) .....

Signature of Proxy holder(s) .....

Affix  
Revenue  
Stamp

**Notes:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.