

Trust.
The reason we exist.



Between the covers

COMPANY'S OVERVIEW

| | |
|---|----|
| It takes years to build, seconds to break and forever to repair | 02 |
| New avenues of growth | 04 |
| Recognizing our own | 06 |
| Expanding with excellence | 08 |
| Introducing co-creation | 10 |

BOARD & MANAGEMENT REPORTS

| | |
|--|----|
| Notice | 12 |
| Directors' Report | 19 |
| Management Discussion and Analysis | 26 |
| Corporate Governance Report | 31 |

FINANCIAL REPORT

| | |
|--|-----|
| Independent Auditors' Report | 45 |
| Balance Sheet | 50 |
| Statement of Profit & Loss | 51 |
| Cash Flow Statement | 52 |
| Notes to Financial Statements | 54 |
| Statement relating to Subsidiaries | 95 |
| Independent Auditors' Report on Consolidated Financial Statements .. | 96 |
| Consolidated Balance Sheet | 98 |
| Consolidated Statement of Profit & Loss | 99 |
| Consolidated Cash Flow Statement | 100 |
| Notes to Consolidated Financial Statements | 102 |

Corporate Information

BOARD OF DIRECTORS

| | |
|-----------------------------------|---------------------------|
| Sri Sajjan Bhajanka | <i>Chairman</i> |
| Sri Hari Prasad Agarwal | <i>Vice Chairman</i> |
| Sri Sanjay Agarwal | <i>Managing Director</i> |
| Sri Prem Kumar Bhajanka | <i>Managing Director</i> |
| Sri Vishnu Khemani | <i>Managing Director</i> |
| Sri Ajay Baldawa | <i>Executive Director</i> |
| Sri Sajan Kumar Bansal | <i>Director</i> |
| Sri Mangi Lal Jain | <i>Director</i> |
| Sri Manindra Nath Banerjee | <i>Director</i> |
| Sri Samarendra Mitra | <i>Director</i> |
| Sri Santanu Ray | <i>Director</i> |
| Sri Asit Pal | <i>Director</i> |

CFO & COMPANY SECRETARY

Sri Arun Kumar Julasaria

AUDITORS

S. R. Batliboi & Co. LLP

Chartered Accountants

22, Camac Street
Block 'C', 3rd Floor
Kolkata - 700 016

BANKERS

State Bank of India
DBS Bank Ltd.
Oriental Bank of Commerce
Corporation Bank

REGISTRAR & SHARE TRANSFER AGENT

Maheshwari Datamatics Pvt. Ltd.

6, Mangoe Lane
(Surendra Mohan Ghosh Sarani)
2nd Floor, Kolkata - 700 001

REGISTERED OFFICE

6, Lyons Range
Kolkata - 700 001
Ph. : 033 3940 3950

WORKS

Plywood, Veneer and Laminate Units

| | |
|---|---|
| Diamond Harbour Road Kanchowki, Bishnupur Dist : 24 Parganas (S) West Bengal | Mirza Palasbari Road Kamrup Assam |
|---|---|

| | |
|-----------------------------------|---|
| Rambha Road Taraori Haryana | Chinnappolapuram Gummidipoondi Tamil Nadu |
|-----------------------------------|---|

Village : Moti Chirai
Taluka : Bhachau - Kachchh
Gujarat

Container Freight Station

Block B & C, Sonai Khidderpore
Kolkata - 700 088

Hide Road, Brace Bridge, Khidderpore
Kolkata - 700 088

“It takes years to build, seconds to break and forever to repair.”

Trust. We take it seriously. You don't win it overnight; over the last 25 years, we have delivered quality unfailingly, every single time. It is this steadfast approach to deliver the best that has helped us earn the trust of millions of consumers and become the nation's No.1 plywood company. Our success has only motivated us to set bigger goals and consistently raise the bar for quality. The recognition and rewards that our sustained commitment to excellence has brought us, has made us trust in our abilities. This self belief has helped us in having a progressive approach through our development plans. We continue to diversify into various fields, be it laminates, veneers, cement/exterior laminates and furniture. Armed with the latest technological advancements and increased capacity, we hope to grow constantly, year after year.



New avenues of growth

India is going through a phase where there is relatively higher economic growth in Tier 1 and Tier 2 cities. Rapid urbanization and nuclear households have changed our lifestyles. There is renewed focus on interior decoration as it is fast becoming the new means for home owners to express themselves and make a style statement. Owing to this growing demand, the wood manufacturing industry is poised for greater growth. The decorative laminates industry is currently estimated at around Rs. 4000 crores. With our products performing well, we have added 22 new distributors for Century laminates. Being a talked about brand in all leading industry magazines and business journals like Dun & Bradstreet, Dalal Street and Economic Times has only helped us strengthen our position further. We hope to keep expanding across platforms in the near future and gain the trust of our customers as we go.



Recognizing our own

At Centuryply, we give the credit of our growth to each and every Centurion. They are the wind beneath our wings. They lift us and carry us forward. That's why we make sure that all our employees, associates and partners feel appreciated. We do this through various innovative campaigns. The Saradiya Sera 25 programme recognized 25 best channel partners with 25 best Centurions. Our shop boy initiative helped institutionalise many and helped them sharpen skills with new training. 'Monsoon Dhamaka-Gaadiyon ki Barsaat', a lucky draw session that the retailers of Century Laminates participated in was a huge hit. The event started with an exciting football match between the invitees, followed by an interactive session of extempore, humorous pieces and songs. Winners from four regions (pan-India) took home their Hyundai i10 cars and Bajaj Pulsars. With such initiatives, we hope to continue being connected to our leaders, retailers, employees and partners, because we treasure their contribution in the company's growth.

Growth is through collective efforts towards a common goal. It is this work ethic that gains us the faith of our customers. Day in, day out, for the last 25 years.



Expanding with excellence

There are only two ingredients to sustain in a market: get big & create a niche. Centuryply, over the last 25 years, has undoubtedly maintained a leadership position.

Business growth means expansion. Therefore the success formula in business is: Do what you do better, do more of what you do. And we continuously intend to do so. The success in our current projects has created an unceasing demand for our products. That's why this year was dedicated to aggressive expansion plans which are already underway in most of our manufacturing units.

We have increased the plywood and veneer capacity by 30,000 CBM at our plant in Kandla, Gujarat. This will boost our existing plywood capacity from 124,820 CBM to 154,820 CBM, year on year. Similarly in laminates, we intend to amplify the capacity by 1.2 million sheets in 2014 from the current 2.4 million sheets. This would take our total laminates installed capacity to 3.6 million units in Joka, Kolkata. The pre-laminated boards' capacity has gone up to 2378720 sqm.

To serve the customers on time and make the delivery system more flawless, new depots have been opened at Nasik, Jabalpur and Trivandrum.

The regional distribution centers were realigned to provide better service to the customers. Development and implementation of customer's portal, implementation of SAP in all fields of activity, implementation of customer complaint handling process, complaint login, readdress, credit note, auto alert mailing system and MIS report, auto SMS and mailing to vendors on final approval of PO & payment, centralization of IT operation with robust network set up; all these steps have increased the output of the entire system and smoothed the processes.

Centuryply has always dared to venture into new projects and tread uncharted roads. We have launched our own furniture brand in the Nesta. Within the next three years, the company intends to open 111 stores around the nation, with each store to spread across a space of 3500 sq. ft. Centuryply has also launched exterior laminates under the brand name 'Exteria'. The team is extremely confident to take the market by storm with a stunning range of laminates that will transform the façade of all kinds of buildings.

Apart from this, the company is also extending the products line with new products like Opulenza Romana, Terrific 25 - a special range of decorative veneers, besides relaunching Sainik with brand new attributes.



Introducing co-creation

While we expand nationally, we are spreading our wings across the global skies as well. Foreign collaborations, co-creations and exhibitions give us exposure to newer channels in the international market. For instance, the 'Think Tank-2' initiative gave us an opportunity to meet laminate manufacturers from across the world at 'Interzum' - an international trade fair organized for the wood-working and interior industry, at Guangzhou, China. Banking on the expertise of our distributors we selected our new range of designs for 2013 which would be best suited to Indian taste and culture.

The power of co-creation was introduced in the plywood and panel industry by Centuryply in our silver jubilee year. The insight being that the users need not necessarily be just the recipient of products - but can be an active part of creation of the same. An exotic range of co-created designer veneer was launched for the first time in the lifestyle products segment.

Giving more impetus to co-creation was the 'Terrific-25' design workshop. The workshop had the architects and the international designers put their heads together to create 25 new designs veneers. "Designed by the architects for architects", it was a first of its kind undertaking for the decorative wood veneers market in the country, where the architects worked closely with the manufacturers in coming up with products they would like to use in their projects. The session brought together leading Indian and international names like Sonal Sancheti, Kazunori Matsumura (Japan), Rojas Venezuela (Chile) and Federico Horecia Mirabel Pietra (Italy) from the business. Through this workshop, Centuryply took its first step towards introducing the revolutionary concept of customized veneers.



Notice

NOTICE is hereby given that the **Thirty-Second Annual General Meeting** of the Members of Century Plyboards (India) Limited will be held at **Indian Chamber of Commerce Auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001** on **Wednesday, 25th September, 2013** at **11.00 A.M.**, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date together with the Reports of Directors and Auditors thereon.
2. To confirm payment of dividend on Preference Shares and to declare dividend on Equity Shares for the year ended 31st March, 2013.
3. To appoint a Director in place of Sri Manindra Nath Banerjee, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Sri Mangi Lal Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Sri Santanu Ray, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modification/s the following Resolutions as Ordinary Resolutions :

7. **"RESOLVED** that pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors of the Company be and are hereby authorised to appoint auditors in respect of its branch offices in consultation with Company's Statutory Auditors, to hold office from the conclusion of this Annual General Meeting until conclusion of next Annual General Meeting of the Company and that the Board of Directors of the Company is hereby authorised to fix their remuneration for the said period."
8. **"RESOLVED** that Sri Sajan Kumar Bansal, who was appointed as an Additional Director of the Company by the Board of Directors and holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, under Section 257 of the Companies Act, 1956, from a member of the Company, proposing the candidature of Sri Bansal to the office of Director of the Company and who has consented, if appointed, to act as a Director of the Company, is hereby appointed as a Director of the Company, liable to retire by rotation."
9. **"RESOLVED** that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) the Company hereby approves the re-appointment of Sri Prem Kumar Bhajanka as Managing Director of the Company for a period of five years from 1st August, 2013 to 31st July, 2018 (both days inclusive), on terms and conditions including remuneration, as set out in the explanatory statement and agreement entered into by the Company and Sri Prem Kumar Bhajanka, a copy whereof duly authenticated by the Chairman is placed before this meeting."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or inadequate profits, the remuneration payable to Sri Prem Kumar Bhajanka shall be subject to the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may, for the time being, be in force."

Notice

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to vary the terms and conditions of appointment including increase of remuneration and perquisites of Sri Prem Kumar Bhajanka within the limits sanctioned in the aforesaid agreement, in such manner as may be agreed to between the Board and Sri Prem Kumar Bhajanka in the best interest of the Company, but subject to the restrictions contained in the Companies Act, 1956 and Schedule XIII to the said Act."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regard."

10. **"RESOLVED** that pursuant to the provisions of Sections 198, 269, 309, 310 and 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII thereto (including any statutory modification or re-enactment thereof, for the time being in force) the Company hereby approves the re-appointment of Sri Vishnu Khemani as Managing Director of the Company for a period of five years from 1st August, 2013 to 31st July, 2018 (both days inclusive), on terms and conditions including remuneration, as set out in the explanatory statement and agreement entered into by the Company and Sri Vishnu Khemani, a copy whereof duly authenticated by the Chairman is placed before this meeting."

"RESOLVED FURTHER that where in any financial year, the Company has no profits or inadequate profits, the remuneration payable to Sri Vishnu Khemani shall be subject to the limits specified in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may, for the time being, be in force."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to vary the terms and conditions of appointment including increase of remuneration and perquisites of Sri Vishnu Khemani within the limits sanctioned in the aforesaid agreement, in such manner as may be agreed to between the Board and Sri Vishnu Khemani in the best interest of the Company, but subject to the restrictions contained in the Companies Act, 1956 and Schedule XIII to the said Act."

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and actions and give such directions as may be, in its absolute discretion, deemed necessary and to settle any question that may arise in this regard."

Registered Office

6, Lyons Range
Kolkata - 700 001
31st July, 2013

By Order of the Board
For **CENTURY PLYBOARDS (INDIA) LTD.**
Arun Kumar Julasaria

Chief Financial Officer and Company Secretary

Notice

NOTES

- 1 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.**
- 2 Corporate Members are requested to send to the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorising their representative to attend and vote at the Annual General Meeting.
- 3 Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Maheshwari Datamatics Pvt. Ltd., 6, Mangoe Lane, (Surendra Mohan Ghosh Sarani), 2nd Floor, Kolkata - 700 001, the Registrar and Share Transfer Agent, quoting Folio Nos. Members holding shares in electronic form may update such details with their respective Depository Participants.
- 4 The Board of Directors at its meeting held on 24th July, 2012 declared pro-rata dividend on Preference Shares at coupon rate of 9% per annum to be paid till 18th September, 2012, being the date of redemption of Preference Shares. The Board of Directors at their meeting held on 8th July, 2013, has recommended payment of dividend on equity shares @ ₹ 0.25 per equity share for the financial year 2012-13. The dividend so recommended by the Board, if approved by the members at the ensuing Annual General Meeting, shall be paid within statutory time limit to those members (a) whose names appear as beneficial owners at the end of the business hours on 18th September, 2013 in the list of beneficial owners to be provided by NSDL and CDSL, in respect of shares held in electronic (demat) form and (b) whose names appear in the Register of Members of the Company on 25th September, 2013, after giving effect to valid transfer requests received on or before 18th September, 2013.
- 5 The share transfer books of the Company will remain closed from 19th September, 2013 to 25th September, 2013 (both days inclusive)
- 6 SEBI vide Circular No. MRD/DoP/Cir-05/2009 dated 20th May, 2009 has made it mandatory to furnish copy of PAN Card to the Company/ RTA for registration of transfer of shares, for securities market transactions and off-market/private transactions involving transfer of shares in physical form. In this connection, the Transferees of Company's shares are requested to submit a copy of their PAN card along with the Transfer Deed.
- 7 Members seeking any information regarding accounts should write to the Company at least seven days before the date of the meeting so as to enable the management to keep the information ready.
- 8 All documents meant for inspection and referred in the Notice and the accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11.00 A.M. to 1.00 P.M. on all working days till the date of this Annual General Meeting.
- 9 Members are required to bring their admission slip along-with copy of the Annual Report at the Annual General Meeting.
- 10 Pursuant to Section 205A of the Companies Act, 1956, dividends, which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account are required to be transferred to the Investor Education and Protection Fund of the Central Government. Section 205C of the Act, declares that no claims shall lie against the Fund or Company in respect of individual amounts which were unclaimed and unpaid for seven years as aforesaid and transferred to the Fund. Shareholders who have not encashed / received dividend warrants relating to final dividend for financial year ended on 31st March, 2006 or for subsequent years may approach the Company for payment thereof.

Notice

- 11 An explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
- 12 Relevant information, pursuant to Clause 49 of the Listing Agreement, in respect of Directors who are seeking appointment/re-appointment at the forthcoming Annual General Meeting is given below:

Sri Manindra Nath Banerjee

Sri Manindra Nath Banerjee, 76 years is a Master of Arts and retired IAS. He is presently an Independent Director of the Company. He is having substantial administrative experience in various Government Departments. He is also a Director of Skipper Ltd. and Star Ferro and Cement Ltd. He is not holding any shares in the Company as on date.

Sri Mangi Lal Jain

Sri Mangi Lal Jain, aged about 82 years, is a Chartered Accountant. He is having substantial experience in various industrial fields. He has an experience over 56 years and has worked in senior positions with various companies of repute. He is also Director of Cement Manufacturing Company Ltd, Megha Technical & Engineers Pvt. Ltd., Auro Sundram Ply & Door Pvt. Ltd., Star Cement Meghalaya Ltd., Meghalaya Power Ltd., Zenith Exports Ltd., NE Hills Hydro Ltd. and Star Ferro and Cement Ltd. He is holding 3000 shares of face value of ₹ 1/- each in the Company as on date.

Sri Santanu Ray

Sri Santanu Ray, aged about 66 years, is a Chartered Accountant having vast experience in the field of research and education and has been the Chief Mentor at various business schools like B P Poddar Institute of Management & Technology, Bengal Institute of Business Studies, NSHM Knowledge Campus and ICFAI Business School. Sri Ray has worked as a Manager and Consultant with Tata Steel, Avantis Pharma in France, B.K Birla Group of Companies, Zydus Cadila and B. P. Poddar Group. He is also a Director of Star Ferro and Cement Ltd. He is not holding any shares in the Company as on date.

Sri Sajjan Kumar Bansal

Sri Sajjan Kumar Bansal, 55 years, is a commerce graduate. He is having an experience of over 31 years in steel and engineering industry. He is Managing Director of Skipper Ltd. and also Director of Skipper Telelink Limited, Bansal TMT Steels Limited, Vanbandhu Prakashan Private Limited, Vishwajyoti Tracon Pvt Ltd., Ventex Trade Pvt Ltd, Suviksit Investments Ltd., Mayur Apartments Pvt. Ltd. and Rama Consultancy Company (1993) Ltd. He is holding 398010 equity shares of face value of ₹ 1/- each in the Company.

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

Item No. 7

The Company, at present has 29 marketing branches, five manufacturing locations and two container freight stations spread all over the country. Further manufacturing locations/ branches may have to be established from time to time. In view of such a large network of locations it is recommended to authorize the Board of Directors to appoint Branch Auditors in consultation with Statutory Auditors of the Company.

Item No. 8

Sri Sajan Kumar Bansal was appointed Additional Director of the Company on 8th July, 2013 by the Board of Directors of the Company and is to hold office till the ensuing Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the Directorship of the Company. A brief profile of Sri Sajan Kumar Bansal has been given hereinbefore. He is holding 398010 equity shares of face value of ₹ 1/- each in the Company.

Your Directors believe that continued association of Sri Sajan Kumar Bansal would be immensely beneficial to the Company and recommends that the aforesaid resolution is passed by the members.

Except Sri Sajan Kumar Bansal, no other Director of the Company is interested or concerned in the aforesaid resolution.

Notice received under Section 257 of the Companies Act, 1956 proposing candidature of Sri Sajan Kumar Bansal is available for inspection at the Registered Office of the Company.

Item No. 9

Sri Prem Kumar Bhajanka was appointed as Joint Managing Director of the Company for a period of five years from 1st August, 2008 and was later re-designated as Managing Director. As the tenure of his appointment expires on 31st July, 2013, the Board of Directors, at its meeting held on 8th July, 2013, subject to the approval of members, re-appointed him as Managing Director for a further period of five years commencing on 1st August, 2013. The terms and conditions of re-appointment including remuneration has been recommended by the Remuneration Committee and set out in the Agreement entered into with him are also reproduced below:

A. Tenure of Appointment : For a period of 5 years from 1st August, 2013 to 31st July, 2018

B. Remuneration :

- i. Salary - ₹ 3,00,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 20,00,000/- per month.
- ii. Perquisites - To be decided by the Board of Directors on recommendation of the Remuneration Committee, subject however that the aggregate remuneration on account of such perquisites shall not exceed ₹ 1,00,000/- per month.

The Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration as stated above :

- a) Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company, to the extent these either singly or together are not taxable under Income Tax Act, 1961.
- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
- c) Encashment of leave at the end of the tenure.

Notice

- iii. In addition to the above, the following amenities and facilities, if provided, shall not be considered as perquisites :
- Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to him.
 - Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to him.
 - Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Sri Prem Kumar Bhajanka, 55 years, is a commerce graduate. He has an experience of over 35 years in plywood industry. He is presently Managing Director of the Company and is looking after the affairs of the Karnal unit of the Company. He is holding 1,54,58,510 shares of face value of ₹ 1/- each in the Company. Sri Bhajanka is also a Director of Cement Manufacturing Company Ltd., Star India Cement Ltd., Auro Sundram Ply and Door Pvt. Ltd., Star Cement Meghalaya Ltd., Meghalaya Power Ltd., Namchic Tea Estate Pvt. Ltd. and Lal Pahar Tea Estate Pvt. Ltd.

Your Directors believe that continued association of Sri Prem Kumar Bhajanka would be immensely beneficial to the Company and recommends that the aforesaid resolution is passed by the members.

Except Sri Prem Kumar Bhajanka, no other Director of the Company is interested or concerned in the aforesaid resolutions.

Copy of Agreement entered into between the Company and Sri Prem Kumar Bhajanka is available for inspection at the Registered Office of the Company.

Item No. 10

Sri Vishnu Khemani was appointed as Joint Managing Director of the Company for a period of five years from 1st August, 2008 and was later re-designated as Managing Director. As the tenure of his appointment expires on 31st July, 2013, the Board of Directors, at its meeting held on 8th July, 2013, subject to the approval of members, re-appointed him as Managing Director for a further period of five years commencing on 1st August, 2013. The terms and conditions of re-appointment including remuneration has been recommended by the Remuneration Committee and set out in the Agreement entered into with him are also reproduced below :

- Tenure of Appointment : For a period of 5 years from 1st August, 2013 to 31st July, 2018
- Remuneration :
 - Salary - ₹ 5,00,000/- per month subject to such periodical increments as may be decided by the Board of Directors on recommendation of the Remuneration Committee subject however that the aggregate remuneration on account of salary shall not exceed ₹ 20,00,000/- per month.
 - Perquisites - To be decided by the Board of Directors on recommendation of the Remuneration Committee, subject however that the aggregate remuneration on account of such perquisites shall not exceed ₹ 1,00,000/- per month.

The Managing Director shall also be entitled to the following perquisites which shall not be included in the remuneration as stated above :

- Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per Rules of the Company, to the extent these either singly or together are not taxable under Income Tax Act, 1961.
- Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

Notice

- c) Encashment of leave at the end of the tenure.
- iii. In addition to the above, the following amenities and facilities, if provided, shall not be considered as perquisites :
- a) Provision of car for use on Company's business. Use of car for personal purposes shall be billed by the Company to him.
- b) Mobile phone and telephone facilities at the residence for official use. Personal long distance calls shall be billed by the Company to him.
- c) Reimbursement of entertainment and other expenses actually incurred in connection with the business of the Company.

Sri Vishnu Khemani, 61 years, is a commerce graduate. He is having an experience of over 35 years in plywood industry. He is presently Managing Director of the Company and is looking after the affairs of the Chennai unit of the Company. He is holding 74,86,857 shares of face value of ₹ 1/- each in the Company. Sri Khemani is also a Director of Sharon International Services Pvt. Ltd. and Century MDF Ltd.

Your Directors believe that continued association of Sri Vishnu Khemani would be immensely beneficial to the Company and recommends that the aforesaid resolution is passed by the members.

Except Sri Vishnu Khemani, no other Director of the Company is interested or concerned in the aforesaid resolutions.

Copy of Agreement entered into between the Company and Sri Vishnu Khemani is available for inspection at the Registered Office of the Company.

The Explanatory Statement together with the accompanying notice may also be regarded as an abstract of the Memorandum of interest of Directors under Section 302 of the Companies Act, 1956.

Registered Office

6, Lyons Range
Kolkata - 700 001
31st July, 2013

By Order of the Board
For **CENTURY PLYBOARDS (INDIA) LTD.**
Arun Kumar Julasaria
Chief Financial Officer and Company Secretary

Directors' Report

Dear Shareholders,

Your Directors have great pleasure in presenting the 32nd Annual Report together with the audited Balance Sheet as at 31st March, 2013 and Statement of Profit & Loss for the year ended on that date.

FINANCIAL RESULTS

(₹ in Crores)

| Particulars | CONSOLIDATED | | STAND ALONE | |
|---|--------------|---------|-------------|---------|
| | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| Gross Income | 1287.96 | 1784.78 | 1237.57 | 1202.40 |
| Net Income | 1188.85 | 1672.41 | 1138.46 | 1122.46 |
| Profit Before Depreciation, Interest & Tax | 130.57 | 290.32 | 120.15 | 142.65 |
| Depreciation | 27.96 | 55.62 | 26.73 | 26.51 |
| Interest & Finance Charges | 40.36 | 58.54 | 39.05 | 39.96 |
| Exceptional Items | – | 20.64 | – | 13.22 |
| Profit Before Tax | 62.25 | 155.52 | 54.37 | 62.96 |
| Tax Expenses | 4.58 | 5.76 | 1.72 | 2.87 |
| Profit after Tax before Minority Interest | 57.67 | 149.76 | 52.65 | 60.09 |
| Less : Minority Interest | 2.46 | 26.96 | – | – |
| Less : Proportionate share of loss in associates | 0.02 | 0.04 | – | – |
| Net Profit after Minority Interest and share of loss of Associates | 55.19 | 122.76 | 52.65 | 60.09 |
| Surplus in Statement of Profit & Loss | | | | |
| At the beginning of the year | 549.22 | 458.59 | 206.56 | 178.60 |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 340.70 | – | – | – |
| Add : Profit for the year | 55.19 | 122.76 | 52.65 | 60.09 |
| Less : | | | | |
| - Interim Dividend on Equity Shares | – | 22.22 | – | 22.22 |
| - Tax on Interim Dividend | – | 3.60 | – | 3.60 |
| - Proportionate Dividend on Preference Shares | 0.02 | 0.05 | 0.02 | 0.05 |
| - Tax on Dividend on Preference Shares | – | 0.01 | – | 0.01 |
| - Proposed Dividend of ₹ 0.25 on Equity Shares | 5.56 | – | 5.56 | – |
| - Tax on proposed Equity Dividend | 0.94 | – | 0.94 | – |
| - Transfer to Capital Redemption Reserve | 0.50 | – | 0.50 | – |
| - Transfer to General Reserve | 57.50 | 6.25 | 57.50 | 6.25 |
| At the end of the year | 199.19 | 549.22 | 194.69 | 206.56 |

DEMERGER OF FERRO ALLOY AND CEMENT DIVISION

Pursuant to the Scheme of Arrangement ('the Scheme') approved by the Hon'ble High Court of Calcutta, all the assets and liabilities of the Ferro Alloy and Cement division (i.e. business and interest of the company in manufacture of ferro alloys and cement including captive power plants attached thereto) have been transferred to and vested in Star Ferro and Cement Limited (Resulting Company) at their respective book values on going concern basis from 1st April, 2012 being the appointed date. As per the Scheme, the appointed date as approved by the Hon'ble Court is 1st April, 2012 and effective date is

Directors' Report

28th June, 2013 being the date on which the certified copy of the order sanctioning the said scheme was filed with the Registrar of Companies, West Bengal, in accordance with the Companies Act, 1956. Though the Scheme has become effective after the Balance Sheet date, it is operative from the appointed date 1st April, 2012 and accordingly effect of the same has been given in the accounts for the financial year 2012-13.

The figures for current year are not comparable with figures of previous year due to effect of the Scheme in current year figures.

PERFORMANCE AND OPERATIONS REVIEW

2012-13 being the year under review was a challenging year amidst global uncertainties and disturbances in many parts of the world especially Euro Zone. The global economy improved slowly, but was short on expectations. Several European economies experienced recession due to high unemployment, banking fragility, fiscal tightening and sluggish growth. The U.S. economy improved marginally, driven mainly by housing and the consumer sectors; however, capital investments remained sluggish. Among the Asian economies, China going through a political transition, experienced considerably slow growth. Deceleration in industrial output and exports weakened India's economic growth significantly.

Despite these constraints and challenging environment, the Company performed reasonably well and the highlights of the performance are as under:

Gross Income rose from ₹ 1,202.40 Crores to ₹ 1,237.57 Crores reflecting a growth of 3%. Profit before tax reduced from ₹ 62.96 Crores to ₹ 54.37 Crores reflecting a fall of 14%. Net Profit after tax was ₹ 52.65 Crores compared to ₹ 60.09 Crores in previous year, reflecting a fall of 12%. The same was adversely impacted due to unprecedented loss on account of foreign exchange difference.

On consolidated basis also, Gross Income was ₹ 1,287.96 Crores against ₹ 1784.78 Crores during the previous year, reflecting a fall of over 28%. The Net Profit after minority interest and share of loss of associates was ₹ 55.19 Crores against ₹ 122.76 Crores in previous year. Fall in profit was primarily due to unprecedented loss on account of foreign exchange difference and effect of demerger in the accounts.

The operations and financial results of the Company are elaborated in the annexed Management Discussion and Analysis. On account of the demerger, the previous year's figures of the company are not comparable.

DIVIDEND

In view of pressure on profitability and to conserve resources, the Board of Directors recommend dividend @ ₹ 0.25 per equity share. During the year, the Board has also declared and paid pro rata dividend on Preference Shares at coupon rate of 9% per annum till the date of their redemption. All dividend amounts are exclusive of tax on dividend.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains appropriate systems of internal control, including monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorised use or disposition. Company policies, guidelines and procedures are in place to ensure that all transactions are authorised, recorded and reported correctly as well as provide for adequate checks and balances. Your Company runs on SAP, which ensures integrated accounting, information and control systems.

The internal audit reviews the effectiveness and efficiency of these systems and procedures. Audits are finalised and conducted based on internal risk assessment. Significant deviations are brought to the notice of the Audit Committee of the Board periodically and corrective measures are recommended for implementation. All these steps facilitate timely detection of any irregularities and early remedial measures with no monetary loss.

SUBSIDIARIES & ASSOCIATES

Consequent to the Scheme of Arrangement ('the Scheme') being effective, the business and interest of the company in manufacture of ferro alloys and cement including captive power plants attached thereto have been transferred to and vested in Star Ferro and Cement Limited (Resulting Company). Accordingly Cement Manufacturing Company Ltd., Meghalaya Power Ltd., Megha Technical & Engineers Pvt. Ltd, Star Cement Meghalaya Ltd. and NE Hills Hydro Ltd. ceased to be subsidiaries of the Company with effect from 1st April, 2012.

Directors' Report

In accordance with the scheme approved, Company's investment worth ₹ 5 Lacs in Star Ferro and Cement Limited was also cancelled and as such Star Ferro and Cement Limited ceased to be a subsidiary of the company.

Auro Sundram Ply & Door Pvt. Ltd. (ASPDPL), Aegis Business Ltd. (ABL) and Aegis Overseas Ltd. (AOL) continued to remain subsidiaries of the Company. During the year, the Company acquired the entire shareholding of Century MDF Ltd. (CML), thereby making it its wholly owned subsidiary. The Company also formed another wholly owned subsidiary Centuryply Myanmar Pvt. Ltd. (CMPL) with registered office in Myanmar. CML was acquired for the purpose of implementing company's plan to enter MDF business. CMPL is a company registered in and as per laws of Myanmar. CMPL is setting up a veneer and plywood unit near Yangon city in Myanmar, which is expected to be operational within 2013-14.

ASPDPL is operating a plywood unit at Raipur Industrial Area, Uttarakhand. This unit is manufacturing plywood and allied products from eco-friendly agro-forestry timber.

ABL and AOL are engaged in logistic and trading of mineral and other commodities. ABL has also entered into shipping business by acquiring a super max vessel of 52261 ton capacity.

Ara Suppliers Pvt. Ltd., Arham Sales Pvt. Ltd., Adonis Vyaper Pvt. Ltd. and Apnapan Viniyog Pvt. Ltd. continued to remain our Associate Companies.

During the year, the Company's subsidiary AOL acquired 49% shareholding each in Aegis Siam Ltd. (ASL) and Aegis Siam Resources Company Ltd. (ASRCL) and as such, ASL and ASRCL have also become our Associate Companies. Both ASL and ASRCL are engaged in the business of trading in minerals and analysis and examination of mines.

CONSOLIDATED FINANCIAL STATEMENTS

The Ministry of Corporate Affairs, Government of India, has granted a general exemption under Section 212(8) of the Companies Act, 1956 from the requirement to attach detailed financial statements of each subsidiary. In compliance with the exemption granted, we have presented a summary financial information for each subsidiary in this Report. A statement of holding company's interest in subsidiaries is also furnished separately.

The detailed financial statements and audit reports of each of the subsidiaries are available for inspection at the registered office of the Company and that of its subsidiaries during office hours between 11.00 A.M. to 1.00 P.M. and upon written request from a shareholder, your Company will arrange to send the financial statements of subsidiary companies to the said shareholder. Further, the report and accounts of the subsidiary companies will also be available on the Company's website, www.centuryply.com.

The Consolidated Financial Statements of the Company prepared as per Accounting Standards - AS 21 and AS 23, consolidating the Company's accounts with its subsidiaries and associates, has also been included as part of this Annual Report.

FUTURE OUTLOOK

The global economic outlook can now be said to be comfortable. However further turbulence in Euro-zone cannot be ruled out as countries like Italy are fatigued with austerity measures imposed on them and they may seek further hair cut from their lenders. We being global economy are unlikely to remain insulated from global developments. However, considering strong fundamentals India enjoys, India is well positioned to outperform. Despite all odds, it is also a fact that in any cross-country comparison, India still remains among the front runners in economic growth. If India can continue to build on its economic strength, it can be a source of stability for the world economy and provide a safe destination for restless global capital.

The rupee movement is now more or less settled and range bound. Although volatility has considerably reduced, still movement in rupee will remain a major concern. With the Government's lenient policy on GAAR, foreign investment inflow which was interrupted in between, is likely to continue.

While India continues to be one of the fastest growing economies, this pace of growth is unlikely to sustain unless it is supported by an equally robust development of its infrastructure, Key requirements in order to achieve a GDP growth rate exceeding 8-9% include roads, power, ports as well as urban infrastructure. The last couple of budgets have taken steps in the right direction for growth of the sector.

The Indian real estate sector plays a significant role in the country's economy. The real estate sector is second only to

Directors' Report

agriculture in terms of employment generation and contributes considerably towards GDP. Almost 5% of the country's GDP is contributed by the housing sector, which is expected to rise to 6%. According to the tenth five year plan, there is a shortage of 22.4 million dwelling units. Thus, over the next 10 to 15 years 80 to 90 million dwelling units will have to be constructed. According to a study, the real estate market in India is expected to grow rapidly due to improvement in affordability, better job security and availability of housing finance.

Since Plywood and laminate are essential part of interior furnishing, the demand for these products is directly related to the growth of infrastructure and real estate sector. With continued government focus on infrastructure and real estate sector the demand for company's products is expected to remain buoyant. With strong and preferred "Centuryply" brand under its fold, the company is expected to perform better in current fiscal.

FUTURE PLANS OF EXPANSION

Considering buoyant demand for the products and marketing strength of "Centuryply" brand, the company has plans for capacity expansions through organic and inorganic routes. The Company's green-field plywood unit in Gujarat, has already started production. Another green-field plywood unit in Myanmar, is being set up by Company's wholly owned subsidiary Centuryply Myanmar Pvt. Ltd. is expected to start production in 2013-14. The Company has already entered into ready-made furniture business, initially with trading format and two mega show rooms at Kolkata and Bangalore. The Company has plans to promote a green-field Medium Density Fiber Board and Particle Board Unit in Andhra Pradesh.

The Company is continuing its focus on logistic service sector. The two Container Freight Stations (CFS) of the Company near Kolkata Port are fully operational. The combined capacity of these two CFSs is 130000 TEUs per annum, which is almost 2/3rd of total CFS capacity available at Kolkata Port. The Company is exploring further possibilities in logistic service sector.

DIRECTORS

Smt. Plistina Dkhar resigned from the Directorship of the Company with effect from 11th March, 2013. Your Directors appreciate the services rendered by her to the Company.

Sri Sajan Kumar Bansal was appointed as Additional Director of the Company on 8th July, 2013 by the Board of Directors. He would hold such office till the ensuing Annual General Meeting. The Company has received notice under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director of the Company. In view of considerable experience of Sri Bansal, your Directors recommend his appointment.

Articles of Association of the Company provide that at least two-third of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election. Sri Manindra Nath Banerjee, Sri Mangi Lal Jain and Sri Santanu Ray retire by rotation, and being eligible, offer themselves for re-appointment. In view of their considerable experience and contribution to the Company, your Directors recommend their re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, the Directors hereby confirm that :

- (i) in the preparation of the annual accounts for the year ended 31st March, 2013, the applicable Accounting Standards have been followed and that no material departures are made from the same;
- (ii) the Directors have 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 as at the end of the financial year and of 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the Directors had prepared the annual accounts for the financial year ended 31st March, 2013, on a going concern basis.

Directors' Report

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis on Company's performance and industry trends with respect to the company is attached separately to this Annual Report.

CORPORATE GOVERNANCE

The Company is committed to good corporate governance in line with the Listing Agreement. A detailed report on your Company's Corporate Governance practices is provided separately in this Annual Report.

A certificate of compliance from M/s. S. R. Batliboi & Co. LLP, Chartered Accountants and the report on Corporate Governance forms part of this Directors' Report. This Certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company. During the period from 11th March, 2013 to 31st March, 2013, the Company's Board of Directors did not have adequate number of Non-executive Directors and Independent Directors. The Company had appointed Sri Sajan Kumar Bansal as an Additional Director in the category of Independent Director on the Board of the Company with effect from July 08, 2013 within the permissible time limit and with this appointment, requirements of Clause 49(IA) of the Listing Agreement stood complied with.

CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification has been submitted to the Board and a copy thereof is contained elsewhere in this Annual Report.

AUDITORS & AUDITORS' REPORT

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered themselves for re-appointment as Statutory Auditors and have confirmed that their appointment, if made, will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their re-appointment as Auditors.

The Board has taken note of the observations and remarks made by the Auditors in their Report in respect of statutory payments. The observation made by auditors on slight delay in payment of statutory dues is self explanatory. The Company has taken effective steps to streamline the statutory payments.

COST AUDITORS

Your Company had appointed M/s. B. G. Chowdhury & Co., Cost Accountant, of 4A, 11/47A, Panditia Road, Kolkata- 700029, having Firm registration number 000064, as Cost Auditor for audit of cost records maintained in respect of Plywood, laminate, veneer and related products and ferro alloy units for the financial year ended 31st March, 2012. The Cost Audit Report was filed by the Cost Auditor on 21st May, 2013 while the due date was 31st January, 2013.

In respect of the financial year ended 31st March, 2013 also, your Company has appointed M/s. B. G. Chowdhury & Co., Cost Accountants, as Cost Auditor for audit of cost records maintained by the Plywood, laminate, veneer and related product units. The due date for filing the Cost Audit Reports is 27th September, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR philosophy of the Company is embedded in its commitment to all stakeholders, consumers, employees, the environment and the society. Your Company believes that it is this commitment which will deliver competitive, profitable and sustainable growth. The Company contributes a part of its income to social, charitable and cultural organizations. It reaches out with the objective of improving the quality of life of the economically deprived people in the places where the Company has a presence.

GREEN INITIATIVES IN CORPORATE GOVERNANCE

Ministry of Corporate Affairs has permitted companies to send electronic copies of Annual Report, notices etc., to the e-mail IDs of shareholders. Your Company has accordingly arranged to send the soft copies of these documents to the e-mail IDs of shareholders wherever applicable. In case any shareholder would like to receive physical copies of these documents, the same shall be forwarded upon receipt of written request.

Directors' Report

HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATIONS

The human resource philosophy and strategy of your Company has been designed to attract and retain the best talent on offer. Employees are your Company's most valuable assets and your Company's processes are designed to empower employees and support creative approaches in order to create enduring value. Your Company's human resource management systems and processes aim to enhance organisational performances. The Company focuses on quick grievance resolution mechanisms and maintains absolute harmony with its work force and as such it has not faced any labour trouble since inception.

PARTICULARS AS PER SECTION 217 OF THE COMPANIES ACT, 1956

Particulars of Employees

The particulars of employees as required by Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, in respect of the employees employed throughout the financial year and drawing ₹ 60 Lacs or more is annexed separately. There was no employee who was employed for part of the financial year, requiring such disclosure.

Information as to conservation of energy

The Company has always been conscious of the need of conservation of energy. Adequate energy conservation steps are being taken in all plants and offices of the Company. Additional information required to be given in terms of Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company.

Information as to technology absorption

There is no specific area in which research and development is carried out by the Company but the Company constantly carries out research for improvement of its products. During the year under review there has been no specific and material capital/recurring expenditures on research and development. The Company is a member of Indian Plywood Industries Research and Training Institute (IPIRTI) and has contributed ₹ 15,000/- to it. The technologies used by the company are indigenous. Constant efforts are made towards absorption, adaptation and innovation of technologies used, for improvement/development of products of the company.

Foreign Exchange earnings and outgoings

During the year, your Company has earned foreign exchange of ₹ 51.21 Crores and the outgoings in foreign exchange were ₹ 458.32 Crores. Details of foreign exchange earnings and outgo are provided in Note No. 43 to the Financial Statements.

PUBLIC DEPOSITS

The Company has not invited or accepted deposits from the public covered under Section 58A of the Companies Act, 1956.

APPRECIATION

The Directors commend the contribution made by employees to the continued satisfactory business performance during the year. Their dedication and competence has ensured that the Company continues to be a significant and leading player in the industry.

Your Directors take this opportunity to thank the customers, shareholders, vendors, business partners/associates, bankers, financial institutions, regulatory and government authorities and stock exchanges for their consistent support and encouragement to the Company.

For and on behalf of the Board of Directors

Sajjan Bhajanka
Chairman

Kolkata, 8th July, 2013

Annexure to the Directors Report

Information required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

| Name | Designation | Qualification | Nature of Employment | Nature of duties | Age (Years) | Date of Joining | Experience (Years) | Gross Remuneration (Total) (₹) | Previous Employment | Designation at Previous Employment |
|---------------------|--------------------------------|---|----------------------|-----------------------------|-------------|--------------------|--------------------|--------------------------------|----------------------------------|------------------------------------|
| Sri Sajjan Bhajanka | Chairman & Whole Time Director | Commerce Graduate | Permanent | Management & administration | 61 | 5th February, 1986 | 34 | 60,00,000 | None | N.A. |
| Sri Sanjay Agarwal | Managing Director | Commerce Graduate | Permanent | Marketing & sales promotion | 52 | 5th January, 1982 | 26 | 60,00,000 | None | N.A. |
| Sri Vishnu Khemani | Managing Director | Science Graduate | Permanent | Management & administration | 61 | 16th April, 2008 | 35 | 60,00,000 | Sharon Veneers Pvt. Ltd. | Managing Director |
| Sri Anoop Hoon | President – Marketing & OD | B.A (Economics); PGDM (XLRI Jamshedpur) | Permanent | Marketing & Human Resource | 58 | 1st March, 2008 | 33 | 79,39,236 | Invigorsys Consultancy Pvt. Ltd. | Director |

None of the above employees is a relative of any Director of the Company

Management Discussion and Analysis

INDUSTRY STRUCTURE AND DEVELOPMENT

Your company is primarily engaged in production of Plywood & Laminates and also provides logistic services through operation of container freight stations. The projected growth of Company's products and services is based on the push-and-pull effects of supply and demand determinants like the economic trends in India, growth of infrastructure and housing.

Home is an invention on which no one has yet improved. Of all aspirations known to humankind, owning a home is most basic. It is the basic infrastructure required for development of a country and its citizens. Housing is a highly sensitive investment area throughout the world. Investment in this sector is often recognized as a barometer to measure the health of an economy at any point of time. The extreme sensitivity of the housing sector on the overall economic growth is not difficult to explain. The sector, by the nature, is widely linked with a very large number of manufacturing segments. There are about 250 industries, large and small, which depend on what happens in the housing and construction business. This includes large ones that make cement and steel, medium ones that make plywood, paint, tiles, electrical and the small ones that make nuts and bolts. These linkage effects not only stimulate production and investments in the linked segments of manufacturing, they also push up the aggregate additional income generated in the process. In short, growth in housing stimulates production and overall growth in the economy

In developed countries like United States 72.5% of citizens own their homes. While 69% live in their own homes in the UK. If we aspire to become a developed nation by the year 2020, we must ensure a decent home for each family of our country. According to the tenth five year plan, there is a shortage of 22.4 million dwelling units and over the next 10 to 15 years 80 to 90 million housing dwelling units will have to be constructed. According to Confederation of Real Estate Developers Association of India (CREDAI) India's total housing requirement can be estimated at 200-225 million housing units, out of which we have about 170 million. We will have to create additional 30 million to meet gap. Further next 15-20 years will create an additional demand for 70 million houses. So, by year 2020 we are to gear up to build 100 million additional houses. A daunting target, but achievable. It is achievable because almost all Indians have capacity to buy a reasonable home. All Indians, not owning their own home are already paying rent on their accommodation. Even if they are living in slums, they are paying rent to their slumlords. The EMI of housing loan today is either equal or not substantially more than the rent one has to pay for rented house. The rent one pays is an expense that once paid is lost, whereas the EMI is payment for creation of an asset, value of which will multiply with passage of time. Anyone who lives in a rented apartment will be unable to afford rent after 20 years as the rent will keep on increasing year to year. Anyone who acquire house on EMI will have a home of his own by parting with almost same money, but with multifold asset value. Availability of easy home loans at reasonable interest rates has propelled growth of housing. Although rising interest rates may adversely affect housing but that can be considered temporary. In long run housing sector growth is bound to prop

The country's urban population will soar to 590 million by 2030, from 340 million in 2008. India's cities could generate 70 per cent of the net new jobs created by 2030, produce more than 70 per cent of the country's Gross Domestic Product (GDP), and stimulate a near four-fold increase in per capita income. It also says that India needs to invest US\$ 1.2 trillion over next 20 years to modernize urban infrastructure and keep pace with the growing urbanization. Economic, urban and population growth place additional pressure on existing infrastructure facilities and unless they are developed further to cope growth, they become constraint to development. Hence, given the importance of infrastructure for growth, the 12th plan period has pegged the investment in infrastructure at ₹ 50 trillion. With the Government's continued focus on infrastructure development, it seems very probable that the country's economic survival will be driven by infrastructure growth.

Real Estate business was one of the key drivers of growth before we witnessed the present economic slowdown. Now, with companies trying to consolidate their positions and finding effective means of sustaining growth, the management of real estate has emerged as one of the key challenges for the corporate sector. The largest occupier of office space in the country has been the Information Technology / Information enabled Services (IT / ITeS) segment, which primarily serves the US and European markets. The economic slowdown in these markets have resulted in increasing pressures on the margins of companies operating out of India, which in turn has led to the companies looking to cut costs through reducing expenditure on the real estate segment.

Management Discussion and Analysis

The real estate sector in India assumed greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labour migration led to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure.

The real estate industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theatres) industries, economic services (hospitals, schools) and information technology (IT)-enabled services (like call centres) etc. and vice versa.

The Indian real estate sector has traditionally been dominated by a number of small regional players with relatively low levels of expertise and/or financial resources. Historically, the sector has not benefited from institutional capital; instead, it has traditionally tapped high net-worth individuals and other informal sources of financing, which has led to low levels of transparency. This scenario underwent a change with in line with the sector's growth, and as of today, the real estate industry's dynamics reflect consumers' expectations of higher quality with India's increasing integration with the global economy.

OPPORTUNITIES AND THREATS

Plywood and Laminate Segment

In view of potential growth of housing and infrastructure, the overall demand for Plywood and Laminates is expected to remain buoyant. The Indian Plywood and panel market is estimated around Rs. 12000 crores, with expected growth of 15% year on year basis. The market is highly fragmented, with unorganized sector controlling major market share. The organized segment is highly concentrated, with only few players constituting around 30% of the market. The unorganized segment has advantages in terms of excise waivers and other benefits due to their SSI status. In the year 2007-08 the excise duty on plywood related products was reduced by half to 8% and is now pegged at 12%. Narrowing excise differences and the eligibility to claim MODVAT benefits on inputs have put the organized sector not only at par compared to the unorganized sector, but also in an advantageous position due to volume, quality and the brand. Now the growth of organized sector is estimated to be 20-25% compared to the overall market growth of 15%. Organized sector growth will partly come from conversion of some of unorganized sector players as organized sector players.

Cheap imported products particularly Chinese products may eat away organized sector market and hence slow down company's growth. Emergence of new organized players will increase competition in organized sector.

The Company is India's leading plywood manufacturing company with a very strong brand image. "CENTURY PLY" - the brand name under which the Company markets its products is known for quality. The company manufactures entire range of products, catering to different cost segments. Over the years the company had invested heavily on brand building and maintained customer faith by providing guarantee on its products. The company could ward off competition from other players and imported products due to these reasons and expect to sustain its growth levels and continue to command market dominance. The Company, with its six existing units (including one of Subsidiary's) and one proposed unit spread over different geographical locations of the country is ready to meet present and future demand of the products across the country with a huge logistical advantage. The company is prepared to meet increased demand through organic expansions at its existing units and will also be open to inorganic growth through mergers and acquisitions. Future expansions will be synchronized with the demand.

Laminate is used to provide aesthetic look to plywood. Its market scenario goes along-with plywood market scenario. Like plywood, company is aspiring to achieve utmost customer confidence for its laminates and as such is focusing more on quality than quantity. The 100% capacity expansion of laminate division already in progress and expected to be operational within current financial year.

Logistic

The ports and international cargo handling facility are important part of physical infrastructure of a country. Ports and cargo handling facilities play a crucial role in facilitating India's international trade. India with a coastline of 7,517 km is added with 12 major ports and 60 non-major ports, which handle traffic. Average turnaround time of Indian ports is

Management Discussion and Analysis

3.5 days compared to 10 hours in Hong Kong. This high turnaround time undermines the competitiveness of Indian Ports. Congestion at ports is primarily due to the slow evacuation of cargo rather than a lack of handling facility. More than half of the world's traded goods are containerized and this is expected to increase further. In order to decongest ports it is imperative that dwelling time of containers at ports is decreased by developing Container Freight Stations (CFS), where containers can be moved after maximum decided dwelling time. In order to decongest congested Kolkata Port the Kolkata Port Trust is encouraging development of CFS.

The Company ventured into CFS business in the year 2008, when it was allotted approx 1 lac square meter land near port by Kolkata Port Trust for developing same as CFS. In view of the heavy congestion at the Kolkata Port and the emerging opportunity in this sector the company established a full fledged logistic division to develop this business segment. The company's two first private sector state of the art CFS (consisting of approximately 100000 sq meter area) are already operational and can handle 130000 containers of 20 feet each annually. This capacity is approximately 2/3rd of total container handling capacity of Kolkata Port.

The logistic business of the company is related to infrastructure and service sector. The business may face problem only on slow down of economy and substantial reduction in import cargo. Entry of new players may expose the company to competition. In view of prevailing congestion at Kolkata Port Trust and expected increase in traffic with availability of limited CFS facility the company does not expect to face any problem in near and fairly distant future.

Others

Other segments consist mainly of trading in chemicals and minerals where business call is taken on the basis of profitability.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Plywood

The turnover of Plywood segment was up from ₹ 855.56 crores in 2011-12 to ₹ 903.49 crores in 2012-13 showing growth of over 5%. This is mainly due to improved demand, company's strong brand image and marketing strategies.

Laminates

Laminate division also performed quite well. The company's focus remained to grab premium market share. The 'CENTURLAMINATES' the brand under which company's laminates are being sold is today a symbol of quality and is attaining consumer preference. The turnover of Laminate segment was up from ₹ 197.30 crores in 2011-12 to ₹ 231.63 crores in 2012-13 showing growth of 17%.

Logistics

Logistics division also performed quite well. During current financial year this segment recorded a turnover of ₹ 59.45 crores as against ₹ 60.86 crores last year showing fall of 2%. However, Profit from this segment increased from ₹ 18.68 crores to ₹ 21.21 crores showing growth of 14%.

OUTLOOK

Your Company's and its subsidiaries' products are Plywood and Laminates, demand for which is linked to infrastructure and real estate sector. In view of improved economic situation and the Government's thrust towards infrastructure and real estate activities, your company is hopeful to achieve better results and attain growth. With modern plants, latest technologies, and precious brands the products of your company are positioned to fully exploit emerging opportunities.

RISKS AND CONCERNS

Your Company has a comprehensive risk management policy. The risk policy provides for identification of risk, its assessment and procedures to minimize risk. The risk policy is periodically reviewed by the Audit Committee to ensure that the executive management controls the risk as per decided policy.

Management Discussion and Analysis

Some of the key risks affecting your Company are illustrated below :

Foreign Exchange Risk

Your Company's imports exceed exports. At any given time your company has substantial foreign exchange liability. Adverse fluctuations as happened in recent 5 years may expose company to substantial foreign exchange risk. The company has policy of reviewing foreign exchange risk on regular basis and decide about hedging as per situation prevailing and expected. Call for hedging is taken after considering cost of hedging and anticipated foreign exchange fluctuation loss. In case anticipated forex fluctuation loss is more than cost of hedging, hedging is preferred. In adverse times company defers its foreign exchange liabilities by availing buyers' credits overseas, thereby avoiding immediate exchange losses and substantially lowering borrowing cost.

Interest Rate Risk

Your Company is exposed to interest rate fluctuations on its borrowings. During the financial year under review the interest rates were more or less stable. Your Company uses a judicious mix of fixed, floating, domestic and overseas debts to lower its interest cost to optimum level. Your company could afford to avail finance at competitive rates due to its reputation, compliance record, high ratings and satisfactory performance.

Manpower retention Risk

Your Company has a wide marketing network spread across the country. Your company deals in consumer goods through large dealers' network and has to maintain large marketing and administrative team. Your company can not be an exception to man power attrition. Your company has devised a simulative HR policy and performance based incentive system to address this.

Government Policy Change Risk

Changes in Government Policies especially with respect to Custom Duty and Excise Duty may affect the operations of your Company. However, in recent past, the Government's Policies have remained more or less neutral and as such favourable to the industry and company's product segments.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate and effective internal control system, which are continuously reviewed for their effectiveness. The systems are periodically reviewed and corrective measures are taken to further strengthen them. The Company has double Certifications ISO -9001 (Quality Systems) and ISO 14001 (Environment Management Systems) from Det Norske Veritas (DNV). The Company has implemented SAP (ERP Solution) for integrated and online information system, across all locations.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the financial year the total income of your company increased from ₹ 1,202.40 crores to ₹ 1,237.57 crores reflecting growth of over 2%. Profit before Tax reduced from ₹ 62.96 crores last year to ₹ 54.37 crores this year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATION FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company strictly adheres to ISO 9001:2000 mandated training. All employees receive on going learning opportunities through customized programs that are designed in-house. Company encourages its employees to attend outside seminars. The employees are encouraged to offer constructive suggestions for improvement in their respective areas which are thoroughly discussed in departmental meetings. Employees are covered by incentive system encouraging them to perform to their best. The company maintains absolute harmony with its work force. The total manpower strength of the Company as on 31st March, 2013 was 4,752.

Management Discussion and Analysis

CAUTIONARY STATEMENT

The statements in the "Management Discussion and Analysis" section describing the Company's objectives, projections, estimates, expectations and predictions may be "forward looking statements". All statements that address expectation or projections about the future, including but not limited to statements about the company's strategy for growth, product development, market position, expenditures and financial results are based on certain assumptions and expectations of future events. The company can not guarantee that these assumptions and expectations are accurate or will be realized. The company's actual results, performance or achievement may thus differ materially from those projected in such forward looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statement on the basis of any subsequent developments, information or event.

For and on behalf of the Board of Directors

Sajjan Bhajanka

Chairman

Kolkata, 8th July, 2013

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company believes that Corporate Governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibilities. It also focuses on the need to provide a sustainable competitive return for its investors.

The Company's Corporate Governance Philosophy derives from the values of Integrity, Excellence & Responsibility. It emphasises wealth creation for society, protection & interest enhancement for all stakeholders, without compromising the environment and health of society at large.

The Company believes in achieving business excellence and optimizing long-term value for its shareholders on a sustained basis through ethical business conduct. It envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations and all its interactions with shareholders, employees, lenders, government and society at large.

1. BOARD OF DIRECTORS

Composition

The Board of Directors ("the Board") of the Company is composed of eminent individuals from diverse fields. The Board acts with autonomy and independence in exercising its strategic supervision, discharging its fiduciary responsibilities and ensuring that the management observes the highest standards of ethics, transparency and disclosure. Every member of the Board, including the Non-Executive Directors, has full access to all information related to the Company. As on 31st March, 2013, the Board consisted of eleven Directors, including and headed by an Executive Chairman. The Board of the Company has an optimum combination of Promoter, Independent, Executive and Non-Executive Directors. For effective operations of the Company there are three Managing Directors. There are five Non-Executive Independent Directors. The Board members are expert in different disciplines of corporate working i.e. finance, technical, marketing, administration, etc. The Independent Directors are expert professionals with high credentials and actively contribute in the deliberations of the Board.

As on 31st March, 2013, the Board consisted of the following members :

| Sl. No. | Name | Designation | Whether Promoter | Whether Executive | Whether Independent |
|---------|----------------------------|------------------------------------|------------------|-------------------|---------------------|
| 1 | Sri Sajjan Bhajanka | Chairman & Whole Time Director | Yes | Yes | No |
| 2 | Sri Hari Prasad Agarwal | Vice Chairman & Executive Director | Yes | Yes | No |
| 3 | Sri Sanjay Agarwal | Managing Director | Yes | Yes | No |
| 4 | Sri Prem Kumar Bhajanka | Managing Director | Yes | Yes | No |
| 5 | Sri Vishnu Khemani | Managing Director | Yes | Yes | No |
| 6 | Sri Ajay Baldawa | Executive Director | No | Yes | No |
| 7 | Sri Manindra Nath Banerjee | Director | No | No | Yes |
| 8 | Sri Mangi Lal Jain | Director | No | No | Yes |
| 9 | Sri Santanu Ray | Director | No | No | Yes |
| 10 | Sri Samarendra Mitra | Director | No | No | Yes |
| 11 | Sri Asit Pal | Director | No | No | Yes |

* Smt. Plistina Dkhar resigned from the Directorship of the company w.e.f. 11th March, 2013

* Sri Sajan Kumar Bansal has been appointed as Additional Director of the Company w.e.f. 8th July, 2013 in the Independent category.

Corporate Governance Report

Directorship, Committee Membership and Chairmanship

The details about positions held by Board of Directors as Directors of Public Limited Companies, Committee Membership and Committee Chairmanship as on 31st March, 2013 are as under :

| Sl. No. | Name | Number of | |
|---------|----------------------------|---|---|
| | | Directorship of Public Limited Companies* | Membership(s) [including Chairmanship(s)] of Board Committees** |
| 1 | Sri Sajjan Bhajanka | 9 | 2 (including 1 as Chairman) |
| 2 | Sri Hari Prasad Agarwal | 14 | 2 |
| 3 | Sri Sanjay Agarwal | 9 | - |
| 4 | Sri Prem Kumar Bhajanka | 6 | - |
| 5 | Sri Vishnu Khemani | 2 | - |
| 6 | Sri Ajay Baldawa | 2 | - |
| 7 | Sri Manindra Nath Banerjee | 2 | 2 (including 1 as Chairman) |
| 8 | Sri Mangi Lal Jain | 8 | 2 (including 1 as Chairman) |
| 9 | Sri Santanu Ray | 1 | 1 |
| 10 | Sri Samarendra Mitra | 1 | - |
| 11 | Sri Asit Pal | 2 | - |

* includes Private Limited Companies which are subsidiaries of Public Limited Companies, but excludes Private, Foreign, Unlimited Liability Companies. Companies registered under Section 25 of the Companies Act, 1956 and Membership of Managing Committees of Chambers of Commerce / Professional Bodies.

** indicates Membership/Chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee.

None of the Directors is a Member of the Board of more than 15 companies in terms of Section 275 of the Companies Act, 1956 or Member of more than 10 committees or Chairman of more than 5 committees, across all the companies in which he is a Director.

Board Meetings & Procedure

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy apart from other normal Board business. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The draft minutes of the proceedings of the Board of Directors are circulated in advance and the comments, if any, received from the Directors are incorporated in the minutes in consultation with the Chairman. The meetings of the Board of Directors are generally held at Company's Registered Office at Kolkata and are scheduled well in advance to facilitate the Directors to plan their schedules and to ensure meaningful participation in the meetings. The agenda for the Board / Committee meetings is generally accompanied by background notes and other material information which is circulated to Directors in advance to facilitate discussion for taking an informed decision. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. The Chairman and Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company. Senior Executives are invited to provide additional inputs at the Board Meeting for the items being discussed by the Board of Directors, as and when necessary. The Company Secretary while preparing the agenda, minutes etc. of the meeting is responsible for and is required to ensure adherence to all applicable laws, rules, regulations including the Companies Act, 1956 read with rules made there under.

Corporate Governance Report

Number and Dates of Board Meetings held during the year

Four Board Meetings were held during the financial year ended 31st March, 2013. These were held on 9th May, 2012, 24th July, 2012, 6th November, 2012 and 1st February, 2013. Attendance at the Board Meetings during the financial year 2012-13 and at the previous Annual General Meeting are as under :

| Sl. No. | Name | No. of Board Meeting Attended | Last AGM Attended |
|---------|----------------------------|-------------------------------|-------------------|
| 1 | Sri Sajjan Bhajanka | 4 | Yes |
| 2 | Sri Hari Prasad Agarwal | 4 | Yes |
| 3 | Sri Sanjay Agarwal | 4 | Yes |
| 4 | Sri Prem Kumar Bhajanka | 3 | No |
| 5 | Sri Vishnu Khemani | – | No |
| 6 | Sri Ajay Baldawa | 3 | No |
| 7 | Sri Manindra Nath Banerjee | 4 | Yes |
| 8 | Sri Mangi Lal Jain | 4 | No |
| 9 | Sri Santanu Ray | 4 | Yes |
| 10 | Sri Samarendra Mitra | 4 | Yes |
| 11 | Sri Asit Pal | 4 | No |
| 12 | Smt. Plistina Dkhar * | – | No |

* Smt. Plistina Dkhar resigned from the Directorship of the Company w.e.f. 11th March, 2013

* Sri Sajan Kumar Bansal has been appointed as Additional Director of the Company w.e.f. 8th July, 2013

Resume of Directors proposed to be re-appointed

The brief resume of Directors retiring by rotation and seeking re-appointment is appended in the notice calling the Annual General Meeting.

Changes in Directorships during the financial year 2012-13 and thereafter

Smt. Plistina Dkhar resigned from the Directorship of the Company with effect from 11th March, 2013. Sri Sajan Kumar Bansal has been appointed additional Director of the Company w.e.f. 8th July, 2013.

2. COMMITTEES OF THE BOARD

Currently, the Board has three committees: Audit Committee, Remuneration committee and Share Transfer cum Investor Grievance Committee.

Audit Committee

The role of the Audit Committee is in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Audit Committee is responsible for the effective supervision of the financial reporting processes to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting.

Terms of reference

Terms of reference of the Audit Committee includes the following :

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.

Corporate Governance Report

- b) Recommending appointment, re-appointment and if required removal/replacement of statutory, branch & internal auditors and recommending their remuneration.
- c) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- d) Reviewing with the management, the annual audited financial statements before submission to the Board for approval, with particular reference to Directors' Responsibility Statement, Change in Accounting Policies, Major Accounting entries, Audit findings, Audit Qualifications, Related Party Transactions and Compliance with listing agreements of stock exchanges.
- e) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain areas of concern.
- f) Reviewing, with the management, performance of statutory and internal auditors, adequacy of internal control system.
- g) Reviewing the adequacy of internal control systems and internal audit function and discussion with internal auditors regarding any significant finding and follow up.
- h) To investigate into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary.
- i) To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit report.
- j) To approve appointment of Chief Financial Officer of the Company.

Composition

The Audit Committee comprises of the following four members :

| Sl. No. | Name | Category | Designation |
|---------|----------------------------|---------------------------|-------------|
| 1 | Sri Mangi Lal Jain | Non-executive independent | Chairman |
| 2 | Sri Santanu Ray | Non-executive independent | Member |
| 3 | Sri Manindra Nath Banerjee | Non-executive independent | Member |
| 4 | Sri Hari Prasad Agarwal | Non-executive independent | Member |

All the members of the Committee are financially literate. The Committee is headed by Sri Mangi Lal Jain. Sri Mangi Lal Jain and Sri Santanu Ray are both fellow members of the Institute of Chartered Accountants of India and have vast and diverse experience in financial management, corporate affairs, accounting and audit matters. Sri Manindra Nath Banerjee is a retired IAS Officer with over 50 years of experience. Sri Hari Prasad Agarwal is Commerce Graduate with over 40 years of experience in finance and accounts. The Composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

Four Audit Committee Meetings were held during the financial year ended 31st March, 2013. These were held on 9th May, 2012, 24th July, 2012, 6th November, 2012 and 1st February, 2013. Attendance at the Audit Committee Meetings during the financial year 2012-13 are as under :

Corporate Governance Report

| Sl. No. | Name | No. of Audit Committee meetings attended |
|---------|----------------------------|--|
| 1 | Sri Mangi Lal Jain | 4 |
| 2 | Sri Santanu Ray | 4 |
| 3 | Sri Manindra Nath Banerjee | 4 |
| 4 | Sri Hari Prasad Agarwal | 4 |

The meetings of the Audit Committee were also occasionally attended by the President Finance, Manager-Accounts and representatives of the Statutory Auditors and Internal Auditors, as invitees for the relevant meetings.

Remuneration Committee

The Remuneration Committee determines on behalf of the Board and shareholders as per agreed term of reference, the Company's policy on specific remuneration packages for Executive Directors.

Terms of Reference

To appraise the performance of Executive Directors and to determine and recommend to the Board, compensation payable to them.

Remuneration policy

Remuneration Committee recommends, based on the Net Profits of the Company, remuneration for the Executive Directors. Such recommendation is then approved by the Board and Shareholders. The remuneration paid to Executive Directors is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance. Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as individual Professionals/ Business Executives. Independent Non-Executive Directors receive sitting fees for attending Board Meetings. The Company's remuneration strategy is directed towards rewarding performance, based on review of achievements.

Composition

The Remuneration Committee comprises of the following three members :

| Sl. No. | Name | Category | Designation |
|---------|----------------------------|---------------------------|-------------|
| 1 | Sri Mangi Lal Jain | Non-executive independent | Chairman |
| 2 | Sri Santanu Ray | Non-executive independent | Member |
| 3 | Sri Manindra Nath Banerjee | Non-executive independent | Member |

The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

The Remuneration Committee met once during the financial year ended 31st March, 2013 on 9th May, 2012 and was attended by all its members.

Corporate Governance Report

Details of Remuneration paid to Directors

| Sl. No. | Name of the Director | Designation | Salary (₹) | Sitting Fee (₹) | No. of shares held as on date |
|----------------------------------|----------------------------|------------------------------------|------------|-----------------|-------------------------------|
| Executive Directors : | | | | | |
| 1 | Sri Sajjan Bhajanka | Chairman & Whole-Time Director | 60,00,000 | Nil | 2,45,71,570 |
| 2 | Sri Hari Prasad Agarwal | Vice Chairman & Executive Director | 30,00,000 | Nil | 24,35,760 |
| 3 | Sri Sanjay Agarwal | Managing Director | 60,00,000 | Nil | 2,37,88,740 |
| 4 | Sri Prem Kumar Bhajanka * | Managing Director | 36,00,000 | Nil | 1,54,58,510 |
| 5 | Sri Vishnu Khemani * | Managing Director | 60,00,000 | Nil | 74,86,857 |
| 6 | Sri Ajay Baldawa | Executive Director | 33,60,000 | Nil | 76,000 |
| Non-Executive Directors : | | | | | |
| 1 | Sri Manindra Nath Banerjee | Independent Director | Nil | 1,20,000 | Nil |
| 2 | Sri Mangi Lal Jain | Independent Director | Nil | 85,000 | 3,000 |
| 3 | Sri Santanu Ray | Independent Director | Nil | 85,000 | Nil |
| 4 | Sri Samarendra Mitra | Independent Director | Nil | 60,000 | Nil |
| 5 | Sri Asit Pal | Independent Director | Nil | 60,000 | Nil |

* Re-appointed for a further period of 5 years from 1st August, 2013 to 31st July, 2018, subject to approval of members

Service Contracts, Severance Fee, Notice Period and Stock Options

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. Service Contracts are also executed with each Executive Director. There is no separate provision for payment of severance fee under the resolutions governing the appointment of Executive Directors. A notice of three month is required to be given by a Director seeking to vacate office and the resignation takes effect upon the expiration of such notice or its earlier acceptance by the Board. The Company has no stock option plans and hence such instruments do not form a part of the remuneration package payable to any Executive and/or Non-Executive Director. During the year under review, none of the Directors was paid any performance-linked incentive.

Share Transfer cum Investor Grievance Committee

The Committee was formed with a view to oversee transfer of shares and related applications, redressal of shareholders grievances, etc. The Committee also evaluates performance and service standards of the Registrar and Share Transfer Agent of the Company, and also provides continuous guidance to improve the service levels for investors.

Terms of Reference :

1. Oversee, review and approve all matters connected with transfer of shares, issue of duplicate share certificates, split of share certificates, etc.
2. Investor relations and redressal of shareholders grievances in general and relating to non receipt of declared dividends, non- receipt of Annual Report etc.

Corporate Governance Report

Composition

The Share Transfer cum Investor Grievance Committee comprises of the following two members :

| Sl. No. | Name | Category | Designation |
|---------|----------------------------|---------------------------|-------------|
| 1 | Sri Manindra Nath Banerjee | Non-executive independent | Chairman |
| 2 | Sri Hari Prasad Agarwal | Executive non-independent | Member |

The Company Secretary acts as Secretary to the Committee.

Meetings and Attendance

During the year the Share Transfer cum Investor Grievance Committee met seven times on 31st May,2012, 15th June,2012, 16th July, 2012, 20th September, 2012, 25th October, 2012, 13th December, 2012 and 24th January, 2013. Both members attended all the meetings.

Status of pending Complaints

Sri Arun Kumar Julasaria, CFO and Company Secretary is Compliance Officer of the Company for attending to Complaints/Grievances of the members. During the year under review, no complaints were received from investors. There were no complaints pending at the beginning and at the close of the financial year. No complaint was posted on SCORES, the web based complaint redressal system of SEBI.

3. GENERAL BODY MEETINGS

Particulars of last three Annual General Meetings :

| AGM | Year ended | Venue | Date | Time |
|------|------------|---|------------|----------|
| 29th | 31.03.2010 | Indian Chamber of Commerce auditorium, 10th Floor, 4, India Exchange Place, Kolkata - 700 001 | 27.08.2010 | 11-00 AM |
| 30th | 31.03.2011 | Indian Chamber of Commerce auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001 | 09.07.2011 | 11-00 AM |
| 31st | 31.03.2012 | Indian Chamber of Commerce auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001 | 27.09.2012 | 11-00 AM |

Details of Special Resolutions passed in last three Annual General Meetings :

| AGM | Date | Subject Matter |
|------|------------|---|
| 29th | 27.08.2010 | None |
| 30th | 09.07.2011 | i. Payment of commission to Sri Brij Bhushan Agarwal and Sri Sajan Kumar Bansal from an erstwhile subsidiary company ii. Appointment of Sri Keshav Bhajanka, son of Sri Sajjan Bhajanka as an Executive and payment of remuneration to him |
| 31st | 27.09.2012 | None |

During the financial year 2012-13, no Special Resolution was passed through postal ballot.

Corporate Governance Report

4. DISCLOSURES

- There are no materially significant related party transactions i.e. transactions material in nature, with its Promoters, the Directors or the Management, their subsidiaries or relatives etc. having potential conflict with the interests of the Company at large. Other related party transactions have been reported in Notes to Accounts. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly.
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three financial years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India or any other statutory authority.
- The Company has a defined Risk Management framework and the Board is kept informed about the risk assessment and minimization procedures. The risk policy provides for identification of risk, its assessment and procedures to minimize risk. The risk policy is periodically reviewed to ensure that the executive management controls the risk as per decided policy. The risk management issues are discussed in Management Discussion and Analysis.
- The Company has complied with all mandatory requirements and some non-mandatory requirements of Corporate Governance as required by the Listing Agreement.
- The Directors of the Company are not related *inter se*.
- The financial statements of the Company are prepared in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- During the year under review, the Company has not raised any money through an issue (public, rights, preferential, etc.)

5. CODE OF CONDUCT

The Board of Directors has adopted a Code of Business Conduct and Ethics for all Board Members and senior management personnel and the same has been posted on the Company's website www.centuryply.com. All the Board members and Senior Management Personnel have affirmed compliance with the Code for the year ended 31st March, 2013. A declaration to this effect signed by the CEO of the Company is given hereunder :

I hereby confirm that :

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2012-13.

Kolkata, 8th July, 2013

Sanjay Agarwal
Managing Director & CEO

6. CEO/CFO CERTIFICATION

Sri Sanjay Agarwal, Managing Director and CEO and Sri Arun Kumar Julasaria, CFO and Company Secretary of the Company have submitted CEO/CFO certificate, which is separately annexed to this report.

7. MEANS OF COMMUNICATION

Quarterly, half-yearly and annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered by the Board and are published in prominent English and Bengali newspapers usually in The Economic Times, Business Standard and Aarthik Lipi. The financial results and official news are also posted on the website of the Company - www.centuryply.com.

Corporate Governance Report

8. MANAGEMENT DISCUSSION AND ANALYSIS

This information is set out in a separate section included in this Annual Report.

9. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting :

| | |
|-----------------------|--|
| Date | 25th September, 2013 (Wednesday) |
| Time | 11.00 A.M. |
| Venue | Indian Chamber of Commerce auditorium, 10th Floor, 4, India Exchange Place, Kolkata- 700 001 |
| Financial Year | 2012-13 |
| Book Closure Date | 19th September, 2013 to 25th September, 2013 (both days inclusive) |
| Dividend Payment Date | Within statutory period from date of passing of resolution at the Annual General Meeting |

Listing on Stock Exchanges :

The Company's shares are presently listed on following two stock exchanges.

- The National Stock Exchange of India Ltd. (NSE)
 Exchange Plaza, Bandra - Kurla Complex, Bandra (E)
 Mumbai - 400 051
 Stock Symbol - CENTURYPLY
- BSE Ltd. (BSE)
 P J Towers, Dalal Street, Fort, Mumbai - 400 001
 Stock Code - 532548

The Company has paid listing fees to NSE and BSE for the year 2012-13 & 2013-14.

ISIN : INE348B01021

Market Price Data :

Monthly high and low quotations as well as the volume of shares traded at BSE and NSE, where the shares are regularly traded, for the financial year 2012-13 are as follows :

| Month | Bombay Stock Exchange (BSE) | | | National Stock Exchange (NSE) | | |
|-------------|-----------------------------|------------|-------------------------|-------------------------------|------------|-------------------------|
| | High (₹) | Low (₹) | Volume No. of Shares | High (₹) | Low (₹) | Volume No. of Shares |
| 2012 | | | | | | |
| April | 63.25 | 58.00 | 6,49,181 | 63.15 | 56.75 | 7,05,202 |
| May | 62.50 | 51.75 | 3,81,983 | 61.95 | 51.00 | 1,29,081 |
| June | 56.95 | 51.20 | 23,323 | 58.00 | 51.55 | 52,193 |
| July | 54.50 | 48.10 | 29,051 | 55.10 | 48.25 | 5,87,196 |
| August | 55.00 | 49.60 | 40,566 | 53.75 | 49.00 | 1,47,397 |
| September | 62.00 | 45.25 | 1,91,033 | 62.00 | 49.00 | 4,69,801 |
| October | 66.00 | 58.20 | 1,22,921 | 66.50 | 51.25 | 2,18,325 |
| November | 71.30 | 56.05 | 2,36,982 | 71.00 | 56.05 | 12,94,270 |
| December | 64.40 | 56.65 | 1,20,898 | 64.95 | 55.75 | 6,05,323 |
| 2013 | | | | | | |
| January | 64.20 | 57.00 | 7,96,716 | 64.20 | 56.60 | 15,95,051 |
| February | 59.70 | 51.25 | 99,027 | 61.90 | 52.75 | 10,34,983 |
| March | 56.40 | 49.00 | 35,848 | 57.80 | 48.50 | 1,90,696 |

Corporate Governance Report

Performance of Company's shares in comparison to BSE Sensex is as under :

| Month | BSE Sensex | | Company's Shares | |
|-------------|------------|---------|------------------|----------|
| | Closing | %Change | Closing | % Change |
| 2012 | | | | |
| April | 17,318.81 | (0.49) | 61.40 | 3.89 |
| May | 16,218.53 | (6.35) | 55.00 | (10.42) |
| June | 17,429.98 | 7.47 | 53.05 | (3.55) |
| July | 17,236.18 | (1.11) | 50.55 | (4.71) |
| August | 17,429.56 | 1.12 | 51.55 | 1.98 |
| September | 18,762.74 | 7.65 | 59.45 | 15.32 |
| October | 18,505.38 | (1.37) | 60.25 | 1.35 |
| November | 19,339.90 | 4.51 | 58.60 | (2.74) |
| December | 19,426.71 | 0.45 | 57.00 | (2.73) |
| 2013 | | | | |
| January | 19,894.98 | 2.41 | 58.05 | 1.84 |
| February | 18,861.54 | (5.19) | 54.00 | (6.98) |
| March | 18,835.77 | (0.14) | 54.50 | 0.93 |

Note : Figures in bracket indicate negative value

Registrar and Share Transfer Agent :

M/s. Maheshwari Datamatics Private Ltd.
6, Mangoe Lane, (Surendra Mohan Ghosh Sarani)
2nd Floor, Kolkata - 700 001
Phone : (033) 2243 5029/5809
Fax : (033) 2248 4787
Email : mdpl@cal.vsnl.net.in

Share Transfer System :

Requests for transfer of shares in physical form received either at the office of the Company or at the office of the Registrar are generally approved by the Share Transfer cum Investor Grievance Committee within a maximum period of 15 days from the date of receipt provided the documents are complete in all respects.

Transfer of shares in dematerialised form is duly processed by NSDL/CDSL in electronic form through the respective Depository Participants. Dematerialisation is done within 15 days of receipt of request along with the share certificates through the Depository Participant of the shareholder.

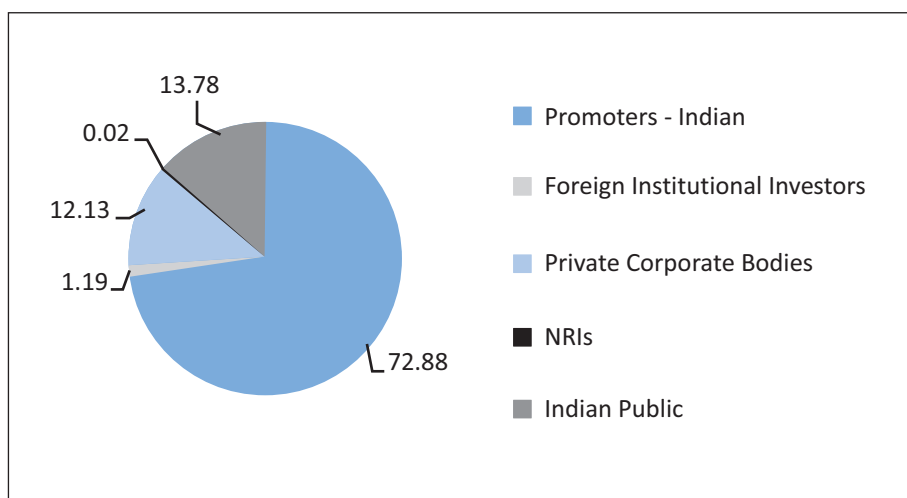
The Share Transfer cum Investor Grievance Committee generally meets once in a fortnight for approving share transfers. A summary of the transfer, transmissions, dematerialisation, rematerialisation requests is placed before the Committee at every meeting. The Company obtains half-yearly certificate from a Company Secretary in Practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47(c) of the Listing Agreement. The Company also obtains quarterly Report on Reconciliation of Share Capital from a Company Secretary in Practice for reconciliation of the share capital of the Company and submits a copy thereof to the Stock Exchanges within stipulated time.

Corporate Governance Report

Distribution of shareholding :

| Category | As on 31st March, 2013 | | | |
|-------------------|------------------------|---------------|---------------------|---------------|
| | No. of Shareholders | | No. of Shares | |
| | Total | % | Total | % |
| 1 - 500 | 6,938 | 79.06 | 7,73,846 | 0.35 |
| 501 - 1000 | 522 | 5.95 | 4,64,155 | 0.21 |
| 1001 - 2000 | 494 | 5.63 | 7,84,036 | 0.35 |
| 2001 - 3000 | 226 | 2.57 | 6,30,369 | 0.28 |
| 3001 - 4000 | 62 | 0.71 | 2,26,291 | 0.10 |
| 4001 - 5000 | 111 | 1.26 | 5,20,959 | 0.24 |
| 5001 - 10000 | 182 | 2.07 | 13,32,602 | 0.60 |
| 10001 - and above | 241 | 2.75 | 21,74,40,732 | 97.87 |
| TOTAL | 8,776 | 100.00 | 22,21,72,990 | 100.00 |

Shareholding pattern - Distribution by category :



| Category | As on 31st March, 2013 | |
|---------------------------------|------------------------|--------------------|
| | No. of Shares | % to Share Capital |
| Promoters- Indian | 16,19,29,377 | 72.88 |
| Mutual Funds | 1,165 | - |
| Foreign Institutional Investors | 26,46,202 | 1.19 |
| Private Corporate Bodies | 2,69,53,027 | 12.13 |
| NRIs | 35,048 | 0.02 |
| Indian Public | 3,06,08,171 | 13.78 |
| TOTAL | 22,21,72,990 | 100.00 |

Dematerialisation of shares and liquidity :

The Company's shares have been mandated for compulsory trading in demat form. Valid demat requests received by the Company's Registrar are confirmed within the statutory period.

Corporate Governance Report

The International Securities Identification Number (ISIN) allotted to the Company's Equity shares of face value of ₹ 1/- is INE348B01021. In case a member wants his shares to be dematerialized, he may send the shares along with the request through his Depository Participant (DP) to the Company's Registrars, M/s. Maheshwari Datamatics Private Limited.

The Company's Registrars promptly intimates the concerned Depository Participant in the event of any deficiency and the shareholder is also kept abreast. Pending demat requests in the records of the Depositories, if any, are continually reviewed and appropriate action initiated.

As on 31st March, 2013 - 22,09,39,906 number of equity shares, which form 99.44% of the Share Capital of the Company, stood dematerialised.

Plant Locations :

| | | |
|----------|---------------------------|---|
| A | Veneer and Plywood | Kolkata Unit |
| | | Kanchowki, Bishnupur, District:24 Parganas (S) West Bengal |
| | | Chennai Unit |
| | | Chinnappolapuram, Gummidipoondi, Tamil Nadu |
| | | Karnal Unit |
| | | Rambha Road, Taraori, Haryana |
| | | Cent Ply Unit |
| | | Mirza Palasbari Road, Kamrup, Assam |
| | | Kandla Unit |
| | | Village Moti Chirai, Taluka Bhachau- Kachchh, Gujarat |
| B | Laminate | Kanchowki, Bishnupur, District : 24 Parganas (S), West Bengal |
| C | Logistic | Century Sonai CFS |
| | | Block-B & C, Sonai, Khidderpore, Kolkata, West Bengal |
| | | Century Jinjira Pole CFS |
| | | Hide Road, Brace Bridge, Khidderpore, Kolkata, West Bengal |

Address for correspondence :

The Company Secretary & Compliance Officer

Century Plyboards (India) Limited

6, Lyons Range, Kolkata - 700 001

Phone : (033) 3940 3950

Fax : (033) 2248 3539

Email : arun@centuryply.com

Website : www.centuryply.com

E Mail ID for Investors Grievances : arun@centuryply.com

For and on behalf of the Board of Directors

Sajjan Bhajanka

Chairman

Kolkata, 8th July, 2013

Corporate Governance Report

CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

To
The Board of Directors
Century Plyboards (India) Ltd.
6, Lyons Range
Kolkata - 700 001

We, Sanjay Agarwal, Managing Director and CEO and Arun Kumar Julasaria, CFO and Company Secretary certify that :

- a. We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2013 and 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 existing accounting standards, applicable laws and regulations.
- b. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 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. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken 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) There have not been any significant changes in accounting policies during the year requiring disclosure in the notes to financial statements, and
 - 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.

Kolkata, 8th July, 2013

Sanjay Agarwal
Managing Director & CEO

Arun Kumar Julasaria
Chief Financial Officer and Company Secretary

Corporate Governance Report

AUDITORS' CERTIFICATE

To
The Members of
Century Plyboards (India) Ltd.
6, Lyons Range
Kolkata - 700 001

We have examined the compliance of conditions of Corporate Governance by Century Plyboards (India) Limited, for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

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 the 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, *subject to the following:*

During the period from 11th March, 2013 to 31st March, 2013 the Company's Board of Directors did not have adequate number of non-executive directors and independent directors.

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Place : Kolkata
Date : 8th July, 2013

For **S. R. BATLIBOI & CO. LLP**
Firm Registration Number : 301003E
Chartered Accountants
per **Bhaswar Sarkar**
Partner
Membership No. 55596

Independent Auditor's Report

To the Members of **Century Plyboards (India) Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **Century Plyboards (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit & Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been

Independent Auditor's Report

received from branches not visited by us. The Branch Auditor's Report(s) in respect of Plywood units at Chennai, Karnal and Guwahati have been forwarded to us and have been appropriately dealt with ;

- (c) The Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from branches not visited by us ;
- (d) In our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For **S. R. Batliboi & CO. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Bhaswar Sarkar**

Partner

Membership Number : 55596

Place : Kolkata

Date : July 8, 2013

Annexure to the Independent Auditors' Report

(Referred to in our report of even date to the members of the Century Plyboards (India) Limited as at and for the year ended 31st March, 2013)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) A part of the fixed assets have been physically verified by the management during the year, based on a phased programme of verifying all the assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clauses 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has taken loans from 6 companies and a Director covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding against such loans during the year was ₹ 2,735.50 Lacs and the year-end balance due to such parties was ₹ NIL.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (d) There are no stipulations for repayment of the above loans but the same were stated to be repayable on demand. The above loans were fully repaid during the year and thus, there has been no default on the part of the Company. Further, interest on the above loans, as informed, was regularly paid by the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under the above section, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees five lakhs entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the public within the preview of Section 58A and 58AA of the Companies Act, 1956 and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

Annexure to the Independent Auditors' Report

- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, and other material statutory dues have generally been regularly deposited with appropriate authorities *though there had been slight delays in a few cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty & cess on account of any dispute, are as follows :-

| Name of Statute | Nature of Dues | Period to which the amount relates | Amount (₹ in Lacs) | Forum where dispute is pending |
|--------------------------------------|---|---|--------------------|---|
| Central Excise and Customs Act, 1944 | Input Service Credit reversal and SAD reversal | 2006-07 | 249.66 | CESTAT |
| Central Excise and Customs Act, 1944 | Wrong availment & utilisation of Service tax on GTA | 2004-05, 2006-07 to 2011-12 | 546.78 | Commissioner (Appeals)/ Additional Commissioner / Deputy Commissioner |
| Various State Sales Tax / VAT Act | Sales Tax / Penalty / Interest | 1990-1992, 1999-00, 2001-02, 2003-04 to 2010-11 | 1,052.21 | Asst./Additional Commissioner/Deputy Commissioner/ Joint Commissioner/ Revision Board |
| Income Tax Act, 1961 | Various Income Tax matters | 1994-95, 2005-06 | 216.04 | Asst. commissioner/ Appellate Tribunal/ High Court |

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any financial institutions or banks. There were no debentures outstanding during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.

Annexure to the Independent Auditors' Report

- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S. R. Batliboi & CO. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Bhaswar Sarkar**

Partner

Membership Number : 55596

Place : Kolkata

Date : July 8, 2013

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

| | Notes | 31st March, 2013 | 31st March, 2012 |
|---|-------|------------------|------------------|
| A. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| Share Capital | 2 | 2,225.27 | 2,275.27 |
| Reserves & Surplus | 3 | 22,741.83 | 28,977.54 |
| | | 24,967.10 | 31,252.81 |
| Non Current Liabilities | | | |
| Long Term Borrowings | 4 | 15,566.43 | 6,434.95 |
| Trade Payables | 5 | 47.71 | — |
| Other Long Term Liabilities | 5 | 116.07 | 78.53 |
| Long Term Provisions | 6 | 133.61 | 115.63 |
| | | 15,863.82 | 6,629.11 |
| Current Liabilities | | | |
| Short Term Borrowings | 7 | 28,925.78 | 27,274.17 |
| Trade Payables | 8 | 8,081.36 | 8,686.61 |
| Other Current Liabilities | 8 | 5,104.25 | 4,364.02 |
| Short Term Provisions | 6 | 879.20 | 35.97 |
| | | 42,990.59 | 40,360.77 |
| TOTAL | | 83,821.51 | 78,242.69 |
| B. ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets : | | | |
| Tangible Assets | 9 | 18,422.49 | 17,379.43 |
| Intangible Assets | 10 | 143.96 | 59.22 |
| Capital Work-in-Progress | | 767.03 | 1,328.40 |
| Capital Expenditure on New/Expansion Projects | 11 | 2,834.39 | 2,299.58 |
| Non Current Investments | 12 | 1,561.51 | 7,323.82 |
| Deferred Tax Assets (Net) | 13 | 18.66 | 40.38 |
| Long term Loans and Advances | 14 | 5,847.79 | 3,733.33 |
| Other Non Current Assets | 15 | 205.44 | 351.78 |
| Current Assets | | | |
| Current Investments | 16 | — | 5.00 |
| Inventories | 17 | 21,766.71 | 19,665.56 |
| Trade Receivables | 15 | 18,162.19 | 16,674.12 |
| Cash and Bank Balances | 18 | 7,973.67 | 4,206.02 |
| Short Term Loans and Advances | 14 | 4,750.41 | 4,048.07 |
| Other Current Assets | 15 | 1,367.26 | 1,127.98 |
| TOTAL | | 83,821.51 | 78,242.69 |
| Summary of Significant Accounting Policies | 1.2 | | |

The accompanying notes form an integral part of the financial statements

As per our Report of even Date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

Per **Bhaswar Sarkar**

a Partner

Membership No. 55596

Place : Kolkata

Date : 8th July, 2013

Arun Kumar Julasaria
CFO & Company Secretary

Sajjan Bhajanka
Chairman

Sanjay Agarwal
Managing Director

For and on behalf of the Board of Directors

Statement of Profit & Loss for the year ended 31st March, 2013

(₹ in Lacs)

| | Notes | 2012-13 | 2011-12 |
|--|-------|--------------------|--------------------|
| INCOME | | | |
| Gross Revenue from Operations | 19 | 1,23,025.80 | 1,19,828.65 |
| Less : Excise Duty | | 9,910.99 | 7,993.79 |
| Net Revenue from Operations | | 1,13,114.81 | 1,11,834.86 |
| Other Income | 20 | 731.19 | 411.53 |
| Total Revenue (I) | | 1,13,846.00 | 1,12,246.39 |
| EXPENSES | | | |
| Cost of Raw Materials Consumed | 21 | 59,505.11 | 56,880.94 |
| Purchase of Traded Goods | | | |
| (Increase)/Decrease in inventories of Finished Goods, | 22 | 12,684.83 | 11,439.99 |
| Work in Progress and Traded Goods | 22 | (1,602.29) | (354.47) |
| Employee Benefits Expense | 23 | 11,835.16 | 9,906.43 |
| Other Expenses | 24 | 19,408.19 | 20,107.89 |
| Depreciation and Amortisation Expense | 25 | 2,673.14 | 2,651.29 |
| Finance Cost | 26 | 3,904.80 | 3,996.33 |
| Total Expenses (II) | | 1,08,408.94 | 1,04,628.40 |
| Profit before Tax and Exceptional Items | | 5,437.06 | 7,617.99 |
| Exceptional Items | 27 | — | 1,322.27 |
| Profit before Taxation [including ₹ Nil (Loss of ₹ 151.78 Lacs) for discontinuing operations - Refer Note No. - 36] | | 5,437.06 | 6,295.72 |
| Tax Expenses : | | | |
| Current Tax | | 1,106.20 | 1,258.00 |
| Less : MAT credit entitlement | | 956.00 | 952.00 |
| Net Current Tax Expense | | 150.20 | 306.00 |
| Deferred Tax | | 21.72 | (18.93) |
| Total Tax Expenses | | 171.92 | 287.07 |
| Profit for the year [including ₹ Nil (Loss of ₹ 151.78 Lacs) for discontinuing operations - Refer Note No. - 36] | | 5,265.14 | 6,008.65 |
| Earnings Per Equity Share [nominal value of share ₹ 1/- (₹ 1/-)] | | | |
| Basic and Diluted (Amt. in ₹) | 37 | 2.37 | 2.70 |
| Summary of Significant Accounting Policies | 1.2 | | |

The accompanying notes form an integral part of the financial statements

As per our Report of even Date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

Per **Bhaswar Sarkar**

a Partner

Membership No. 55596

Place : Kolkata

Date : 8th July, 2013

Arun Kumar Julasaria
 CFO & Company Secretary

Sajjan Bhajanka
 Chairman

Sanjay Agarwal
 Managing Director

For and on behalf of the Board of Directors

Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-------------------|-------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 5,437.06 | 6,295.72 |
| Adjustments for : | | |
| Depreciation/Amortisation | 2,673.14 | 2,651.29 |
| Finance Cost | 3,904.80 | 3,996.33 |
| Dividend Income | (1.81) | (1.80) |
| Irrecoverable Debts written off | 177.36 | 81.58 |
| Unspent/Unclaimed Balances Written Back | (76.36) | (55.75) |
| (Profit)/Loss on Sale of Fixed Assets | (174.41) | 0.60 |
| Profit on Sale of Investments | (5.13) | (35.89) |
| Interest Income | (136.04) | (263.78) |
| Provision for Doubtful Debts | 88.42 | 12.32 |
| Provision for Diminution in value of current investments | 5.00 | – |
| Unrealised Foreign Exchange Fluctuations Loss | 113.78 | 829.35 |
| Operating Profit before Working Capital changes | 12,005.81 | 13,509.97 |
| Adjustments for : | | |
| (Increase) in Trade Receivables | (2,081.17) | (4,687.01) |
| (Increase) in Inventories | (4,061.67) | (2,548.52) |
| (Increase) in Long Term Loans & Advances | (121.53) | (181.37) |
| (Increase) in Short Term Loans & Advances | (310.44) | (917.36) |
| (Increase) in Other Current Assets | (83.64) | (249.55) |
| Increase/(Decrease) Long Term Provisions | 17.98 | (83.51) |
| Increase/(Decrease) Short Term Provisions | 17.90 | (28.21) |
| Increase/(Decrease) Other Long Term Liabilities | 37.54 | 11.98 |
| Increase/(Decrease) Other Current Liabilities | 316.14 | 384.67 |
| Increase/(Decrease) in Trade Payables | 52.53 | (1,482.58) |
| Cash Generated from Operations | 5,789.45 | 3,728.51 |
| Direct Taxes Paid (Net of Refunds) | (983.42) | (1,353.91) |
| Net Cash generated from Operating Activities | 4,806.03 | 2,374.60 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (6,894.31) | (6,414.59) |
| Sale of Fixed Assets | 212.99 | 20.34 |
| Purchase of Investments | (3,165.94) | (20,206.95) |
| Sale of Investments | 2,605.13 | 20,242.84 |
| Share Application Money (Given)/Refund | (1,121.30) | 243.00 |
| Loans (Given)/Refunds (net) | (1,253.63) | 600.00 |
| Fixed Deposits/Margin Money Refund | 145.00 | – |
| Fixed Deposits/Margin Money Given | – | (145.00) |
| Dividend Received | 1.81 | 592.75 |
| Interest Received | 66.82 | 262.76 |
| Net Cash used in Investing Activities | (9,403.43) | (4,804.85) |

Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Loans | 10,200.46 | 5,358.36 |
| Repayment of Long Term Loans | (222.44) | (357.48) |
| Proceeds from Short Term Borrowings | 5,108.86 | 8,831.84 |
| Repayment of Short Term Borrowings | (2,283.85) | (817.81) |
| Redemption of Preference Shares | (50.00) | – |
| Interest Paid | (1,653.65) | (1,316.91) |
| Other Borrowing Cost Paid | (2,412.55) | (1,233.44) |
| Dividend paid | (7.82) | (4,440.60) |
| Dividend Tax Paid | (1.07) | (625.70) |
| Net Cash from Financing Activities | 8,677.94 | 5,398.26 |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C) | 4,080.54 | 2,968.01 |
| Cash and Cash Equivalents as on 1st April, 2012 | 4,061.02 | 1,093.01 |
| Less : Amount transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | 167.89 | – |
| | 3,893.13 | 1,093.01 |
| *Cash and Cash Equivalents as on 31st March, 2013 | 7,973.67 # | 4,061.02 |

* Represents cash and bank balances as indicated in Note No. - 18 and excludes ₹ Nil (₹ 145 Lacs) being deposits with maturity of more than three months.

includes ₹ 16.35 Lacs (₹ 17.57 Lacs) lying in Unpaid Dividend Account.

As per our Report of even Date
 For **S. R. BATLIBOI & CO. LLP**
 Firm Registration No. 301003E
 Chartered Accountants

Per **Bhaswar Sarkar**
 a Partner
 Membership No. 55596
 Place : Kolkata
 Date : 8th July, 2013

Arun Kumar Julasaria
 CFO & Company Secretary

Sajjan Bhajanka
 Chairman

For and on behalf of the Board of Directors

Sanjay Agarwal
 Managing Director

Notes to Financial Statements as at and for the year ended 31st March, 2013

1. CORPORATE INFORMATION

Century Plyboards (India) Ltd. (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and Bombay Stock Exchange in India. The Company is primarily engaged in manufacturing and sale of Plywood, Laminates, Decorative Veneers, Pre-laminated boards and Flush Doors. The Company presently has manufacturing facilities at Kolkata, Karnal, Guwahati, Bacchau and Chennai.

1.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Company are consistent with those used in the previous year.

1.2 Summary of Significant Accounting Policies

(i) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

(a) Revenue from sale of goods is recognized upon passage of title which generally coincides with delivery of materials to the customers. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenues. Excise duty deducted from revenue (Gross) is the amount that is included in the revenue (Gross) and not the entire amount of liability arising during the year.

Sales figures are net of rebates and discounts.

(b) Revenue from services are recognized pro-rata as and when the services are rendered. The company collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the company and hence excluded from revenue.

(c) Dividend Income is recognized when the shareholders' right to receive the payment is established by the balance sheet date.

(d) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.

(e) Insurance and other claims are accounted for as and when accepted/received, on the grounds of prudence or uncertainty in realization.

Notes to Financial Statements as at and for the year ended 31st March, 2013

(iii) Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortisation and impairment, if any. Cost comprises the purchase price inclusive of duties (net of Cenvat / VAT), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer, is considered in the accounts and the differential amount is transferred to revaluation reserve.

Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

(iv) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in Use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(v) Depreciation / Amortization

- (a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- (b) Depreciation on fixed assets is provided under Written Down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956, or at rates determined based on useful lives of the respective assets, as estimated by the management, whichever is higher. The rates determined based on the useful lives coincides with the rate prescribed in the Schedule XIV of the Companies Act, 1956.
- (c) Depreciation on revalued assets is provided at the rates specified under Section 205 (2)(b) of the Companies Act, 1956. However, in case of fixed assets whose life is determined by the valuer to be less than their useful life under Section 205, depreciation is provided at higher rate, to ensure the write off of these assets over their useful life.
- (d) Depreciation on fixed assets added / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal.
- (e) Leasehold properties are depreciated over the useful life, lease term or useful life envisaged in Schedule XIV whichever is lower.
- (f) Intangible Assets (Computer Software) are amortized on a Written Down Value method over a period of 5 years.
- (g) In case of impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(vi) Foreign Currency Transactions

(a) Initial Recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Notes to Financial Statements as at and for the year ended 31st March, 2013

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

(c) Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or expenses in the year in which they arise.

(d) Forward Exchange Contracts not entered for trading or speculation purpose

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year.

(vii) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current investments. All other investments are classified as non-current/long-term investments. Current Investments are carried at lower of cost and market value on individual investment basis. Non-Current/Long Term Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

(viii) Inventories

Raw Materials, Stores and Spares are valued at lower of cost and Net Realizable Value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work in Progress and Finished Goods are valued at lower of cost and Net Realisable Value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Cost of Inventories is computed on Weighted Average Basis.

Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(ix) Government Grants and Subsidies

Grants and Subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the Grant or Subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

When the Grant or Subsidy relates to an asset, it is deducted from the gross value of the asset concerned in arriving at the carrying amount of related asset.

Notes to Financial Statements as at and for the year ended 31st March, 2013

Government grants of the nature of promoter's contribution are credited to capital reserve and treated as a part of the shareholders funds.

(x) Retirement and other employee benefits

- (a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the company recognizes contribution payable to the provident fund scheme as an expenditure when an employee renders the related service. The Company has no obligations other than the contribution payable to the respective funds.
- (b) Gratuity liability, being a defined benefit obligation, is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- (c) Short term compensated absences are provided for based on estimates.
- (d) The Company treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where Company has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is considered as non-current liability.
- (e) Actuarial gains / losses are immediately taken to the Statement of Profit & Loss and are not deferred.

(xi) Earning per Share

Basic Earning per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deductible preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

(xii) Excise Duty and Custom Duty

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/ bonding of materials.

(xiii) Borrowing Costs

Borrowing Costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Cost directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

Notes to Financial Statements as at and for the year ended 31st March, 2013

(xiv) Taxation

Tax expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the Book and Tax Profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred Tax Assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. If the company has carry forward unabsorbed depreciation and tax losses, Deferred Tax Assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such Deferred Tax Asset can be realized.

The carrying amounts of Deferred Tax Assets are reviewed at each Balance Sheet date. The company writes-down the carrying amount of Deferred Tax Assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India, the said assets is created by way of a credit to the Statement of Profit & Loss and shown as MAT credit entitlement. The company reviews the carrying amount of MAT at each Balance Sheet date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during specified period.

(xv) Segment Reporting

a) Identification of segments :

The company has identified that its business segments are the primary segments. The Company's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different product / services and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

b) Inter segment transfers :

The Company generally accounts for intersegment sales and transfers at current market prices.

c) Allocation of Common Costs :

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses, which relates to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

Notes to Financial Statements as at and for the year ended 31st March, 2013

The accounting policies adopted for segment reporting are in line with those of the Company's accounting policies.

(xvi) Fixed Assets Acquired under Lease

(a) Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risk and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

(b) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight line basis.

(xvii) Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting affect of gain on the underlying hedged item, is charged to the Statement of Profit & Loss. Net gains, are ignored as a matter of prudence.

(xviii) Cash and Cash equivalents

Cash and Cash equivalents in the cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

(xix) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

(xx) Contingent Liabilities

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a Contingent Liability but discloses its existence in the financial statements.

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| 2. SHARE CAPITAL | | |
| Authorised | | |
| 65,05,00,000 (65,05,00,000) Equity Shares of ₹ 1/- each | 6,505.00 | 6,505.00 |
| 15,00,000 (15,00,000) Preference Shares of ₹ 10/- each | 150.00 | 150.00 |
| 50,000 (50,000) Preference Shares of ₹ 100/- each | 50.00 | 50.00 |
| Total | 6,705.00 | 6,705.00 |
| Issued | | |
| 22,35,52,990 (22,35,52,990) Equity Shares of ₹ 1/- each | 2,235.53 | 2,235.53 |
| Nil (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each | – | 50.00 |
| Total | 2,235.53 | 2,285.53 |
| Subscribed and Paid-up | | |
| 22,21,72,990 (22,21,72,990) Equity Shares of ₹ 1/- each | 2,221.73 | 2,221.73 |
| Add : Amount received on forfeited shares | 3.54 | 3.54 |
| Nil (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each | – | 50.00 |
| Total | 2,225.27 | 2,275.27 |

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

| | 31st March, 2013 | | 31st March, 2012 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| Equity Shares | | | | |
| At the beginning of the year | 22,21,72,990 | 2,221.73 | 22,21,72,990 | 2,221.73 |
| Issued during the year | – | – | – | – |
| Outstanding at the end of the year | 22,21,72,990 | 2,221.73 | 22,21,72,990 | 2,221.73 |
| Preference Shares | | | | |
| At the beginning of the year | 5,00,000 | 50.00 | 5,00,000 | 50.00 |
| Redeemed during the year | 5,00,000 | 50.00 | – | – |
| Outstanding at the end of the year | – | – | 5,00,000 | 50.00 |

b) Terms/Rights attached to the Equity Shares

The company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The company has paid an interim dividend of ₹ NIL (₹ 1/-) and proposed final dividend of ₹ 0.25 (₹ Nil) per share during the year ended 31st March, 2013. The dividend proposed by 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 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.

Notes to Financial Statements as at and for the year ended 31st March, 2013

c) Terms of Redeemable Cumulative Preference Shares

The company had only one class of preference shares having par value of ₹ 10/- per share which carried cumulative dividend @ 9% p.a. and were redeemed during the year.

d) Aggregate no of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| | No. of Shares | No. of Shares |
| Preference Shares allotted as fully paid-up pursuant to contracts for consideration other than cash | 5,00,000 | 5,00,000 |
| Equity Shares allotted as fully paid -up pursuant to contracts for consideration other than cash | 2,45,18,860 | 2,45,18,860 |

e) Details of Shareholders holding more than 5% shares in the company

| | 31st March, 2013 | | 31st March, 2012 | |
|---|------------------|------------------------|------------------|------------------------|
| | No. of Shares | % holding in the class | No. of Shares | % holding in the class |
| Equity Shares of ₹ 1/- each fully paid-up | | | | |
| Sri Sajjan Bhajanka | 2,45,71,570 | 11.06% | 2,45,71,570 | 11.06% |
| Sri Sanjay Agarwal | 2,37,88,740 | 10.71% | 2,32,18,740 | 10.45% |
| Smt. Divya Agarwal | 1,67,49,750 | 7.54% | 1,67,49,750 | 7.54% |
| Smt. Santosh Bhajanka | 1,56,49,500 | 7.04% | 1,56,49,500 | 7.04% |
| Sri Prem Kumar Bhajanka | 1,54,58,510 | 6.96% | 1,52,08,510 | 6.85% |
| Preference Shares of ₹ 10/- each fully paid-up | | | | |
| Sri Vishnu Khemani | – | – | 5,00,000 | 100.00% |

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| 3. RESERVES & SURPLUS | | |
| Capital Reserve | | |
| Balance as per the last Financial Statements | 1,933.81 | 1,933.81 |
| Less : Amount adjusted pursuant to Scheme of Arrangement (Refer Note No. - 35) | 1,222.93 | – |
| Closing Balance | 710.88 | 1,933.81 |
| Amalgamation Reserve | | |
| Balance as per the last Financial Statements | 317.40 | 317.40 |
| Securities Premium | | |
| Balance as per the last Financial Statements | 1,892.77 | 1,892.77 |
| Revaluation Reserve | | |
| Balance as per the last Financial Statements | 166.64 | 173.27 |
| Less : Amount adjusted against depreciation | 4.21 | 6.63 |
| Closing Balance | 162.43 | 166.64 |
| General Reserve | | |
| Balance as per the last Financial Statements | 4,010.63 | 3,385.63 |
| Add : Transferred from Statement of Profit & Loss | 5,750.00 | 625.00 |
| Less : Amount adjusted pursuant to Scheme of Arrangement (Refer Note No. - 35) | 9,621.44 | – |
| Closing Balance | 139.19 | 4,010.63 |
| Capital Redemption Reserve | | |
| Transferred from Statement of Profit & Loss on redemption of Preference Shares | 50.00 | – |
| Surplus in the Statement of Profit & Loss | | |
| Balance as per the last Financial Statements | 20,656.29 | 17,860.02 |
| Add : Profit for the year | 5,265.14 | 6,008.65 |
| Less : Appropriations | | |
| - Interim Equity Dividend ₹ Nil (₹ 1 /-) per share | – | 2,221.73 |
| - Tax on Interim Equity Dividend | – | 360.42 |
| - Proposed Final Equity Dividend ₹ 0.25 (₹ Nil) per share | 555.43 | – |
| - Tax on Proposed Equity Dividend | 94.40 | – |
| - Proportionate dividend on Preference Shares ₹ 0.42 (₹ 0.90) per share | 2.10 | 4.50 |
| - Tax on Preference Dividend | 0.34 | 0.73 |
| - Transfer to Capital Redemption Reserve | 50.00 | – |
| - Transfer to General Reserve | 5,750.00 | 625.00 |
| Total Appropriations | 6,452.27 | 3,212.38 |
| Net Surplus in the Statement of Profit & Loss | 19,469.16 | 20,656.29 |
| Total Reserves and Surplus | 22,741.83 | 28,977.54 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Non Current Portion | | Current Maturities | |
|--|---------------------|------------------|--------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 4. LONG TERM BORROWINGS | | | | |
| Term Loans (Secured) | | | | |
| Indian Rupee Loan from Banks | 8,871.03 | 169.70 | 808.50 | 248.00 |
| Indian Rupee Loan from a Financial Institution | – | 509.32 | – | – |
| Foreign Currency Loan from Banks | 6,608.39 | 5,425.57 | 1,305.36 | 1,227.84 |
| Other Loans and Advances (Secured) | | | | |
| Financial Lease obligations :- | | | | |
| - From banks | 10.34 | 118.26 | 14.16 | 59.06 |
| - From Bodies Corporate | 76.67 | 212.10 | 155.34 | 200.39 |
| | 15,566.43 | 6,434.95 | 2,283.36 | 1,735.29 |
| Amount disclosed under the head "Other Current Liabilities" (Refer Note No. - 8) | – | – | (2283.36) | (1735.29) |
| Net Amount | 15,566.43 | 6,434.95 | – | – |

Notes :

- 1 (a) Term Loan of ₹ 9,000.00 Lacs (₹ Nil) from a Bank carries interest @ base rate plus 0.50 % p.a., presently @ 10.20% p.a. The loan is repayable in 16 equal quarterly installments of ₹ 562.50 Lacs each starting from March 2014 and is secured /to be secured by first charge over all fixed assets of Plywood units at Mirza, Assam; Bishnupur, Kanchowki, Dist.- 24 Parganas (S), West Bengal; Taraori, Haryana; and Chinnappolapuram, Gummidipoondi, Tamilnadu, and by way of a second charge on entire current assets (both present and future) of the Plywood Division of the company. The above loan is further secured by personal guarantees of three directors of the company.
- (b) Foreign currency term loan of ₹ 5,221.44 Lacs (₹ 6,139.20 Lacs) carries interest @ 4.07% p.a. The loan is repayable in 4 equal annual installments by 21st August, 2016 and is secured/to be secured by hypothecation/equitable mortgage of all the moveable and immovable fixed assets pertaining to the Container Freight Stations of the Company.
- (c) Foreign currency term loan of ₹ 2,692.31 Lacs (₹ Nil) carries interest @ 6 months LIBOR +3.50% p.a. The loan is repayable in 24 equal quarterly instalments starting from June, 2014 and is secured/to be secured by first charge on all the fixed assets pertaining to the Plywood Unit at Bacchau, Gujarat and second charge on all the current assets of the Plywood Division of the company on pari passu basis with other term lenders.
- (d) Term Loans of ₹ 679.53 lacs (₹ 931.91 Lacs) carry interest @ 11.90% p.a. The above loans are repayable in 11 quarterly installments ending by 25th December 2015; 3 installments of ₹ 62 Lacs each and 8 installments of ₹ 61 Lacs each. The loans are secured/to be secured by a first charge on fixed assets and second charge on current assets (both present and future) pertaining to the Company's Plywood Unit at Mirza, Assam.
- 2 Term loan of ₹ Nil (₹ 509.32 Lacs) from a financial institution carried interest rate of PLR + 1% p.a. The loan was secured by equitable mortgage of leasehold rights of land and first charge on fixed assets and second charge on the current assets (on pari passu basis) of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya and was repayable in 28 quarterly installments starting from 1st April, 2014, but the same has been transferred to the resulting company pursuant to the Scheme of Arrangement. (Refer Note No. - 35).
- 3 Finance lease obligations are secured by hypothecation of the assets purchased there against and carries interest between 10% to 11.25%.

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| 5. OTHER NON CURRENT LIABILITIES | | |
| Trade Payables | | |
| - Dues to Micro and Small Enterprises (Refer Note No. - 32) | – | – |
| - Dues to Others | 47.71 | – |
| | 47.71 | – |
| Other Liabilities | | |
| Trade Deposits | 116.07 | 78.53 |
| | 116.07 | 78.53 |
| Total Amount | 163.78 | 78.53 |

(₹ in Lacs)

| | Long Term | | Short Term | |
|--|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 6. PROVISIONS | | | | |
| Provision for Employee Benefits | | | | |
| Leave Encashment | 133.61 | 115.63 | 35.39 | 30.74 |
| | 133.61 | 115.63 | 35.39 | 30.74 |
| Other Provisions | | | | |
| Provision for Taxation [Net of Advance Tax ₹ 912.22 Lacs (₹ Nil)] | – | – | 193.98 | – |
| Proposed Equity Dividend | – | – | 555.43 | – |
| Tax on Proposed Equity Dividend | – | – | 94.40 | – |
| Proposed Preference Dividend | – | – | – | 4.50 |
| Tax on Proposed Preference Dividend | – | – | – | 0.73 |
| | – | – | 843.81 | 5.23 |
| Total Amount | 133.61 | 115.63 | 879.20 | 35.97 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 7. SHORT TERM BORROWINGS | | |
| Loans repayable on demand | | |
| Cash Credit from banks (Secured) | 1,047.99 | 4,205.24 |
| Loans from related parties (Unsecured) | | |
| - From a Director | – | 300.00 |
| Other Loans and advances (Secured) | | |
| Buyers Credit from banks | | |
| - For Capital Expenditure | 1,107.83 | 390.96 |
| - For Raw Materials | 26,769.96 | 22,377.97 |
| Total Amount | 28,925.78 | 27,274.17 |

Notes :

1 (a) Cash Credit and Buyers' Credit from banks amounting to ₹ 28,925.78 Lacs (₹ 25,800.77 Lacs) are secured /to be secured by way of first charge on current assets (both present and future) of the company and by way of second charge on the fixed assets of the plywood units at Mirza, Assam; Bishnupur, Kanchowki, Dist. 24 Paraganas(S), West Bengal; Taraori, Haryana; Chinnappolapuram, Gummidipoondi, Tamilnadu and Bacchau, Gujarat.

(b) Cash Credit ₹ Nil (₹ 1,173.40 Lacs) was secured by way of first charge on current assets (both present and future) and by way of second charge on fixed assets of the Ferro Alloy Unit at Byrnihat, Meghalaya. The same has been transferred to the resulting company pursuant to Scheme of Arrangement. (Refer Note No. - 35)

The aforesaid cash credits and buyers credits are also secured by personal guarantees of three directors of the company.

The above cash credit is repayable on demand and carries interest @ 10.20% to 14.75% p.a. (12% to 14% p.a)

2 Unsecured Loan from a Director was repayable on demand and carried interest @ 8% p.a.

3 Buyers credit carries interest @ Libor plus 0.61% (1%) to 2.00% (3.50%) and is repayable in 90-365 days.

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 8. OTHER CURRENT LIABILITIES | | |
| Trade Payables | | |
| - Dues to Micro and Small Enterprises (Refer Note No. - 32) | 8.96 | 0.46 |
| - Dues to Others | 8,072.40 | 8,686.15 |
| | 8,081.36 | 8,686.61 |
| Other Liabilities | | |
| - Payable against purchase of fixed assets | 799.09 | 735.72 |
| - Current Maturities of Long Term Borrowings (Refer Note No. - 4) | 2,283.36 | 1,735.29 |
| - Interest accrued but not due on Borrowings | 137.53 | 203.33 |
| - Advances from Customers | 416.87 | 445.86 |
| - Investor Education and Protection Fund (To be paid as and when due) | | |
| Unpaid Dividend | 16.35 | 17.57 |
| - Statutory Dues Payable | 1,451.05 | 1,226.25 |
| | 5,104.25 | 4,364.02 |
| Total Amount | 13,185.61 | 13,050.63 |

Notes to Financial Statements as at and for the year ended 31st March, 2013

| | (₹ in Lacs) | | | | | | | | | | | | |
|---|-------------------------|-------------------|-----------------------|--------------------------------|-------------------|--------------------------|----------------------|-------------------|---------------|---------------|---------------|-----------------|----------------------|
| | Land & Site Development | Factory Buildings | Non-Factory Buildings | Storage Yard on Leasehold Land | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers | Vehicles (b) | Total | | |
| | Free Hold | Lease Hold | On Freehold Land | On Leasehold Land | | | | | | | | | |
| 9. TANGIBLE ASSETS | | | | | | | | | | | | | |
| Cost or Valuation | | | | | | | | | | | | | |
| At 1st April, 2011 | 1,188.36 | 917.04 | 3,799.02 | 794.94 | 899.72 | 3,471.89 | 12,410.45 | 1,556.01 | 422.54 | 485.33 | 627.54 | 1,937.22 | 28,510.06 |
| Additions | 299.70 | 152.84 | 189.18 | 492.21 | 41.49 | 263.05 | 1,548.20 | 76.42 | 34.94 | 42.56 | 92.88 | 249.41 | 3,482.88 |
| Disposals | - | - | - | 0.05 | - | - | 9.03 | - | 1.48 | 9.08 | 12.86 | 56.36 | 88.86 |
| At 31st March, 2012 | 1,488.06 | 1,069.88 | 3,988.20 | 1,287.10 | 941.21 | 3,734.94 | 13,949.62 | 1,632.43 | 456.00 | 518.81 | 707.56 | 2,130.27 | 31,904.08 (a) |
| Additions | 544.44 | 1.94 | 1,684.12 | 278.58 | 19.28 | 35.94 | 2,957.78 | 211.96 | 309.20 | 82.04 | 115.91 | 32.62 | 6,273.81 |
| Disposals | 0.26 | - | 13.58 | 6.39 | - | - | 117.10 | - | 0.16 | 9.53 | 27.37 | 6.05 | 180.44 |
| Transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | 86.17 | - | 1,172.90 | - | - | - | 3,547.42 | 910.35 | 33.41 | 8.93 | 22.17 | 664.56 | 6,445.91 |
| At 31st March, 2013 | 1,946.07 | 1,071.82 | 4,485.84 | 1,559.29 | 960.49 | 3,770.88 | 13,242.88 | 934.04 | 731.63 | 582.39 | 773.93 | 1,492.28 | 31,551.54 (a) |
| Depreciation | | | | | | | | | | | | | |
| As at 1st April, 2011 | - | 78.03 | 1,482.86 | 254.37 | 84.77 | 227.22 | 7,304.82 | 814.90 | 203.84 | 196.28 | 437.27 | 884.64 | 11,969.00 |
| Charge for the Year | - | 71.08 | 224.82 | 42.58 | 67.92 | 275.07 | 1,315.49 | 115.93 | 42.57 | 46.97 | 96.46 | 324.67 | 2,623.56 |
| Disposals | - | - | - | 0.01 | - | - | 3.27 | - | 1.19 | 5.86 | 11.68 | 45.90 | 67.91 |
| At 31st March, 2012 | - | 149.11 | 1,707.68 | 296.94 | 152.69 | 502.29 | 8,617.04 | 930.83 | 245.22 | 237.39 | 522.05 | 1,163.41 | 14,524.65 |
| Charge for the Year | - | 82.02 | 232.15 | 59.32 | 71.62 | 288.66 | 1,453.52 | 79.93 | 64.68 | 46.75 | 94.41 | 178.05 | 2,651.11 |
| Disposals | - | - | 12.09 | 5.66 | - | - | 90.93 | - | 0.12 | 3.38 | 24.51 | 5.18 | 141.87 |
| Transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | - | - | 552.93 | - | - | - | 2,367.07 | 611.98 | 23.57 | 4.93 | 18.01 | 326.35 | 3,904.84 |
| As at 31st March, 2013 | - | 231.13 | 1,374.81 | 350.60 | 224.31 | 790.95 | 7,612.56 | 398.78 | 286.21 | 275.83 | 573.94 | 1,009.93 | 13,129.05 |
| Net Block | | | | | | | | | | | | | |
| As at 31st March, 2012 | 1,488.06 | 920.77 | 2,280.52 | 990.16 | 788.52 | 3,232.65 | 5,332.58 | 701.60 | 210.78 | 281.42 | 185.51 | 966.86 | 17,379.43 |
| As at 31st March, 2013 | 1,946.07 | 840.69 | 3,111.03 | 1,208.69 | 736.18 | 2,979.93 | 5,630.32 | 535.26 | 445.42 | 306.56 | 199.99 | 482.35 | 18,422.49 |

Notes :

- a) Certain Land, Buildings and Plant & Machinery of the Kolkata & Chennai units were revalued in 1991-92 & 1995-96 respectively and the resultant surplus thereon was transferred to Revaluation Reserve.
- b) Includes Assets taken on finance lease ₹ 900.38 Lacs (₹ 900.38 Lacs), written down Value ₹ 312.04 Lacs (₹ 312.04 Lacs) [Refer Note No. - 33(b)].

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Computer Software | Trade Mark & Patent Rights | Goodwill | Total |
|-------------------------------|-------------------|----------------------------|--------------|---------------|
| 10. INTANGIBLE ASSETS | | | | |
| Cost | | | | |
| At 1st April, 2011 | 256.48 | 0.98 | 10.00 | 267.46 |
| Addition | 45.88 | – | – | 45.88 |
| At 31st March, 2012 | 302.36 | 0.98 | 10.00 | 313.34 |
| Addition | 126.25 | – | – | 126.25 |
| Disposals/Adjustment | 0.43 | – | – | 0.43 |
| As at 31st March, 2013 | 428.18 | 0.98 | 10.00 | 439.16 |
| Amortisation | | | | |
| As at 1st April, 2011 | 208.78 | 0.98 | 10.00 | 219.76 |
| Charge for the Year | 34.36 | – | – | 34.36 |
| At 31st March, 2012 | 243.14 | 0.98 | 10.00 | 254.12 |
| Charge for the Year | 41.51 | – | – | 41.51 |
| Disposals/Adjustment | 0.43 | – | – | 0.43 |
| As at 31st March, 2013 | 284.22 | 0.98 | 10.00 | 295.20 |
| Net Block | | | | |
| As at 31st March, 2012 | 59.22 | – | – | 59.22 |
| As at 31st March, 2013 | 143.96 | – | – | 143.96 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 31st March, 2013 | | 31st March, 2012 | |
|---|------------------|-----------------|------------------|-----------------|
| 11. CAPITAL EXPENDITURE ON NEW/EXPANSION PROJECTS | | | | |
| A. Fixed Assets | | | | |
| Balance Brought forward from previous year | | 2,047.35 | | 418.14 |
| Freehold Land | 149.57 | | 578.87 | |
| Electrical Installations | 183.13 | | 0.84 | |
| Furniture & Fixtures | 1.22 | | 3.83 | |
| Office Equipments | 3.29 | | 3.00 | |
| Vehicles | 1.05 | | 22.08 | |
| Computers | 4.69 | | 3.47 | |
| Less : Depreciation (Charged to Pre-Operative expenses) | (18.74) | | (3.47) | |
| Less : Amortisation (charged to Pre-operative expenses) | – | | (17.51) | |
| Fixed Assets - Under Erection | | | | |
| Factory Building | 926.89 | | 529.94 | |
| Non-Factory Building | 631.36 | | 18.87 | |
| Plant & Machinery [including in transit ₹ Nil (₹ 400.99 Lacs)] | 947.99 | | 558.69 | |
| Storage Yard | 184.15 | 3,014.60 | 106.20 | 1,804.81 |
| | | 5,061.95 | | 2,222.95 |
| Less : Transferred to Fixed Assets during the year | | 2,483.06 | | 175.60 |
| | | 2,578.89 | | 2,047.35 |
| B. Materials at Site | | 53.83 | | 4.44 |
| | | 2,632.72 | | 2,051.79 |
| C. Incidental Expenditure pending allocation to Fixed Assets | | | | |
| Balance Brought forward from previous year | | 247.79 | | 149.47 |
| Interest and Finance Charges | 96.42 | | 9.30 | |
| Power and Fuel | 14.57 | | – | |
| Salary & Bonus | 74.56 | | 45.38 | |
| Travelling & Conveyance | 13.48 | | 20.55 | |
| Consultancy Charges | 44.93 | | 28.92 | |
| Rates and Taxes | 32.88 | | – | |
| Miscellaneous Expenses | 42.41 | | 1.50 | |
| Depreciation | 15.27 | | 3.47 | |
| Amortisation | – | 334.52 | 17.51 | 126.63 |
| | | 582.31 | | 276.10 |
| Less : Allocated to Fixed Assets during the year | | 380.64 | | 28.31 |
| | | 201.67 | | 247.79 |
| | | 2,834.39 | | 2,299.58 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Face Value per share | No. of Shares | 31st March, 2013 | 31st March, 2012 |
|--|-------------------------|------------------------|---------------------|---------------------|
| 12. NON-CURRENT INVESTMENTS (Fully Paid Up) (At Cost) | | | | |
| A. NON TRADE INVESTMENTS | | | | |
| (a) Quoted Equity Shares | | | | |
| Bharat Commerce & Industries Ltd. | 10 | 19,000 | 0.73 | 0.73 |
| Corporation Bank | 10 | 600 | 0.48 | 0.48 |
| Greenply Industries Ltd. | 5 | 100 | 0.09 | 0.09 |
| Kitply Industries Ltd. | 10 | 100 | 0.02 | 0.02 |
| Pidilite Industries Ltd. | 1 | 2,000 | 0.27 | 0.27 |
| Mahindra Satyam Computer Services Ltd. | 2 | 100 | 0.11 | 0.11 |
| Tata Iron & Steel Company Ltd. | 10 | 17 | 0.07 | 0.07 |
| UCO Bank | 10 | 54,500 | 7.95 | 7.95 |
| Reliance Broadcast Network Ltd. | 5 | 6,00,000 | 510.00 | 510.00 |
| Sub Total | | | 519.72 | 519.72 |
| (b) Unquoted Equity Shares | | | | |
| Changlang Plywood Pvt. Ltd. | 100 | 2,000 | 2.00 | 2.00 |
| Manmao Plywood Pvt. Ltd. | 100 | 1,000 | 1.00 | 1.00 |
| Sub Total | | | 3.00 | 3.00 |
| B. TRADE INVESTMENTS | | | | |
| Unquoted Equity Shares | | | | |
| (a) Investments In Subsidiaries | | | | |
| Cement Manufacturing Company Ltd.** | – | – | – | 2,954.75 |
| | (10) | (2,95,47,500) | | |
| Meghalaya Power Ltd.** | – | – | – | 3,373.50 |
| | (10) | (83,58,998) | | |
| Auro Sundram Ply & Door Pvt. Ltd. | 10 | 5,10,000 | 231.80 | 231.80 |
| Aegis Business Ltd. | 10 | 5,10,000 | 51.00 | 51.00 |
| Century MDF Ltd. | 10 | 50,000 | 5.00 | – |
| Centuryply Myanmar Pvt. Ltd. | 6,366 | 8,812 | 560.94 | – |
| | | | 848.74 | 6,611.05 |
| (b) Investments In Associates | | | | |
| Ara Suppliers Pvt. Ltd. | 10 | 4,75,010 (4,75,000) | 47.50 | 47.50 |
| Arham Sales Pvt. Ltd. | 10 | 4,75,010 (4,75,000) | 47.50 | 47.50 |
| Adonis Vyaper Pvt. Ltd. | 10 | 4,75,010 (4,75,000) | 47.50 | 47.50 |
| Apnapan Viniyog Pvt. Ltd. | 10 | 4,75,010 (4,75,000) | 47.50 | 47.50 |
| | | | 190.00 | 190.00 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Face Value per share | No. of Shares | 31st March, 2013 | 31st March, 2012 |
|---|----------------------|---------------|------------------|------------------|
| 12. NON-CURRENT INVESTMENTS (Fully Paid Up) (At Cost) (Contd.) | | | | |
| (c) Investment in Government Securities | | | | |
| National Savings Certificate (VII Issue)* | | | 0.05 | 0.05 |
| TOTAL | | | 1,561.51 | 7,323.82 |
| Aggregate Amount of Investments | | | | |
| Quoted | | | 519.72 | 519.72 |
| Unquoted | | | 1,041.79 | 6,804.10 |
| Market Value of Quoted Investments | | | 186.33 | 372.07 |

* Lodged with Government Departments as Security Deposit.

** Transferred to the resulting company pursuant to the Scheme of Arrangement (Refer Note No. - 35) (₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 13. DEFERRED TAX ASSET (NET) | | |
| Deferred Tax Asset | | |
| Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis | 93.47 | 114.33 |
| Provision for doubtful debts and advances | 62.84 | 74.31 |
| | 156.31 | 188.64 |
| Deferred Tax Liability | | |
| Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting | 137.65 | 148.26 |
| | 137.65 | 148.26 |
| Net Deferred Tax Asset | 18.66 | 40.38 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Non Current | | Current | |
|--|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 14. LOANS AND ADVANCES | | | | |
| Loans and Advances (Unsecured-Considered Good) | | | | |
| Capital Advances | 691.70 | 775.19 | – | – |
| Security Deposits | 772.11 | 756.21 | 146.11 | 189.83 |
| Loans | | | | |
| - To Subsidiary Companies (Refer Note No. - 40) | – | – | 1,653.63 | 400.00 |
| - To a Body corporate | – | – | 100.00 | 100.00 |
| Share Application Money | | | | |
| - To a Subsidiary Company (Refer Note No. - 40) | 1,121.30 | – | – | – |
| Advances recoverable in cash or kind | 70.90 | 34.80 | 1,113.66 | 1,412.01 |
| Other Loans and Advances | | | | |
| - Prepaid Expenses | 5.42 | 0.27 | 281.02 | 371.32 |
| - Anti Dumping Duty Receivable | – | – | 204.16 | 156.73 |
| - Advance Income Tax [Net of Provisions of ₹ 1449.68 Lacs (₹ 4133.66 Lacs)] | 306.36 | 242.86 | – | – |
| - Minimum Alternate Tax Credit Entitlement (Refer Note No. - 44) | 2,880.00 | 1,924.00 | – | – |
| - Deposits against Demand under Disputes | – | – | 64.81 | 63.76 |
| - Balance with Statutory/Government Authorities | – | – | 1,187.02 | 1,354.42 |
| | 5,847.79 | 3,733.33 | 4,750.41 | 4,048.07 |
| Advances due from Directors of the company | – | – | – | 2.42 |
| Advances due from Officers of the company (included in Advances recoverable in cash or kind) | – | – | 13.00 | – |

(₹ in Lacs)

| | Non Current | | Current | |
|---|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 15. TRADE RECEIVABLES AND OTHER ASSETS | | | | |
| 15.1 Trade Receivables (Unsecured) | | | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | | | | |
| - Considered Good | – | – | 886.84 | 528.27 |
| - Considered Doubtful | 184.87 | 229.02 | – | – |
| | 184.87 | 229.02 | 886.84 | 528.27 |
| Provision for doubtful trade receivables | 184.87 | 229.02 | – | – |
| A | – | – | 886.84 | 528.27 |
| Other Debts | | | | |
| - Considered Good | – | – | 17,275.35 | 16,145.85 |
| B | – | – | 17,275.35 | 16,145.85 |
| Total (A+B) | – | – | 18,162.19 | 16,674.12 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Non Current | | Current | |
|---|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 15.2 Other Assets | | | | |
| Unsecured, Considered Good | | | | |
| Central/State Government Subsidies Receivable | 205.44 | 351.78 | 1,250.47 | 1,080.41 |
| Interest accrued on Loans, Deposits etc. | – | – | 116.79 | 47.57 |
| | 205.44 | 351.78 | 1,367.26 | 1,127.98 |
| Trade Receivable due from a subsidiary (Refer Note No. - 40) | – | – | 507.22 | – |

(₹ in Lacs)

| | Face Value per share (₹) | No. of Shares | 31st March, 2013 | 31st March, 2012 |
|--|--------------------------|---------------|------------------|------------------|
| 16. CURRENT INVESTMENT (Valued at Lower of Cost and Fair value) | | | | |
| TRADE INVESTMENTS | | | | |
| Unquoted Equity Shares | | | | |
| Investments In Subsidiary | | | | |
| Star Ferro and Cement Ltd. | 1 | 5,00,000 | 5.00 | 5.00 |
| Less: Provision* | | | 5.00 | – |
| | | | – | 5.00 |

*The above shares will get cancelled on issuance of fresh Equity Shares by the resulting company pursuant to the Scheme of Arrangement and accordingly provision for the same has been made in accounts (Refer Note No. - 35).

(₹ in Lacs)

| | Notes | 31st March, 2013 | 31st March, 2012 |
|--|-------|------------------|------------------|
| 17. INVENTORIES (At Lower of Cost and Net Realisable Value) | | | |
| Raw Materials | 21 | 14,196.29 | 12,115.61 |
| Work in Progress | 22 | 2,426.87 | 1,940.81 |
| Traded Goods | 22 | 1,175.97 | 832.42 |
| Finished Goods | 22 | 3,386.11 | 3,157.75 |
| Stores & Spares Parts, etc. | | 581.47 | 1,618.97 |
| | | 21,766.71 | 19,665.56 |
| Note : | | | |
| The above includes Stock in Transit | | | |
| Raw Materials | | 870.11 | 190.38 |
| Traded Goods | | 59.24 | 57.24 |
| Finished Goods | | 64.01 | 155.41 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | Current | |
|---|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 |
| 18. CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| - On Current accounts | 1,432.36 | 2,935.12 |
| - Deposits with Original Maturity of less than three months | 6,350.00 | 1,000.29 |
| - On Unpaid Dividend Account | 16.35 | 17.57 |
| Cheques/Drafts on hand | 119.52 | 49.74 |
| Cash on hand | 55.44 | 58.30 |
| | 7,973.67 | 4,061.02 |
| Other Bank Balances | | |
| - Margin Money Deposits | - | 145.00 |
| | - | 145.00 |
| | 7,973.67 | 4,206.02 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|--------------------|--------------------|
| 19. REVENUE FROM OPERATIONS | | |
| Revenue from Operations | | |
| Sale of Products | | |
| - Finished Goods | 98,028.76 | 98,778.08 |
| - Traded Goods | 18,462.90 | 14,950.50 |
| - Income from Logistic Services | 5,852.55 | 5,328.76 |
| Other Operating Revenue | | |
| - Scrap Sales | 190.35 | 314.21 |
| - Export Incentives | 213.34 | 219.61 |
| - Sales Tax Subsidy | 205.04 | 191.35 |
| - Miscellaneous Income | 72.86 | 46.14 |
| Revenue from Operations (Gross) | 1,23,025.80 | 1,19,828.65 |
| Less : Excise Duty | 9,910.99 | 7,993.79 |
| Revenue from Operations (Net) | 1,13,114.81 | 1,11,834.86 |

Note :

Excise duty on sales amounting to ₹ 9,910.99 Lacs (₹ 7,993.79 Lacs) has been reduced from sales in the Statement of Profit & Loss, while excise duty on increase/decrease in stock amounting to ₹ 89.13 Lacs (₹ 56.33 Lacs) has been considered as expense in Note No. 24 of financial statements.

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|--------------------|--------------------|
| 19. REVENUE FROM OPERATIONS (Contd.) | | |
| Details of Products sold | | |
| Finished Goods sold | | |
| Plywood & Blockboard | 62,731.26 | 63,557.65 |
| Laminates | 18,001.79 | 15,329.83 |
| Pre-Laminated Particle Boards | 4,412.62 | 4,081.73 |
| Veneer | 12,883.09 | 8,564.73 |
| Ferro Silicon | - | 6,294.58 |
| Power | - | 949.56 |
| | 98,028.76 | 98,778.08 |
| Traded Goods sold | | |
| Plywood & Blockboard | 15,321.83 | 13,502.04 |
| MDF | 281.15 | 343.92 |
| Agri Products | 708.11 | 593.59 |
| Phenol | 1,231.38 | - |
| Dolomite | 743.87 | 184.12 |
| Furniture | 173.66 | - |
| Others | 2.90 | 326.83 |
| | 18,462.90 | 14,950.50 |
| | 1,16,491.66 | 1,13,728.58 |
| Details of Income from Logistic Services | | |
| Container Freight Station Services | 5,852.55 | 5,050.38 |
| Jetty Services | - | 278.38 |
| | 5,852.55 | 5,328.76 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|---------------|---------------|
| 20. OTHER INCOME | | |
| Dividend Income on Long Term Investments | | |
| - Others | 1.81 | 1.80 |
| Interest Income on | | |
| - Fixed Deposits, Loans, etc. | 136.04 | 263.78 |
| Insurance and Other Claims | 59.34 | 35.14 |
| Unspent/Unclaimed liabilities written back | 76.36 | 55.75 |
| Profit on Fixed Assets Sold /Discarded (Net) | 174.41 | - |
| Bad Debts Recovered | 9.12 | 17.00 |
| Foreign Exchange Fluctuations (Net) | 256.75 | - |
| Net gain on sale of current investments | 5.13 | 35.89 |
| Miscellaneous Receipts | 12.23 | 2.17 |
| | 731.19 | 411.53 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|------------------|------------------|
| 21. COST OF RAW MATERIALS CONSUMED | | |
| Inventory at the beginning of the year | 12,115.61 | 9,983.82 |
| Less : Stock transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | 201.09 | – |
| | 11,914.52 | 9,983.82 |
| Add : Purchases | 61,786.88 | 59,012.73 |
| | 73,701.40 | 68,996.55 |
| Less : Inventory at the end of the year | 14,196.29 | 12,115.61 |
| Cost of Raw Materials Consumed | 59,505.11 | 56,880.94 |
| Details of Raw Material consumed | | |
| Timber Logs | 27,454.47 | 23,102.40 |
| Veneer | 14,522.26 | 16,342.55 |
| Chemicals | 8,102.70 | 7,745.36 |
| Paper | 6,879.67 | 5,379.67 |
| Particle Board | 2,546.01 | 2,083.22 |
| Coal/Charcoal/Lam coke | – | 874.59 |
| Super Screen Coal | – | 897.16 |
| Quartz | – | 261.47 |
| Mill Scale | – | 181.81 |
| Others | – | 12.71 |
| | 59,505.11 | 56,880.94 |
| Details of Closing Stock of Raw Materials | | |
| Timber Logs | 5,089.90 | 3,753.44 |
| Veneer | 4,835.51 | 4,910.81 |
| Chemicals | 553.79 | 342.02 |
| Paper | 3,078.69 | 2,248.06 |
| Particle Board | 638.40 | 660.19 |
| Coal/Charcoal/Lam coke | – | 171.33 |
| Quartz | – | 4.47 |
| Mill Scale | – | 22.15 |
| Others | – | 3.14 |
| | 14,196.29 | 12,115.61 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-------------------|------------------|
| 22. (INCREASE)/DECREASE IN INVENTORIES | | |
| Inventories at the beginning of the year | | |
| Traded Goods | 832.42 | 896.15 |
| Finished Goods | 3,157.75 | 2,832.96 |
| Work in Progress | 1,940.81 | 1,847.40 |
| | 5,930.98 | 5,576.51 |
| Less : Inventories transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | | |
| Finished goods | 544.32 | – |
| | 5,386.66 | 5,576.51 |
| Inventories at the end of the year | | |
| Traded Goods | 1,175.97 | 832.42 |
| Finished Goods | 3,386.11 | 3,157.75 |
| Work in Progress | 2,426.87 | 1,940.81 |
| | 6,988.95 | 5,930.98 |
| | (1,602.29) | (354.47) |
| Details of Purchase of Traded Goods | | |
| Plywood and Blockboards | 9,463.74 | 10,082.92 |
| Veneer | 7.98 | 0.40 |
| Medium Density Fibreboard/Plain Particle Boards | 281.17 | 186.47 |
| Chemicals | 630.91 | 608.01 |
| Pest Control Kits | 38.46 | 66.72 |
| Phenol | 1,205.16 | – |
| Dolomite | 735.09 | 183.04 |
| Furniture | 322.32 | – |
| Others | – | 312.43 |
| | 12,684.83 | 11,439.99 |
| Details of Inventory | | |
| Traded Goods | | |
| Plywood and Blockboard | 717.41 | 668.37 |
| Medium Density Fibreboard/Plain Particle Boards | 84.32 | 13.37 |
| Chemicals | 102.08 | 83.41 |
| Pest Control Kits | 58.26 | 66.82 |
| Furniture | 213.90 | – |
| Others | – | 0.45 |
| | 1,175.97 | 832.42 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| 22. (INCREASE)/DECREASE IN INVENTORIES (Contd.) | | |
| Finished Goods | | |
| Plywood and Blockboard | 1,202.18 | 1,426.43 |
| Laminates | 1,770.33 | 934.04 |
| Pre-Laminated Particle Boards | 68.01 | 56.82 |
| Veneer | 345.59 | 196.14 |
| Ferro Silicon | – | 534.77 |
| Silicon Manganese | – | 9.55 |
| | 3,386.11 | 3,157.75 |
| Work in Progress | | |
| Plywood and Blockboard | 1,853.05 | 1,526.04 |
| Laminates | 571.64 | 413.03 |
| Pre-Laminated Particle Boards | 2.18 | 1.74 |
| | 2,426.87 | 1,940.81 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|------------------|-----------------|
| 23. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Bonus, etc. | 10,759.10 | 8,996.06 |
| Contribution to Provident, Gratuity and other Funds | 764.94 | 609.92 |
| Employees Welfare Expenses | 311.12 | 300.45 |
| | 11,835.16 | 9,906.43 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|----------|----------|
| 24. OTHER EXPENSES | | |
| Stores & Spare parts consumed | 1,313.18 | 1,470.65 |
| Power and Fuel | 2,433.39 | 5,145.91 |
| (Increase)/Decrease of excise duty on inventory | 89.13 | 56.33 |
| Insurance | 210.25 | 230.27 |
| Jetty Expenses | – | 19.81 |
| Rent | 993.65 | 787.22 |
| Rates & Taxes | 86.48 | 101.49 |
| Repairs & Maintenance | | |
| - Buildings | 163.54 | 144.90 |
| - Plant & Machinery | 578.20 | 649.58 |
| - Others | 382.13 | 314.12 |
| Transport & Freight | 4,047.15 | 4,042.91 |
| Commission on Sales | 751.63 | 644.47 |
| Advertisement, Publicity and Sales Promotion | 4,837.52 | 3,290.61 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|------------------|------------------|
| 24. OTHER EXPENSES (Contd.) | | |
| Communication Expenses | 238.34 | 237.98 |
| Directors' Sitting Fees | 4.10 | 2.40 |
| Auditors' Remuneration | 38.21 | 37.93 |
| Charity and Donations (Refer Note No. - 39) | 150.05 | 191.58 |
| Octroi | 320.33 | 305.47 |
| Sales Tax for earlier years | 1.72 | 23.45 |
| Foreign Exchange Fluctuations (Net) | - | 172.42 |
| Loss on Fixed Assets Sold /Discarded (Net) | - | 0.60 |
| Irrecoverable Debts, Advances written off | 177.36 | 81.58 |
| Provision for Diminution in value of current investments | 5.00 | - |
| Provision for Doubtful Debts | 88.42 | 12.32 |
| Miscellaneous Expenses | 2,498.41 | 2,143.89 |
| | 19,408.19 | 20,107.89 |
| Payment to Auditors | | |
| As Auditor | | |
| - Audit Fees | 15.00 | 15.00 |
| - Limited review | 9.00 | 9.00 |
| In other Capacity | | |
| - For Certificate and other Services | 5.52 | 5.20 |
| Reimbursement of Expenses | 0.83 | 0.86 |
| Payment to Branch Auditors | | |
| - Audit Fees | 7.86 | 7.87 |
| | 38.21 | 37.93 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| 25. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on Tangible Assets | 2,651.11 | 2,623.56 |
| Amortisation of Intangible Assets | 41.51 | 34.36 |
| | 2,692.62 | 2,657.92 |
| Less : Recoupment from revaluation reserve | 4.21 | 6.63 |
| Less : Transferred to pre-operative expenses | 15.27 | - |
| | 2,673.14 | 2,651.29 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| 26. FINANCE COST | | |
| Interest Expenses [Net of Capitalisation ₹ 96.42 Lacs (₹ 12.18 Lacs)] | 1,492.25 | 1,433.09 |
| Exchange difference to the extent considered as an adjustment to borrowing costs | 2,023.60 | 2,120.55 |
| Bank Charges | 388.95 | 442.69 |
| | 3,904.80 | 3,996.33 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|---------|-----------------|
| 27. EXCEPTIONAL ITEMS | | |
| Foreign Exchange Fluctuation | - | 3,442.82 |
| Less : Exchange difference to the extent considered as an adjustment to borrowing costs (Refer Note No. - 26) | - | 2,120.55 |
| | - | 1,322.27 |

Note :

The Company has treated loss arisen on account of foreign exchange fluctuations and on re-instatement of forex assets and liabilities during the year 2011-2012, as exceptional item, since the same has resulted from exceptionally volatile global market developments during the period from July, 2011 to March, 2012.

Notes to Financial Statements as at and for the year ended 31st March, 2013

28. Capital & Other Commitments

- Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for ₹ 491.53 Lacs (₹ 1,395.35 Lacs)
- For commitment relating to lease arrangements, please Refer Note No. - 33.

29. Contingent Liabilities

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| Contingent Liabilities not provided for in respect of :- | | |
| (a) Demands/Claims by various Government Authorities and others not acknowledged as debt : | | |
| (i) Excise Duty/Service Tax | 817.44 | 392.54 |
| (ii) Sales Tax/VAT | 528.64 | 327.14 |
| (iii) Income Tax | 216.03 | 313.38 |
| Total | 1,562.11 | 1,033.06 |
| (b) Guarantees in favour of a bank against facilities granted to a Subsidiary Company | 1,000.00 | 641.00 |
| (c) Un-redeemed bank guarantees | 743.00 | 557.29 |
| (d) Bills discounted with banks | – | 9.29 |
| (e) Letters of credit issued by the banks | 5,919.05 | 3,102.55 |
| (f) Custom Duty on import under EPCG Scheme against which Export obligation is to be fulfilled | 106.97 | 68.12 |

Note : Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Company, the management believes that the Company has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.

- There is a diminution of ₹ 360.60 Lacs (₹ 185.70 Lacs) in the value of a quoted investment based on the last quoted price. The above investment being long term and strategic in nature, the said diminution, in the opinion of the management, is temporary in nature and hence no provision is considered necessary.
- Excise Duty debited to Statement of Profit & Loss is Net of Subsidy ₹ 679.52 Lacs (₹ 687.93 Lacs).
- The information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|-------------|-------------|
| (i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance) | 8.96 | 0.46 |
| (ii) Interest due on above | – | – |
| Total of (i) & (ii) | 8.96 | 0.46 |

Notes to Financial Statements as at and for the year ended 31st March, 2013 (₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|---------|---------|
| (iii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act. | – | – |
| (iv) Amount paid to the suppliers beyond the respective appointed date. | – | – |
| (v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act. | – | – |
| (vi) Amount of interest accrued and remaining unpaid at the end of accounting year. | – | – |
| (vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | – | – |

33. (a) Operating Lease :

Certain office premises, depots etc are obtained on operating lease. The lease terms are for 1-3 years and are renewable for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. There are no sub-leases. The leases are cancellable.

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|-----------------------------------|---------|---------|
| Lease payments made for the year* | 409.69 | 320.01 |

* Excluding lease rent for use of Land ₹ 425.50 Lacs (₹ 467.21 Lacs).

Certain showrooms are obtained on operating lease. The lease term is for a period of 9 years with escalation clause at the end of every 3 years in the lease agreement. There are no restrictions imposed by lease arrangements. The minimum rentals payable under non-cancellable operating leases are as follows :

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|---|---------|---------|
| Within one year | 198.85 | – |
| After one year but not more than five years | 795.40 | – |
| More than five years | 622.70 | – |

(b) Fixed Assets include certain Vehicles obtained on finance lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. The year-wise break-up and future obligation towards minimum lease payments of ₹ 274.39 Lacs (₹ 662.66 Lacs) consisting of present value of lease payments of ₹ 256.51 Lacs (₹ 589.81 Lacs) and financial charges ₹ 17.88 Lacs (₹ 72.85 Lacs) under the respective agreements as on 31st March, 2013, is given below :

(₹ in Lacs)

| Particulars | Not later than 1 year | | Later than 1 year but not later than 5 years | |
|---------------|------------------------|--------------------------------------|--|--------------------------------------|
| | Minimum lease payments | Present value as on 31st March, 2013 | Minimum lease payments | Present value as on 31st March, 2013 |
| Finance Lease | 183.42 | 169.50 | 90.97 | 87.01 |
| | (314.47) | (259.45) | (348.19) | (330.36) |

* Rate of Interest : 10.00% -11.25%.

Notes to Financial Statements as at and for the year ended 31st March, 2013

34. The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

The following tables summarize the components of net benefit expenses recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity. (₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|----------|---------|
| (i) Net Employee Expense/(Benefit) | | |
| Current service cost | 92.87 | 86.75 |
| Interest cost on benefit obligation | 66.12 | 51.94 |
| Expected return on Plan Assets | (79.42) | (51.91) |
| Net Actuarial (gains)/losses recognized in the year | 39.73 | 22.70 |
| Total employer expense | 119.30 | 109.48 |
| (ii) Actual return on Plan Assets | 71.46 | 48.02 |
| (iii) Benefit Asset/(Liability) | | |
| Fair Value of Plan Assets | 1,013.37 | 748.98 |
| Defined benefit obligation | 857.58 | 726.74 |
| Benefit Asset/(Liability) | 155.79 | 22.24 |
| (iv) Movement in benefit liability | | |
| Opening defined benefit obligation | 726.74 | 591.98 |
| Less : Obligation transferred pursuant to Scheme of Arrangement (Refer Note No. - 35) | 23.73 | — |
| Interest cost | 66.12 | 51.94 |
| Current service cost | 92.87 | 86.75 |
| Benefits paid | (36.19) | (22.74) |
| Actuarial (gains)/losses | 31.77 | 18.81 |
| Closing benefit obligation | 857.58 | 726.74 |
| (v) Movement in fair value of Plan Assets | | |
| Opening fair value of Plan Assets | 748.98 | 508.47 |
| Expected Return on Plan Assets | 79.41 | 51.91 |
| Contribution by employer | 229.11 | 215.23 |
| Benefits paid | (36.19) | (22.74) |
| Actuarial gains/(losses) on obligation | (7.94) | (3.89) |
| Closing fair value of Plan Assets | 1,013.37 | 748.98 |
| (vi) The major categories of Plan Assets as a percentage of the fair value of total Plan Assets | | |
| Funded with insurer | 100% | 100% |
| (vii) The Principal actuarial assumptions are as follows : | | |
| Discount rate | 8.25% | 8% |
| Expected Return on Plan Assets | 9% | 8% |
| Salary Increase | 5% | 5% |
| Withdrawal rates (Varying between per annum depending upon the duration and age of the employees) | 1%-8% | 1%-2% |

Notes to Financial Statements as at and for the year ended 31st March, 2013

(viii) Amount incurred as expense for defined contribution to Provident Fund is ₹ 393.06 Lacs (₹ 310.00 Lacs).

(ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) The Company expects to contribute ₹ 100 Lacs (₹ 100 Lacs) to Gratuity Fund in 2013-2014.

(xi) **The details for the current and previous periods are as follows :**

(₹ in Lacs)

| | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
|--|-----------|-----------|-----------|-----------|-----------|
| Defined Benefit Obligation | 857.58 | 726.74 | 591.98 | 412.69 | 363.32 |
| Plan Assets | 1013.37 | 748.98 | 508.47 | 388.37 | 231.49 |
| Surplus/(Deficit) | 155.79 | 22.24 | (83.51) | (24.32) | (131.83) |
| Experience adjustments on Plan Liability | 31.77 | 18.81 | 77.21 | * | * |
| Experience adjustments on Plan Assets | (7.94) | (3.89) | 0.04 | * | * |

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

35. Scheme of Arrangement :

a) Pursuant to the Scheme of Arrangement ("The Scheme") approved by the Hon'ble High Court of Kolkata vide its order dated 17th May, 2013, all the assets and liabilities of the Ferro Alloys and Cement division (i.e., business and interests of the Company in manufacture of ferro alloys and cement, including captive power plants attached thereto) have been transferred to and vested in Star Ferro and Cement Limited (Resulting Company) at their respective book values on a going concern basis with effect from 1st April, 2012 being the appointed date. Accordingly, the Scheme of Arrangement has been given effect to in these accounts.

b) The details of the assets and liabilities transferred to the Resulting Company are as under :

(₹ in Lacs)

| ASSETS | |
|-------------------------------|------------------|
| Non-Current Assets | |
| Fixed Assets | |
| Tangible Assets | 2,541.07 |
| Capital Work-in-Progress | 998.42 |
| Non-Current Investments | 6,328.25 |
| Long-Term Loans and Advances | 72.08 |
| | 9,939.82 |
| Current Assets | |
| Inventories | 1,960.52 |
| Trade Receivables | 488.14 |
| Cash and Bank Balances | 167.89 |
| Short-Term Loans and Advances | 705.60 |
| Other Current Assets | 59.92 |
| | 3,382.07 |
| TOTAL | 13,321.89 |

Notes to Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| LIABILITES | |
|--------------------------------|-----------------|
| Non-Current Liabilities | |
| Long-Term Borrowings | 575.90 |
| | 575.90 |
| Current liabilities | |
| Short-Term Borrowings | 1,173.40 |
| Trade Payables | 330.48 |
| Other Current Liabilities | 384.49 |
| Short-Term Provisions | 13.25 |
| | 1,901.62 |
| TOTAL | 2,477.52 |

- c) Pursuant to the scheme, the difference between book value of assets and liabilities transferred to the Resulting Company being ₹ 10,844.37 Lacs, has been debited to the following Reserves of the Company.

(₹ in Lacs)

| | |
|-----------------|------------------|
| Capital Reserve | 1,222.93 |
| General Reserve | 9,621.44 |
| | 10,844.37 |

36. Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations i.e Ferro alloys and cement division of the company which has been demerged w.e.f 1st April, 2012 (Refer Note No. -35)

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|----------------|-----------------|
| Income | | |
| Revenue from operations (gross) | – | 7,263.19 |
| Less : excise duty | – | 195.04 |
| Revenue from operations (net) | – | 7,068.15 |
| Other income | – | 15.00 |
| Total revenue (I) | – | 7,083.15 |
| Expenses | | |
| Cost of raw materials consumed | – | 2,227.74 |
| (Increase)/ decrease in inventories of finished goods and work-in-progress | – | (251.15) |
| Employee benefits expense | – | 381.65 |
| Other expenses | – | 4,201.90 |
| Total (II) | – | 6,560.14 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II) | – | 523.01 |
| Depreciation and amortization expense | – | 450.44 |
| Finance costs | – | 224.35 |
| Profit Before Tax | – | (151.78) |
| Tax Expense | – | – |
| Profit/(Loss) after tax | – | (151.78) |

Notes to Financial Statements as at and for the year ended 31st March, 2013

The carrying amounts of the total assets and liabilities of the Ferro and cement division of the company are as follows :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|-------------------|----------|------------------|
| Total assets | – | 13,321.89 |
| Total liabilities | – | 2,477.52 |
| Net assets | – | 10,844.37 |

The net cash flows attributable to the Ferro and Cement division of the company is as below :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--------------------------------------|----------|----------------|
| Operating activities | – | (380.26) |
| Investing activities | – | (793.52) |
| Financing activities | – | 1,160.84 |
| Net cash inflows / (outflows) | – | (12.94) |

37. Earning per Share (EPS)

In terms of Accounting Standard - 20, the calculation of EPS is given below :

| | 2012-13 | 2011-12 |
|---|--------------|--------------|
| Profit as per the Statement of Profit & Loss (₹ in Lacs) | 5,265.14 | 6,008.65 |
| Less : Preference dividend for the year (including Tax on Dividend) (₹ in Lacs) | 2.44 | 5.23 |
| Profit available for Equity Shareholders | 5,262.70 | 6,003.42 |
| Weighted average number of Equity Shares outstanding during the year | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹) | 1 | 1 |
| Basic and Diluted earnings per share (EPS) (₹) | 2.37 | 2.70 |

38. Derivative instruments and unhedged foreign currency exposure.

a) Derivative instrument not for trading or speculation but as hedge of underlying transaction, outstanding as on the Balance Sheet date, are as follows :

| Interest Rate Swap | |
|--|---|
| Notional amount USD 96 Lacs (USD 120 Lacs). [₹ 5,221.44 Lacs (₹ 6,139.20 Lacs)] | Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.62% p.a. (in USD) and receive a variable interest @ 3 month LIBOR on the notional amount |

b) The particulars of unhedged foreign currency exposures as on the balance sheet date, are as follows :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|-----------------------------|-----------|-----------|
| Nature of Item | | |
| Foreign Currency Term Loans | 7,913.75 | 6,653.41 |
| Buyer's credit | 27,877.79 | 22,768.93 |
| Trade Receivables | 1,299.87 | 561.89 |
| Trade Payables | 2,814.92 | 4,068.93 |

39. Charity and Donations includes ₹ 7.00 Lacs (₹ 4.00 Lacs) paid to the Bhartiya Janata Party.

Notes to Financial Statements as at and for the year ended 31st March, 2013

40. Related Party Disclosures

a) Name of the related parties and related party relationship :

Related parties where control exists

Subsidiary Companies

| |
|---|
| Auro Sundram Ply & Door Pvt. Ltd. |
| Aegis Business Ltd. |
| Aegis Overseas Ltd. |
| Centuryply Myanmar Pvt. Ltd. (with effect from 4th July, 2012) |
| Cement Manufacturing Co. Ltd. (Up to 31st March, 2012)* |
| Megha Technical & Engineers Pvt. Ltd. (Up to 31st March, 2012)* |
| Meghalaya Power Ltd. (Up to 31st March, 2012)* |
| Century MDF Ltd. (with effect from 20th June, 2012) |
| Star Cement Meghalaya Ltd. (Up to 31st March, 2012)* |
| NE Hills Hydro Ltd. (Up to 31st March, 2012)* |
| Star Ferro and Cement Ltd. (Up to 31st March, 2012)* |

Related parties with whom transactions have taken place during the year

Associates

| |
|---------------------------|
| Adonis Vyaper Pvt. Ltd. |
| Apnapan Viniyog Pvt. Ltd. |
| Ara Suppliers Pvt. Ltd. |
| Arham Sales Pvt. Ltd. |

Key Management Personnel

| |
|--|
| Sri Sajjan Bhajanka (Chairman) |
| Sri Sanjay Agarwal (Managing Director) |
| Sri Prem Kumar Bhajanka (Managing Director) |
| Sri Vishnu Khemani (Managing Director) |
| Sri Hari Prasad Agarwal (Vice Chairman) |
| Sri Ajay Baldawa (Executive Director) |
| Sri Satya Brata Ganguly (Chairman) (Resigned w.e.f. 12th March, 2012) |
| Sri Arun Kumar Julasaria (Chief Financial Officer cum Company Secretary) |

Enterprises Owned/ Influenced by Key Management Personnel or their relatives

| |
|--------------------------------------|
| Brijdham Merchants Pvt. Ltd. |
| Pacific Plywoods Pvt. Ltd. |
| Shyam Century Cement Industries Ltd. |
| Sri Ram Merchants Pvt. Ltd. |
| Sri Ram Vanijya Pvt. Ltd. |
| Sumangal Business Pvt. Ltd. |
| Sumangal International Pvt. Ltd. |

Relatives of Key Management Personnel

| |
|---|
| Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka) |
| Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal) |
| Smt. Sumitra Devi Agarwal (Wife of Sri Hari Prasad Agarwal) |
| Smt. Yash Bhajanka (Wife of Sri Prem Kumar Bhajanka) |
| Smt. Sudha Khemani (Wife of Sri Vishnu Khemani) |
| Sri Keshav Bhajanka (Son of Sri Sajjan Bhajanka) |
| Ms. Nikita Agarwal (Daughter of Sri Sanjay Agarwal) |

* Ceased to be subsidiary w.e.f. 1st April, 2012 pursuant to Scheme of Arrangement (Refer Note No. - 35).

Notes to Financial Statements as at and for the year ended 31st March, 2013

| b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013 | | | | | | | | | | | | (₹ in Lacs) | |
|--|---------------------------------------|--------------|----------|------------|---------|---|----------|-----------------------------|---------|---|---------|-------------|----------|
| Sl. No. | Type of Transactions | Subsidiaries | | Associates | | Enterprises owned/ Influenced by Key Management Personnel or their relatives | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
| | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| 1 | Purchase of Trading Goods | | | | | | | | | | | | |
| | Auro Sundram Ply & Door Pvt. Ltd. | 5,184.04 | 4,788.02 | - | - | - | - | - | - | - | - | 5,184.04 | 4,788.02 |
| | Cement Manufacturing Co. Ltd. | - | 9.49 | - | - | - | - | - | - | - | - | - | 9.49 |
| 2 | Sale of Products | | | | | | | | | | | | |
| | Aegis Overseas Ltd. | 743.87 | 184.13 | - | - | - | - | - | - | - | - | 743.87 | 184.13 |
| | Cement Manufacturing Co. Ltd. | - | 498.85 | - | - | - | - | - | - | - | - | - | 498.85 |
| | Auro Sundram Ply & Door Pvt. Ltd. | 192.98 | 98.01 | - | - | - | - | - | - | - | - | 192.98 | 98.01 |
| | Others | - | 40.75 | - | - | - | - | - | - | - | - | - | 40.75 |
| 3 | Income from Logistics Services | | | | | | | | | | | | |
| | Star Cement Meghalaya Ltd. | - | 10.59 | - | - | - | - | - | - | - | - | - | 10.59 |
| 4 | Purchase of Capital Goods | | | | | | | | | | | | |
| | Cement Manufacturing Company Ltd. | - | 15.82 | - | - | - | - | - | - | - | - | - | 15.82 |
| | Megha Technical & Engineers Pvt. Ltd. | - | 9.80 | - | - | - | - | - | - | - | - | - | 9.80 |
| 5 | Professional Services availed | | | | | | | | | | | | |
| | Aegis Business Ltd. | 12.30 | 31.21 | - | - | - | - | - | - | - | - | 12.30 | 31.21 |
| 6 | Reimbursement Paid | | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | - | - | - | - | 0.72 | - | - | - | - | - | 0.72 | - |
| | Aegis Business Ltd. | 1.27 | - | - | - | - | - | - | - | - | - | 1.27 | - |
| 7 | Loan taken | | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | - | - | - | - | 119.00 | 367.70 | - | - | - | - | 119.00 | 367.70 |
| | Sri Ram Merchants Pvt. Ltd. | - | - | - | - | 420.00 | 603.00 | - | - | - | - | 420.00 | 603.00 |
| | Sri Ram Vanjiya Pvt. Ltd. | - | - | - | - | 984.00 | 1,315.00 | - | - | - | - | 984.00 | 1,315.00 |
| | Sumangal Business Pvt. Ltd. | - | - | - | - | 164.00 | 259.50 | - | - | - | - | 164.00 | 259.50 |
| | Sumangal International Pvt. Ltd. | - | - | - | - | 388.50 | 113.00 | - | - | - | - | 388.50 | 113.00 |
| | Cement Manufacturing Co. Ltd. | - | 1,920.00 | - | - | - | - | - | - | - | - | - | 1,920.00 |
| | Megha Technical & Engineers Pvt. Ltd. | - | 750.00 | - | - | - | - | - | - | - | - | - | 750.00 |
| | Aegis Business Ltd. | 360.00 | 450.00 | - | - | - | - | - | - | - | - | 360.00 | 450.00 |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | - | 300.00 | - | - | - | 300.00 |
| 8 | Loan Repaid | | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | - | - | - | - | 119.00 | 367.70 | - | - | - | - | 119.00 | 367.70 |
| | Sri Ram Merchants Pvt. Ltd. | - | - | - | - | 420.00 | 603.00 | - | - | - | - | 420.00 | 603.00 |
| | Sri Ram Vanjiya Pvt. Ltd. | - | - | - | - | 984.00 | 1,315.00 | - | - | - | - | 984.00 | 1,315.00 |
| | Sumangal Business Pvt. Ltd. | - | - | - | - | 164.00 | 259.50 | - | - | - | - | 164.00 | 259.50 |
| | Sumangal International Pvt. Ltd. | - | - | - | - | 388.50 | 113.00 | - | - | - | - | 388.50 | 113.00 |
| | Cement Manufacturing Co. Ltd. | - | 2,420.00 | - | - | - | - | - | - | - | - | - | 2,420.00 |
| | Megha Technical & Engineers Pvt. Ltd. | - | 750.00 | - | - | - | - | - | - | - | - | - | 750.00 |
| | Aegis Business Ltd. | 360.00 | 450.00 | - | - | - | - | - | - | - | - | 360.00 | 450.00 |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | 300.00 | - | - | - | 300.00 | - |
| 9 | Loan Given | | | | | | | | | | | | |
| | Cement Manufacturing Co. Ltd. | - | 2,300.00 | - | - | - | - | - | - | - | - | - | 2,300.00 |
| | Aegis Business Ltd. | 1,767.17 | 50.00 | - | - | - | - | - | - | - | - | 1,767.17 | 50.00 |
| | Century MDF Ltd. | 20.71 | - | - | - | - | - | - | - | - | - | 20.71 | - |
| 10 | Loan Received Back | | | | | | | | | | | | |
| | Cement Manufacturing Co. Ltd. | - | 2,300.00 | - | - | - | - | - | - | - | - | - | 2,300.00 |
| | Auro Sundram Ply & Door Pvt. Ltd. | - | 35.82 | - | - | - | - | - | - | - | - | - | 35.82 |
| | Aegis Business Ltd. | 545.00 | 50.00 | - | - | - | - | - | - | - | - | 545.00 | 50.00 |

Notes to Financial Statements as at and for the year ended 31st March, 2013

| b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013 (Contd.) | | | | | | | | | | | | (₹ in Lacs) | |
|---|--|--------------|----------|------------|---------|--|---------|--------------------------|---------|---------------------------------------|---------|-------------|----------|
| Sl. No. | Type of Transactions | Subsidiaries | | Associates | | Enterprises owned/ Influenced by Key Management Personnel or their relatives | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
| | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| 11 | Share Application Money (Net of Allotment) | | | | | | | | | | | | |
| | Centuryply Myanmar Pvt. Ltd. | 1,121.30 | - | - | - | - | - | - | - | - | - | 1,121.30 | - |
| 12 | Redemption of Preference Shares | | | | | | | | | | | | |
| | Sri Vishnu Khemani | - | - | - | - | - | - | 50.00 | - | - | - | 50.00 | - |
| 13 | Refund of Share Application Money | | | | | | | | | | | | |
| | Ara Suppliers Pvt. Ltd. | - | - | - | 1.00 | - | - | - | - | - | - | - | 1.00 |
| | Shyam Century Cement Industries Ltd. | - | - | - | - | - | 242.00 | - | - | - | - | - | 242.00 |
| 14 | Investments Made | | | | | | | | | | | | |
| | Adonis Vyaper Pvt. Ltd. | - | - | - | 47.50 | - | - | - | - | - | - | - | 47.50 |
| | Apnapan Viniyog Pvt. Ltd. | - | - | - | 47.50 | - | - | - | - | - | - | - | 47.50 |
| | Ara Suppliers Pvt. Ltd. | - | - | - | 47.50 | - | - | - | - | - | - | - | 47.50 |
| | Arham Sales Pvt. Ltd. | - | - | - | 47.50 | - | - | - | - | - | - | - | 47.50 |
| | Centuryply Myanmar Pvt. Ltd. | 560.94 | - | - | - | - | - | - | - | - | - | 560.94 | - |
| | Century MDF Ltd. | 5.00 | - | - | - | - | - | - | - | - | - | 5.00 | - |
| | Meghalaya Power Ltd. | - | 1,577.00 | - | - | - | - | - | - | - | - | - | 1,577.00 |
| 15 | Interest Paid | | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | - | - | - | - | 6.86 | 11.06 | - | - | - | - | 6.86 | 11.06 |
| | Sri Ram Merchants Pvt. Ltd. | - | - | - | - | 16.40 | 14.25 | - | - | - | - | 16.40 | 14.25 |
| | Sri Ram Vanjija Pvt. Ltd. | - | - | - | - | 28.68 | 40.36 | - | - | - | - | 28.68 | 40.36 |
| | Sumangal Business Pvt. Ltd. | - | - | - | - | 1.00 | 7.68 | - | - | - | - | 1.00 | 7.68 |
| | Sumangal International Pvt. Ltd. | - | - | - | - | 12.44 | 3.87 | - | - | - | - | 12.44 | 3.87 |
| | Cement Manufacturing Co. Ltd. | - | 50.65 | - | - | - | - | - | - | - | - | - | 50.65 |
| | Aegis Business Ltd. | 12.05 | 19.99 | - | - | - | - | - | - | - | - | 12.05 | 19.99 |
| | Megha Technical & Engineers Pvt. Ltd. | - | 40.78 | - | - | - | - | - | - | - | - | - | 40.78 |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | 20.42 | 8.39 | - | - | 20.42 | 8.39 |
| 16 | Interest Received | | | | | | | | | | | | |
| | Auro Sundram Ply & Door Pvt. Ltd. | 52.97 | 46.00 | - | - | - | - | - | - | - | - | 52.97 | 46.00 |
| | Cement Manufacturing Co. Ltd. | - | 31.35 | - | - | - | - | - | - | - | - | - | 31.35 |
| 17 | Dividend Paid | | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | - | - | - | - | - | - | - | 491.43 | - | - | - | 491.43 |
| | Sri Sanjay Agarwal | - | - | - | - | - | - | - | 424.44 | - | - | - | 424.44 |
| | Smt. Divya Agarwal | - | - | - | - | - | - | - | - | - | 335.00 | - | 335.00 |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | - | 305.17 | - | - | - | 305.17 |
| | Sri Vishnu Khemani | - | - | - | - | - | - | 2.10 | 154.24 | - | - | 2.10 | 154.24 |
| | Smt. Santosh Bhajanka | - | - | - | - | - | - | - | - | - | 312.99 | - | 312.99 |
| | Others | - | - | - | - | - | 786.58 | - | 48.72 | - | 384.52 | - | 1,219.82 |
| 18 | Remuneration Paid | | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | - | - | - | - | - | - | 60.00 | 60.00 | - | - | 60.00 | 60.00 |
| | Sri Sanjay Agarwal | - | - | - | - | - | - | 60.00 | 60.00 | - | - | 60.00 | 60.00 |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | 36.00 | 36.00 | - | - | 36.00 | 36.00 |
| | Sri Vishnu Khemani | - | - | - | - | - | - | 60.00 | 60.00 | - | - | 60.00 | 60.00 |
| | Sri Hari Prasad Agarwal | - | - | - | - | - | - | 30.00 | 30.00 | - | - | 30.00 | 30.00 |
| | Sri Ajay Baldawa | - | - | - | - | - | - | 33.60 | 24.00 | - | - | 33.60 | 24.00 |
| | Sri Satya Brata Ganguly | - | - | - | - | - | - | - | 7.00 | - | - | - | 7.00 |
| | Sri Arun Kumar Julasaria | - | - | - | - | - | - | 29.02 | 24.37 | - | - | 29.02 | 24.37 |
| | Sri Keshav Bhajanka | - | - | - | - | - | - | - | - | 15.00 | 5.00 | 15.00 | 5.00 |
| | Ms. Nikita Agarwal | - | - | - | - | - | - | - | - | 5.87 | 3.59 | 5.87 | 3.59 |

Notes to Financial Statements as at and for the year ended 31st March, 2013

| b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013 (Contd.) | | | | | | | | | | | | | (₹ in Lacs) | |
|---|--|--------------|----------|------------|---------|--|---------|--------------------------|-----------|---------------------------------------|---------|-----------|-------------|--|
| Sl. No. | Type of Transactions | Subsidiaries | | Associates | | Enterprises owned/ Influenced by Key Management Personnel or their relatives | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | | |
| | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | |
| 19 | Sitting Fees | | | | | | | | | | | | | |
| | Sri Satya Brata Ganguly | - | - | - | - | - | - | - | 0.40 | - | - | - | 0.40 | |
| 20 | Guarantees Obtained* | | | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | - | - | - | - | - | - | 89,375.05 | 38,257.05 | - | - | 89,375.05 | 38,257.05 | |
| | Sri Sanjay Agarwal | - | - | - | - | - | - | 86,875.05 | 35,757.05 | - | - | 86,875.05 | 35,757.05 | |
| | Sri Hari Prasad Agarwal | - | - | - | - | - | - | 86,875.05 | 35,757.05 | - | - | 86,875.05 | 35,757.05 | |
| 21 | Guarantees Given | | | | | | | | | | | | | |
| | Auro Sundram Ply & Door Pvt. Ltd. | 1,000.00 | 641.00 | - | - | - | - | - | - | - | - | 1,000.00 | 641.00 | |
| 22 | Advance Given | | | | | | | | | | | | | |
| | Sri Arun Kumar Julasaria | - | - | - | - | - | - | 25.45 | - | - | - | 25.45 | - | |
| 23 | Advance Received back | | | | | | | | | | | | | |
| | Sri Arun Kumar Julasaria | - | - | - | - | - | - | 12.45 | - | - | - | 12.45 | - | |
| 24 | Balance Outstanding on account of | | | | | | | | | | | | | |
| A | Receivable/(Payable) | | | | | | | | | | | | | |
| | Auro Sundram Ply & Door Pvt. Ltd. | (233.83) | (587.48) | - | - | - | - | - | - | - | - | (233.83) | (587.48) | |
| | Aegis Overseas Ltd. | 507.22 | - | - | - | - | - | - | - | - | - | 507.22 | - | |
| | Others | - | - | - | - | - | - | 13.00 | 0.94 | - | 0.01 | 13.00 | 0.95 | |
| B | Loans (incl. interest) | | | | | | | | | | | | | |
| | Auro Sundram Ply & Door Pvt. Ltd. | 489.07 | 441.40 | - | - | - | - | - | - | - | - | 489.07 | 441.40 | |
| | Sri Prem Kumar Bhajanka | - | - | - | - | - | - | - | (300.00) | - | - | - | (300.00) | |
| | Aegis Business Ltd. | 1,254.27 | - | - | - | - | - | - | - | - | - | 1,254.27 | - | |
| C | Remuneration Payable | | | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | - | - | - | - | - | - | 3.60 | - | - | - | 3.60 | - | |
| | Sri Sanjay Agarwal | - | - | - | - | - | - | 3.60 | - | - | - | 3.60 | - | |
| | Sri Hari Prasad Agarwal | - | - | - | - | - | - | 1.90 | - | - | - | 1.90 | - | |
| | Sri Ajay Baldawa | - | - | - | - | - | - | 2.37 | 1.56 | - | - | 2.37 | 1.56 | |
| D | Salary Payable | | | | | | | | | | | | | |
| | Sri Arun Kumar Julasaria | - | - | - | - | - | - | 0.57 | 0.28 | - | - | 0.57 | 0.28 | |
| | Ms. Nikita Agarwal | - | - | - | - | - | - | - | - | 0.47 | 0.44 | 0.47 | 0.44 | |
| | Sri Keshav Bhajanka | - | - | - | - | - | - | - | - | 1.01 | 1.13 | 1.01 | 1.13 | |

* Guarantees given in aggregate by all the directors.

Notes to Financial Statements as at and for the year ended 31st March, 2013

41. The Company's segment information as at and for the Year ended 31st March, 2013 are as below : (₹ in Lacs)

| Sl. No. | Continuing Operations | | | | Discontinuing Operations | | Total |
|----------|--|-------------|-------------|------------|--------------------------|------------|------------------------|
| | Plywood | Laminate | Logistics | Others | Ferro Alloys | Power | |
| a | Revenue (Gross) | | | | | | |
| | External Sales | 90,446.29 | 23,162.69 | 5,852.55 | 2,882.68 | – | 1,22,344.21 |
| | | (85,513.90) | (19,729.74) | (5,328.76) | (1,240.80) | (6,294.58) | (1,19,057.34) |
| | Inter-segment Sales | – | – | 62.47 | 267.67 | – | 330.14 |
| | | (–) | (–) | (143.21) | (48.20) | (–) | (2,984.14) |
| | Total Revenue (Gross) | 90,446.29 | 23,162.69 | 5,915.02 | 3,150.35 | – | 1,22,674.35 |
| | | (85,513.90) | (19,729.74) | (5,471.97) | (1,289.00) | (6,294.58) | (1,22,041.48) |
| b | Result | | | | | | |
| | Segment Results | 6,146.29 | 1,922.11 | 2,158.86 | -291.22 | – | 9,936.04 |
| | | (6,906.94) | (2,096.40) | (1,893.17) | (204.53) | (– 95.76) | (11,173.62) |
| | Unallocated Income/(-) Expenses (Net of unallocated income/(-) Expense (including exceptional items) | | | | | | (594.18) (- 881.57) |
| | Operating Profit | | | | | | 9,341.86 |
| | | | | | | | (10,292.05) |
| | Finance Cost | | | | | | 3,904.80 |
| | | | | | | | (3,996.33) |
| | Provision for Taxation | | | | | | 1,106.20 |
| | | | | | | | (1,258.00) |
| | Mat Credit Entitlement | | | | | | -956.00 |
| | | | | | | | (-952.00) |
| | Deferred Tax Charge/(-) Credit | | | | | | 21.72 |
| | | | | | | | (-18.93) |
| | Net Profit | | | | | | 5,265.14 |
| | | | | | | | (6,008.65) |
| | Other Information | | | | | | |
| a | Total Assets | | | | | | |
| | Segment Assets | 43,720.27 | 16,491.31 | 7,491.68 | 1,572.25 | – | 69,275.51 |
| | | (37,995.20) | (13,140.38) | (7,883.88) | (628.34) | (3,752.31) | (66,633.45) |
| | Unallocated Corporate/Other Assets | | | | | | 14,546.00 |
| | | | | | | | (11,609.24) |
| | | | | | | | 83,821.51 |
| | | | | | | | (78,242.69) |
| b | Total Liabilities | | | | | | |
| | Segment Liabilities | 8,682.12 | 1,853.76 | 583.20 | 24.33 | – | 11,143.41 |
| | | (5,948.11) | (3,956.15) | (483.40) | (158.11) | (426.31) | (11,228.92) |
| | Unallocated Corporates/Other Liabilities | | | | | | 47,711.00 |
| | | | | | | | (35,760.96) |
| | | | | | | | 58,854.41 |
| | | | | | | | (46,989.88) |
| c | Capital Expenditure* | | | | | | |
| | | 4,439.61 | 2,163.47 | 485.60 | 1.35 | – | 7,090.03 |
| | | (2,985.35) | (1,561.38) | (529.50) | (0.94) | (89.23) | (6,128.55) |
| d | Depreciation/Amortisation | | | | | | |
| | | 1,050.09 | 832.15 | 762.48 | 28.42 | – | 2,673.14 |
| | | (950.30) | (438.49) | (808.86) | (3.20) | (118.68) | (2,651.29) |

Notes to Financial Statements as at and for the year ended 31st March, 2013

41. The Company's segment information as at and for the Year ended 31st March, 2013 are as below : (Contd.)

| Sl. No. | | Continuing Operations | | | | Discontinuing Operations | | Total |
|---------|---------------------------------------|-----------------------|----------|-----------|--------|--------------------------|-------|---------------|
| | | Plywood | Laminate | Logistics | Others | Ferro Alloys | Power | |
| e | Geographical Segment | | | | | | | (₹ in Lacs) |
| | i. Revenue (Gross) | | | | | | | |
| | India | | | | | | | 1,17,223.17 |
| | | | | | | | | (1,15,644.62) |
| | Overseas | | | | | | | 5,121.04 |
| | | | | | | | | (3,412.72) |
| | ii. Carrying amount of Segment Assets | | | | | | | |
| | India | | | | | | | 67,975.64 |
| | | | | | | | | (66,071.56) |
| | Overseas | | | | | | | 1,299.87 |
| | | | | | | | | (561.89) |

*Excluding ₹ 281.88 Lacs (₹ 77.01 Lacs) for unallocated corporate assets.

Notes :

(a) Business Segments: The business segments have been identified on the basis of the products of the Company. Accordingly, the Company has identified following business segments:

- Plywood – Plywood, Block-Board, Veneer & Timber
- Laminate – Decorative Laminates & Pre-laminated Boards
- Logistic – Container Freight Stations (CFS)
- Others – Mainly Trading of Chemicals, Minerals and Readymade Furniture.

In addition to the above business segments, the Company had Ferro Alloys and Power as business segments till 31st March, 2012 which have been demerged with effect from 1st April, 2012 (Refer Note No. - 35).

(b) Geographical Segments: The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into India and overseas operations.

(c) The company has common fixed assets for producing goods for domestic and overseas market. Hence separate figures for fixed assets/additions to fixed assets have not been furnished.

42. The Company has paid anti dumping duty amounting to ₹ 204.16 Lacs (including ₹ 47.43 Lacs during the year) on import of phenol which in opinion of the management and based on a legal opinion, is in excess of actual margin of dumping of said materials and accordingly refundable in terms of Section 9AA of Custom Tariff Act, 1975 and hence the same is considered as receivable and included under the head Loans & Advances.

Notes to Financial Statements as at and for the year ended 31st March, 2013

| 43. (a) Quantitative details of Products Manufactured, Turnover, Opening Stock, Purchases, Closing Stock etc. : | Particulars | Unit | Opening Stock | | Production | | Purchases | | Turnover (b) | | Closing Stock | |
|---|----------------------|------|------------------------|------------------------|--------------------------|------------------------|--------------------------|--------------------------|------------------------------|------------------------|------------------------|--------|
| | | | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount | Quantity | Amount |
| | | | | | | | | | | | | |
| i) | Plywood | CBM | 6,156 (5,800) | 2,094.72 (1,977.44) | 1,17,648 (1,24,624) | 36,761 (36,125) | 9,463.74 (10,082.92) | 1,54,733 (1,60,393) | 78,053.09 (76,284.85) | 5,832 (6,156) | 1,919.59 (2,094.72) | |
| ii) | Veneer | CBM | 563 (690) | 196.59 (191.03) | 88,703 (a) (79,735) | 15 (15) | 7.98 (0.40) | 36,644 (36,954) | 12,883.09 (9,243.17) | 875 (563) | 345.59 (196.59) | |
| iii) | Laminate Sheets | Nos. | 1,71,895 (2,42,240) | 934.04 (1,028.71) | 28,12,686 (23,73,697) | - (-) | - (-) | 26,98,740 (24,44,042) | 18,001.79 (15,329.83) | 2,85,841 (1,71,895) | 1,770.33 (934.04) | |
| iv) | Pre-Laminated Boards | SQM | 18,185 (13,330) | 56.82 (36.10) | 11,47,680 (11,18,608) | - (-) | - (-) | 11,47,524 (11,13,753) | 4,412.62 (4,081.73) | 18,341 (18,185) | 68.01 (56.82) | |
| v) | Ferro Silicon | MT | - (568) | - (283.62) | - (8,816) | - (-) | - (-) | - (8,485) | - (6,294.58) | - (899) | - (534.77) | |
| vi) | Silicon Manganese | MT | - (39) | - (9.55) | - (-) | - (-) | - (-) | - (-) | - (-) | - (39) | - (9.55) | |
| vii) | Power | MW | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | |
| viii) | Adhesives | MT | - (1) | - (0.17) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | - (-) | |
| ix) | MDF/PPB | CBM | 49 (317) | 13.37 (50.43) | - (-) | 1,506 (1,151) | 281.17 (186.47) | 1,127 (1,419) | 281.15 (343.92) | 428 (49) | 84.32 (13.37) | |
| x) | Chemicals | MT | 44 (51) | 83.41 (89.83) | - (-) | 290 (311) | 630.91 (608.01) | 289 (318) | 627.69 (591.89) | 45 (44) | 102.08 (83.41) | |
| xi) | Pest Control Kits | PCS | 1,96,374 (1,90,421) | 66.90 (62.23) | - (-) | 2,53,142 (4,35,054) | 38.46 (66.72) | 3,26,109 (4,29,101) | 80.42 (98.10) | 1,23,407 (1,96,374) | 58.26 (66.90) | |
| xii) | Phenol | | - (-) | - (-) | - (-) | 1,401 (-) | 1,205.16 (-) | 1,401 (-) | 1,231.38 (-) | - (-) | - (-) | |
| xiii) | Dolomite | MT | - (-) | - (-) | - (-) | 1,29,093 (39,440) | 735.09 (183.04) | 1,29,093 (39,440) | 743.87 (184.12) | - (-) | - (-) | |
| xiv) | Furniture | | - (-) | - (-) | - (-) | - (-) | 322.32 (-) | - (-) | 173.66 (-) | - (-) | 213.90 (-) | |
| xv) | Others | | - (-) | - (-) | - (-) | - (-) | - (312.43) | - (-) | 2.90 (326.83) | - (-) | - (-) | |
| | | | | 3,445.85 (3,729.11) | | | 12,684.83 (11,439.99) | | 1,16,491.66 (1,13,728.58) | | 4,562.08 (3,990.17) | |

(a) Includes 51762 CBM (42923 CBM) of Veneer and NIL (79875 MW) of power for own consumption.
(b) Includes Excise duty
(c) Stock transferred pursuant to Scheme of Arrangement ₹ 544.32 Lacs (Refer Note No.-35).

Notes to Financial Statements as at and for the year ended 31st March, 2013

43. (b) Raw Materials Consumed :

| | Unit of Qty. | 2012-13 | | 2011-12 | |
|------------------------------|--------------|-------------|--------------------|-------------|--------------------|
| | | Quantity | Value ₹ in Lacs | Quantity | Value ₹ in Lacs |
| (i) Timber Logs | CBM | 1,40,968 | 27,454.47 | 1,15,124 | 23,102.40 |
| (ii) Veneer | CBM | 1,32,093 | 14,522.26 | 1,53,201 | 16,342.55 |
| (iii) Chemicals | KGS/LTR. | 1,65,09,623 | 8,102.70 | 1,62,10,715 | 7,745.36 |
| (iv) Paper | KGS | 85,85,911 | 6,879.67 | 73,63,035 | 5,379.67 |
| (v) Particle Board | CBM | 11,83,379 | 2,546.01 | 11,42,350 | 2,083.22 |
| (vi) Coal/Charcoal/Lame Coke | MT | – | – | 8,242 | 874.59 |
| (vii) Super Screen Coal | MT | – | – | 5,574 | 897.16 |
| (viii) Quartz | MT | – | – | 17,134 | 261.47 |
| (ix) Mill Scale | MT | – | – | 3,169 | 181.81 |
| (x) Others | | | | | 12.71 |
| Total | | | 59,505.11 | | 56,880.94 |

(c) Value of Imported and indigenous Raw-materials and stores, Spare parts etc and their percentage to total consumption :

(₹ in Lacs)

| | 2012-13 | | 2011-12 | |
|---------------------------------------|------------------|---------------|------------------|---------------|
| | Value | % | Value | % |
| Raw Materials | | | | |
| -Imported | 39,594.10 | 66.54 | 28,505.89 | 50.12 |
| -Indigenous | 19,911.01 | 33.46 | 28375.05 | 49.88 |
| Total | 59,505.11 | 100.00 | 56,880.94 | 100.00 |
| Stores & Spare parts, etc. | | | | |
| -Imported | 16.25 | 1.24 | 5.49 | 0.37 |
| -Indigenous | 1,296.93 | 98.76 | 1,465.16 | 99.63 |
| Total | 1,313.18 | 100.00 | 1,470.65 | 100.00 |

Note : It is not possible to identify the consumption of spare parts separately and hence consumption of stores and spare parts etc. is shown above.

(d) Value of Imports (CIF) :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|-----------------------------|-----------|-----------|
| Raw Materials | 39,030.12 | 31,925.35 |
| Capital goods | 1,118.58 | 259.77 |
| Purchases of Finished Goods | 4,302.07 | 2,243.43 |
| Stores & Spares | 298.71 | 63.06 |

Notes to Financial Statements as at and for the year ended 31st March, 2013

(e) Expenditures in Foreign Currency (Accrual basis) :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---------------------|-----------------|---------------|
| Travelling Expenses | 37.87 | 35.95 |
| Interest | 963.87 | 682.85 |
| Others | 80.94 | 39.62 |
| Total | 1,082.68 | 758.42 |

(f) Earnings in foreign currency (Accrual basis) :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--------------------|----------|----------|
| Export (FOB Value) | 5,121.04 | 3,412.72 |

44. In view of the new plywood unit being installed at Gandhidham, Gujarat and expansion of the existing Laminate unit, the management is certain that there will be sufficient taxable profit during the specified period to adjust the MAT credit recognised in the books of accounts.
45. Previous year's figures including those given in brackets have been regrouped and rearranged wherever necessary. Further, previous year figures being inclusive of the figures of ferro alloys and cement divisions of the Company which have been demerged w.e.f. 1st April, 2012 (pursuant to a Scheme of Arrangement, Refer Note No. - 35), are not comparable with the current year's figures.

For **S. R. BATLIBOI & CO. LLP**
 Firm Registration No. 301003E
 Chartered Accountants

Per **Bhaswar Sarkar**
 a Partner
 Membership No. 55596
 Place : Kolkata
 Date : 8th July, 2013

Arun Kumar Julasaria
 CFO & Company Secretary

For and on behalf of the Board of Directors

Sajjan Bhajanka
 Chairman

Sanjay Agarwal
 Managing Director

Statement relating to Subsidiaries

Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Companies (as on 31st March, 2013)

| Sl. Particulars | Name of Subsidiaries | | | | | Ultimate Subsidiary |
|--|-----------------------------------|---------------------|------------------|------------------------------|---------------------|---------------------|
| | Direct Subsidiaries | | | | Aegis Overseas Ltd. | |
| | Auro Sundram Ply & Door Pvt. Ltd. | Aegis Business Ltd. | Century MDF Ltd. | Centuryply Myanmar Pvt. Ltd. | | |
| 1. Financial year of the Subsidiary ended on | 31st March, 2013 | 31st March, 2013 | 31st March, 2013 | 31st March, 2013 | 31st March, 2013 | |
| 2. Date from which they became Subsidiary | 20th December, 2006 | 6th July, 2009 | 20th June, 2012 | 26th Sept., 2012 | 15th July, 2009 | |
| 3. Shares of the Subsidiary held by the Company/ Direct Subsidiary as on 31st March, 2013 | | | | | | |
| a) Number of Shares | 5,10,000 | 5,10,000 | 50,000 | 8,812 | 10 | |
| b) Face value of Shares | ₹ 10/- | ₹ 10/- | ₹ 10/- | ₹ 6,366/- | USD 1000 (₹ 54,390) | |
| c) Extent of Holding | 51% | 51% | 100% | 100% | 100% | |
| 4. The net aggregate amount of the Subsidiary Company's profit/(loss) so far as it concerns the members of the holding company | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs | |
| a) Not dealt with in the Holding Company's accounts | | | | | | |
| i) For the financial year ended 31st March, 2013 | 1.39 | (135.02) | NIL | NIL | 389.43 | |
| ii) Upto the previous financial years of the Subsidiary company. | 136.41 | 30.13 | NIL | NIL | 184.06 | |
| b) Dealt with in the Holding Company's accounts | | | | | | |
| i) For the financial year ended 31st March, 2013 | NIL | NIL | NIL | NIL | NIL | |
| ii) For the previous financial year of the Subsidiary company since they became the Holding Company's subsidiaries. | NIL | NIL | NIL | NIL | NIL | |

Figures in brackets indicate loss.

The Ministry of Corporate Affairs, Government of India vide its general circular no. 2/2011 dated 8th February, 2011, has granted exemption to all companies from attaching the Annual Reports and other particulars of its subsidiary companies along with the Annual Report of the company required u/s 212 of the Companies Act, 1956. Therefore, the said Reports of the subsidiary companies are not attached herewith. However, a statement containing information as required by Ministry of Corporate Affairs, while granting exemption, is given hereunder :
(₹ in Lacs) (as on 31st March, 2013)

| Sl. Particulars | Name of Subsidiaries | | | | | Ultimate Subsidiary |
|--|-----------------------------------|---------------------|------------------|------------------------------|---------------------|---------------------|
| | Direct Subsidiaries | | | | Aegis Overseas Ltd. | |
| | Auro Sundram Ply & Door Pvt. Ltd. | Aegis Business Ltd. | Century MDF Ltd. | Centuryply Myanmar Pvt. Ltd. | | |
| 1. Capital | 100.00 | 100.00 | 5.00 | 560.94 | 4.90 | |
| 2. Reserves | 664.17 | (43.36) | Nil | Nil | 953.20 | |
| 3. Total Assets | 2,641.56 | 9,014.21 | 28.20 | 1,678.64 | 1,572.15 | |
| 4. Total Liabilities | 2,641.56 | 9,014.21 | 28.20 | 1,678.64 | 1,572.15 | |
| 5. Details of Investments (except investments in subsidiaries) | | | | | | |
| - Aegis Siam Ltd. | - | - | - | - | 17.31 | |
| - Aegis Siam Resources Co. Ltd. | - | - | - | - | 17.32 | |
| - Reliance Industries Ltd. | - | 6.69 | - | - | - | |
| - Tata Chemicals Ltd. | - | 2.12 | - | - | - | |
| - Infomedia India Ltd. | - | 2.64 | - | - | - | |
| - Gold | - | 8.40 | - | - | - | |
| 6. Gross Turnover | 5,280.72 | 718.67 | - | - | 5,162.03 | |
| 7. Profit Before Taxation | 53.99 | (29.74) | - | - | 763.58 | |
| 8. Provision for Taxation | 51.27 | 235.01 | - | - | - | |
| 9. Profit / (Loss) after Taxation | 2.72 | (264.75) | - | - | 763.58 | |
| 10. Proposed Dividend | - | - | - | - | - | |

For and on behalf of the Board of Directors

Place : Kolkata
Date : 8th July, 2013

Arun Kumar Julasaria
CFO & Company Secretary

Sajjan Bhajanka
Chairman

Sanjay Agarwal
Managing Director

Independent Auditor's Report

To the Board of Directors of **Century Plyboards (India) Limited**

We have audited the accompanying Consolidated Financial Statements of **Century Plyboards (India) Limited** ("the Company") and its subsidiaries/associates, which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit & Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of ₹ 15,555.44 Lacs as at March 31, 2013, total revenues of ₹ 11,228.84 Lacs and net cash outflows amounting to ₹ 1,579.06 Lacs for the year then ended, included in the accompanying consolidated financial statements in respect of subsidiaries and associates, whose financial statements and other financial information have been

Independent Auditor's Report

audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries and associates is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For **S. R. Batliboi & CO. LLP**

Chartered Accountants

Firm Registration Number: 301003E

per **Bhaswar Sarkar**

Partner

Membership Number : 55596

Place : Kolkata

Date : July 8, 2013

Consolidated Balance Sheet as at 31st March, 2013

(₹ in Lacs)

| | Notes | 31st March, 2013 | 31st March, 2012 |
|---|-------|------------------|--------------------|
| A. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| Share Capital | 4 | 2,225.27 | 2,275.27 |
| Reserves & Surplus | 5 | 23,356.39 | 70,382.75 |
| | | 25,581.66 | 72,658.02 |
| Minority Interest | | 858.69 | 17,938.94 |
| Non Current Liabilities | | | |
| Long Term Borrowings | 6 | 21,482.57 | 62,088.80 |
| Deferred Tax Liability (Net) | 8 | 254.41 | 3.56 |
| Trade Payables | 7 | 47.71 | — |
| Other Long Term Liabilities | 7 | 131.07 | 4,183.66 |
| Long Term Provisions | 9 | 133.61 | 224.96 |
| | | 22,049.37 | 66,500.98 |
| Current Liabilities | | | |
| Short Term Borrowings | 10 | 30,132.46 | 36,677.14 |
| Trade Payables | 11 | 8,527.90 | 13,396.18 |
| Other Current Liabilities | 11 | 5,526.55 | 11,501.66 |
| Short Term Provisions | 9 | 887.07 | 55.48 |
| | | 45,073.98 | 61,630.46 |
| TOTAL | | 93,563.70 | 2,18,728.40 |
| B. ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets : | | | |
| Tangible Assets | 12 | 27,127.62 | 42,861.58 |
| Intangible Assets | 13 | 150.68 | 83.42 |
| Capital Work-in-Progress | | 793.04 | 2,922.06 |
| Capital Expenditure on New/Expansion Projects | 14 | 3,876.49 | 71,682.86 |
| Non Current Investments | 15 | 765.04 | 882.14 |
| Long term Loans and Advances | 16 | 5,006.77 | 9,604.28 |
| Other Non Current Assets | 17 | 205.44 | 351.78 |
| Current Assets | | | |
| Inventories | 18 | 22,932.36 | 31,047.64 |
| Trade Receivables | 17 | 17,926.68 | 19,509.61 |
| Cash and Bank Balances | 19 | 10,195.96 | 6,848.00 |
| Short Term Loans and Advances | 16 | 3,321.01 | 18,211.17 |
| Other Current Assets | 17 | 1,262.61 | 14,723.86 |
| TOTAL | | 93,563.70 | 2,18,728.40 |
| Summary of Significant Accounting Policies | 3.1 | | |

The accompanying notes form an integral part of the financial statements

As per our Report of even Date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

Per **Bhaswar Sarkar**

a Partner

Membership No. 55596

Place : Kolkata

Date : 8th July, 2013

Arun Kumar Julasaria
CFO & Company Secretary

Sajjan Bhajanka
Chairman

Sanjay Agarwal
Managing Director

For and on behalf of the Board of Directors

Consolidated Statement of Profit & Loss for the year ended 31st March, 2013 (₹ in Lacs)

| | Notes | 2012-13 | 2011-12 |
|--|-------|--------------------|--------------------|
| INCOME | | | |
| Gross Revenue from Operations | 20 | 1,28,075.59 | 1,77,974.11 |
| Less : Excise Duty | | 9,910.99 | 11,237.03 |
| Net Revenue from Operations | | 1,18,164.60 | 1,66,737.08 |
| Other Income | 21 | 720.64 | 504.46 |
| Total Revenue (I) | | 1,18,885.24 | 1,67,241.54 |
| EXPENSES | | | |
| Cost of Raw Materials Consumed | 22 | 63,681.70 | 67,616.90 |
| Purchase of Traded Goods | 23 | 11,622.56 | 6,861.50 |
| (Increase)/Decrease in inventories of Finished Goods, Work in Progress and Traded Goods | 23 | (1,663.93) | 290.73 |
| Employee Benefits Expense | 24 | 12,192.88 | 13,445.49 |
| Other Expenses | 25 | 19,995.26 | 49,995.73 |
| Depreciation and Amortisation Expense | 26 | 2,795.96 | 5,561.99 |
| Finance Cost | 27 | 4,035.90 | 5,853.66 |
| Total Expenses (II) | | 1,12,660.33 | 1,49,626.00 |
| Profit before Tax and Exceptional Items | | 6,224.91 | 17,615.54 |
| Exceptional Items | 28 | — | 2,064.00 |
| Profit before Taxation [including ₹ Nil (Loss of ₹ 8,949.19 Lacs) for discontinuing operations - Refer Note No. - 37] | | 6,224.91 | 15,551.54 |
| Tax Expenses : | | | |
| Current Tax [including ₹ 8.46 Lacs (₹ 83.21 Lacs) pertaining to earlier years] | | 1,124.95 | 3,288.17 |
| Less : MAT credit entitlement | | 956.00 | 2,844.39 |
| (Add)/Less : MAT credit entitlement/(reversal) in respect of earlier years) | | — | (195.88) |
| Net Current Tax Expense | | 168.95 | 639.66 |
| Deferred Tax | | 289.24 | (63.83) |
| Total Tax Expenses [including Rs. Nil (₹ 203.91 Lacs) for discontinuing operations - Refer Note No. - 37] | | 458.19 | 575.83 |
| Profit for the year before minority interest | | 5,766.72 | 14,975.71 |
| Minority Interest | | 245.76 | 2,696.19 |
| Profit for the year [including ₹ Nil (₹ 8,745.28 Lacs) for discontinuing operations - Refer Note No. - 37] | | 5,520.96 | 12,279.52 |
| Less : Proportionate share of loss in associates | | (2.21) | (3.66) |
| | | 5,518.75 | 12,275.86 |
| Earnings Per Equity Share [nominal value of share ₹ 1/- (₹ 1/-)] | | | |
| Basic and Diluted (Amt. in ₹) | 38 | 2.48 | 5.53 |
| Summary of Significant Accounting Policies | 3.1 | | |

The accompanying notes form an integral part of the financial statements

As per our Report of even Date

For **S. R. BATLIBOI & CO. LLP**

Firm Registration No. 301003E

Chartered Accountants

Per **Bhaswar Sarkar**

a Partner

Membership No. 55596

Place : Kolkata

Date : 8th July, 2013

Arun Kumar Julasaria
CFO & Company Secretary

Sajjan Bhajanka
Chairman

Sanjay Agarwal
Managing Director

For and on behalf of the Board of Directors

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|--------------------|--------------------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | 6,224.91 | 15,551.54 |
| Adjustments for : | | |
| Depreciation | 2,795.96 | 5,561.99 |
| Finance Cost | 4,035.90 | 5,853.66 |
| (Profit)/Loss on Fixed Assets sold/discarded | (174.48) | 0.65 |
| Profit on Sale of Investments | (5.13) | (35.89) |
| Irrecoverable Debts written off | 177.36 | 81.58 |
| Provision for Doubtful Debts | 88.42 | 12.32 |
| Unspent Liabilities Written Back | (76.72) | (55.75) |
| Unrealised Foreign Exchange Fluctuations Loss | 113.78 | 1,571.08 |
| Dividend Income | (1.90) | (1.89) |
| Interest Income | (90.39) | (309.56) |
| Operating Profit before Working Capital changes | 13,087.71 | 28,229.73 |
| Adjustments for : | | |
| (Increase) in Trade Receivables | (1,777.94) | (4,386.44) |
| (Increase) in Inventories | (4,739.79) | (5,498.90) |
| (Increase) in Long Term Loans & Advances | (291.35) | (204.58) |
| (Increase) in Short Term Loans & Advances | (403.62) | 998.54 |
| (Increase) in Other Current Assets | (83.98) | (2,550.18) |
| Increase/(Decrease) Long Term Provisions | 15.16 | (44.01) |
| Increase/(Decrease) Short Term Provisions | 17.89 | (15.79) |
| Increase/(Decrease) Other Long Term Liabilities | 52.54 | 11.98 |
| Increase/(Decrease) Other Current Liabilities | 409.24 | 963.56 |
| Increase/(Decrease) in Trade Payables | 806.69 | (1,662.91) |
| | (5,995.16) | (12,388.72) |
| Cash Generated from Operations | 7,092.54 | 15,841.01 |
| Direct Taxes Paid (Net) | (1,052.80) | (3,651.49) |
| Net Cash Flow from Operating Activities | 6,039.74 | 12,189.52 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale of Investments | 2,605.13 | 20,242.84 |
| Purchase of Investments | (2,632.95) | (20,123.75) |
| Share Application Money (Given)/Refund | – | 234.57 |
| Sale of Fixed Assets | 215.47 | 57.36 |
| Dividend Received | 1.90 | 1.89 |
| Fixed Deposits/Margin Money Given | (322.21) | (145.00) |
| Fixed Deposits/Margin Money Refund | 145.00 | 782.21 |
| Loans (Given)/Refunds (net) | 13.42 | 1,651.29 |
| Interest Received | 90.85 | 318.72 |
| Preliminary Expenses | (6.10) | – |
| Purchase of Fixed Assets | (15,916.30) | (44,713.52) |
| Net Cash Flow used in Investing Activities | (15,805.78) | (41,693.39) |

Consolidated Cash Flow Statement for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|-------------------|------------------|
| C CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Loans | 16,340.49 | 37,043.58 |
| Repayment of Long Term Loans | (231.71) | (114.61) |
| Proceeds from Short Term Borrowings | 5,296.71 | 11,409.75 |
| Repayment of Short Term Borrowings | (1,734.92) | (1,923.94) |
| Redemption of Preference Shares | (50.00) | – |
| Interest Paid (Including Interest Capitalized) | (1,746.42) | (6,224.79) |
| Other Borrowing Cost Paid | (2,439.61) | (1,299.13) |
| Dividend paid | (7.82) | (4,775.00) |
| Tax on Dividend | (1.07) | (764.95) |
| Net Cash from Financing Activities | 15,425.65 | 33,350.91 |
| Net Changes in Cash and Cash Equivalents (A + B + C) | 5,659.60 | 3,847.04 |
| Cash and Cash Equivalents as on 1st April, 2012 | 6,541.68 | 2,694.64 |
| Less : Amount transferred pursuant to Scheme of Arrangement (Refer Note No. - 36) | 167.89 | – |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 2,200.36 | – |
| | 4,173.43 | 2,694.64 |
| *Cash and Cash Equivalents as on 31st March, 2013 | 9,833.03 # | 6,541.68 |

* Represents cash and bank balances as indicated in Note No. -19 and excludes ₹ 362.93 Lacs (₹ 306.32 Lacs) being deposits with maturity of more than three months.

includes ₹ 16.35 Lacs (₹ 17.57 Lacs) lying in Unpaid Dividend Account.

As per our Report of even Date
 For **S. R. BATLIBOI & CO. LLP**
 Firm Registration No. 301003E
 Chartered Accountants

Per **Bhaswar Sarkar**
 a Partner
 Membership No. 55596
 Place : Kolkata
 Date : 8th July, 2013

Arun Kumar Julasaria
 CFO & Company Secretary

Sajjan Bhajanka
 Chairman

For and on behalf of the Board of Directors

Sanjay Agarwal
 Managing Director

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

1. PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements which relate to Century Plyboards (India) Limited (the Company) and its subsidiaries (together referred to as the "Group") have been prepared on the following basis:

- The financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit / loss included therein, in accordance with Accounting Standards (AS-21), "Consolidated Financial Statements".
- The excess/shortfall of cost to the company of its investments in the subsidiary companies, over the net assets at the time of acquisition in the subsidiaries as on the date of investment is recognized in the financial statements as goodwill/capital reserve as the case may be.
- The subsidiary companies considered in the financial statements are as follows:

| Name | Country of Incorporation | % of Voting power as on 31.03.2013 | % of Voting power as on 31.03.2012 |
|--|--------------------------|------------------------------------|------------------------------------|
| Cement Manufacturing Company Limited* | India | – | 70.48 |
| Megha Technical & Engineers Private Limited* | India | – | 99.96 |
| Star Cement Meghalaya Limited* | India | – | 100 |
| Auro Sundram Ply & Door Private Limited | India | 51 | 51 |
| Meghalaya Power Limited* | India | – | 99.80 |
| Aegis Business Limited | India | 51 | 51 |
| Aegis Overseas Limited | UAE | 100 | 100 |
| Star Ferro and Cement Limited * | India | – | 100 |
| Centuryply Myanmar Private Limited (w.e.f. 4th July, 2012) | Myanmar | 100 | – |
| Century MDF Limited (w.e.f. 20th June, 2012) | India | 100 | – |
| NE Hills Hydro Limited * | India | – | 100 |

* Ceased to be subsidiary w.e.f 1st April, 2012 pursuant to Scheme of Arrangement (Refer Note No. - 36).

- The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the Company's separate financial statements.
- The financial statements of the group entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2013.
- The financial statements of Aegis Overseas Limited and Centuryply Myanmar Pvt. Ltd. have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards Interpretations, issued or adopted by the International Accounting Standards Board (IASB). These subsidiaries are not significant as compared to the company's consolidated operations and hence, the impact thereof, if any, on account of any differences due to adoption of different Accounting Standards as stated above, in comparison to the Indian Generally Accepted Accounting Principles (IGAAP) is not material.
- Minorities' interest in net profits/losses of the subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual obligation on the minorities, the same are accounted for by Century Plyboards (India) Limited, being the holding company.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

2. INVESTMENTS IN ASSOCIATES :

(a) In order to fall in line with Accounting Standard 23 - Accounting for Investment in Associates in Consolidated Financial Statements, the Company has prepared the accompanying Consolidated Financial Statements by accounting for investment in associates under the equity method.

(b) The associate companies considered in the financial statements are as follows:

| Name | Country of Incorporation | % of ownership interest as on 31.03.2013 | % of ownership interest as on 31.03.2012 |
|--------------------------------------|--------------------------|--|--|
| Aegis Siam Limited | Thailand | 49.00 | – |
| Aegis Siam Resources Company Limited | Thailand | 49.00 | – |
| Apnapan Viniyog Private Limited | India | 29.39 | 49.39 |
| Ara Suppliers Private Limited | India | 29.39 | 49.39 |
| Araham Sales Private Limited | India | 29.39 | 49.39 |
| Adonis Vyaper Private Limited | India | 29.39 | 49.39 |

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies applied by the Group are consistent with those used in the previous year.

3.1 Summary of Significant Accounting Policies

i. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

ii. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(a) Revenue from sale of goods is recognized upon passage of title which generally coincides with delivery of materials to the customers. The Group collects Sales Taxes and Value Added Taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenues. Excise Duty deducted from Revenue (Gross) is the amount that is included in the Revenue (Gross) and not the entire amount of liability arising during the year.

Sales figures are net of rebates and discounts.

(b) Revenue from services is recognized pro-rata as and when the services are rendered. The Group collects service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Group and hence excluded from revenue.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

- (c) Dividend Income is recognized when the shareholders' right to receive the payment is established by the Balance Sheet date.
- (d) Interest Income is recognized on a time proportion basis taking into account the amount outstanding and rate applicable.
- (e) Insurance and other claims are accounted for as and when accepted/received, on the grounds of prudence or uncertainty in realization.

iii. Fixed Assets

Fixed Assets are stated at cost or revalued amount, as the case may be, less accumulated depreciation / amortisation and impairment, if any. Cost comprises the purchase price inclusive of duties (net of Cenvat / VAT), taxes, incidental expenses and erection / commissioning expenses etc. up to the date, the asset is ready for its intended use. In case of revaluation of fixed assets, the original cost as written-up by the valuer, is considered in the accounts and the differential amount is transferred to revaluation reserve.

Machinery spares which can be used only in connection with an item of fixed assets and whose use as per technical assessment is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

iv. Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

v. Depreciation / Amortization

- a) The classification of plant and machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- b) Depreciation on fixed assets is provided under Written Down Value method at the rates prescribed in Schedule XIV of the Companies Act, 1956, or at rates determined based on useful lives of the respective assets, as estimated by the management, whichever is higher. The rates determined based on the useful lives coincides with the rate prescribed in the Schedule XIV of the Companies Act, 1956.
- c) Depreciation on revalued assets is provided at the rates specified under section 205 (2)(b) of the Companies Act, 1956. However, in case of fixed assets whose life is determined by the valuer to be less than their useful life under Section 205, depreciation is provided at higher rate, to ensure the write off of these assets over their useful life.
- d) Depreciation on fixed assets added / disposed of during the year is provided on pro-rata basis with reference to the date of addition / disposal.
- e) Leasehold properties are depreciated over the useful life, lease term or useful life envisaged in Schedule XIV whichever is lower.
- f) Intangible assets (Computer Software) are amortized on a Written Down Value method over a period of 5 years.
- g) In case of impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

vi. Foreign Currency Transactions

(a) Initial Recognition

Foreign Currency Transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction, and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Investments in foreign companies are considered at the exchange rates prevailing on the date of their acquisition.

(c) Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or expenses in the year in which they arise.

(d) Forward Exchange Contracts not entered for trading or speculation purpose

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Statement of Profit & Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the year.

vii. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Non-Current/Long-Term Investments. Current investments are carried at lower of cost and market value on individual investment basis. Non-Current/Long-Term Investments are considered at cost, unless there is an "other than temporary" decline in value, in which case adequate provision is made for the diminution in the value of Investments.

viii. Inventories

Raw Materials, Stores and Spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-Progress and Finished Goods are valued at lower of cost and net realisable value. Cost includes direct materials & labour and a part of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Cost of Inventories is computed on Weighted Average basis.

Net Realizable Value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

ix. Government Grants and Subsidies

Grants and Subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

When the grant or subsidy relates to an asset, it is deducted from the gross value of the asset concerned in arriving at the carrying amount of related asset.

Government grants of the nature of promoter's contribution are credited to capital reserve and treated as a part of the shareholders funds.

x. Retirement and other employee benefits

(a) Retirement benefit in the form of Provident Fund is a defined contribution scheme and the Group recognizes contribution payable to the provident fund scheme as an expenditure when an employee renders the related service. The Group has no obligations other than the contribution payable to the respective funds.

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

(c) Short Term compensated absences are provided for based on estimates.

(d) The Group treats accumulated leaves expected to be carried forward beyond twelve months as long term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Group presents the leave as current liability in the Balance Sheet to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Group has unconditional legal and contractual right to defer the settlement for the period beyond 12 months, the same is considered as non-current liability.

(e) Actuarial gains/losses are immediately taken to the Statement of Profit & Loss and are not deferred.

xi. Earning per Share

Basic Earning per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deductible preference dividend and attributable taxes) by the weighted number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

xii. Excise Duty and Custom Duty

Excise Duty on finished goods stock lying at the factories is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance Sheet date. Similarly, Custom Duty on imported material in transit/lying in bonded warehouse is accounted for at the time of import/bonding of materials.

xiii. Borrowing Costs

Borrowing Costs includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Cost directly attributable to the acquisition, construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur.

xiv. Taxation

Tax expenses comprises of current and deferred tax. Current Income Tax is measured at the amount expected to

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred Income Taxes reflect the impact of current year timing differences between taxable income for the year and reversal of timing differences of earlier years.

The Deferred Tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred Tax Assets and Deferred Tax Liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Group has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

The carrying amounts of deferred tax assets are reviewed at each Balance Sheet date. The Group writes-down the carrying amount of deferred tax assets to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the Minimum Alternate Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India, the said assets is created by way of a credit to the Statement of Profit & Loss and shown as MAT credit entitlement. The Group reviews the carrying amount of MAT at each Balance Sheet date and writes down MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income-tax during specified period.

xv. Segment Reporting

a) Identification of segments :

The Group has identified that its business segments are the primary segments. The Group's business are organized and managed separately according to the nature of products/services, with each segment representing a strategic business unit that offers different product/services and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

b) Inter segment transfers :

The Group generally accounts for intersegment sales and transfers at current market prices.

c) Allocation of Common Costs :

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and Expenses, which relates to the enterprise as a whole and are not allocable to segment on a reasonable basis, have been included under the head "Unallocated".

The accounting policies adopted for segment reporting are in line with those of the Group's accounting policies.

xvi. Fixed Assets Acquired under Lease

(a) Finance Lease

Assets acquired under lease agreements which effectively transfer to the Group substantially all the risk and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

(b) Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit & Loss on a straight line basis.

xvii. Derivative Instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting affect of gain on the underlying hedged item, is charged to the Statement of Profit and Loss. Net gains, are ignored as a matter of prudence.

xviii. Cash and Cash Equivalents

Cash and Cash Equivalents in the cash flow statement comprise of cash at bank and in hand and short-term investments with an original maturity of three months or less.

xix. Provision

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to their present value and are determined based on best estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

xx. Contingent Liabilities

A Contingent Liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A Contingent Liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a Contingent Liability but discloses its existence in the financial statements.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| 4. SHARE CAPITAL | | |
| Authorised | | |
| 65,05,00,000 (65,05,00,000) Equity Shares of ₹ 1/- each | 6,505.00 | 6,505.00 |
| 15,00,000 (15,00,000) Preference Shares of ₹ 10/- each | 150.00 | 150.00 |
| 50,000 (50,000) Preference Shares of ₹ 100/- each | 50.00 | 50.00 |
| Total | 6,705.00 | 6,705.00 |
| Issued | | |
| 22,35,52,990 (22,35,52,990) Equity Shares of ₹ 1/- each | 2,235.53 | 2,235.53 |
| Nil (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each | – | 50.00 |
| Total | 2,235.53 | 2,285.53 |
| Subscribed and Paid-up | | |
| 22,21,72,990 (22,21,72,990) Equity Shares of ₹ 1/- each | 2,221.73 | 2,221.73 |
| Add : Amount received on forfeited shares | 3.54 | 3.54 |
| Nil (5,00,000) 9% Cumulative Redeemable Preference Shares of ₹ 10/- each | – | 50.00 |
| Total | 2,225.27 | 2,275.27 |

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period :

| | 31st March, 2013 | | 31st March, 2012 | |
|---|---------------------|-----------------|---------------------|-----------------|
| | No. of Shares | ₹ in Lacs | No. of Shares | ₹ in Lacs |
| Equity Shares | | | | |
| At the beginning of the year | 22,21,72,990 | 2,221.73 | 22,21,72,990 | 2,221.73 |
| Issued during the year | – | – | – | – |
| Outstanding at the end of the year | 22,21,72,990 | 2,221.73 | 22,21,72,990 | 2,221.73 |
| Preference Shares | | | | |
| At the beginning of the year | 5,00,000 | 50.00 | 5,00,000 | 50.00 |
| Redeemed during the year | 5,00,000 | 50.00 | – | – |
| Outstanding at the end of the year | – | – | 5,00,000 | 50.00 |

b) Terms/Rights attached to the Equity Shares :

The company has only one class of equity shares having par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividends in Indian rupees. The company has paid an interim dividend of ₹ NIL (₹ 1/-) and proposed final dividend of ₹ 0.25 (₹ NIL) per share during the year ended 31st March, 2013. The dividend proposed by 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 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) Terms of Redeemable Cumulative Preference Shares :

The company had only one class of preference shares having par value of ₹ 10/- per share which carried cumulative dividend @ 9% p.a. and were redeemed during the year.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

- d) **Aggregate no of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date :**

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| | No. of Shares | No. of Shares |
| Preference Shares allotted as fully paid -up pursuant to contracts for consideration other than cash | 5,00,000 | 5,00,000 |
| Equity Shares allotted as fully paid-up pursuant to contracts for consideration other than cash | 2,45,18,860 | 2,45,18,860 |

- e) **Details of Shareholders holding more than 5% shares in the company :**

| | 31st March, 2013 | | 31st March, 2012 | |
|---|------------------|------------------------|------------------|------------------------|
| | No. of Shares | % holding in the class | No. of Shares | % holding in the class |
| Equity Shares of ₹ 1/- each fully paid-up | | | | |
| Sri Sajjan Bhajanka | 2,45,71,570 | 11.06% | 2,45,71,570 | 11.06% |
| Sri Sanjay Agarwal | 2,37,88,740 | 10.71% | 2,32,18,740 | 10.45% |
| Smt. Divya Agarwal | 1,67,49,750 | 7.54% | 1,67,49,750 | 7.54% |
| Smt. Santosh Bhajanka | 1,56,49,500 | 7.04% | 1,56,49,500 | 7.04% |
| Sri Prem Kumar Bhajanka | 1,54,58,510 | 6.96% | 1,52,08,510 | 6.85% |
| Preference Shares of ₹ 10/- each fully paid-up | | | | |
| Sri Vishnu Khemani | — | — | 5,00,000 | 100.00% |

As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| 5. RESERVES & SURPLUS | | |
| Capital Reserve | | |
| Balance as per the last Financial Statements | 5,361.62 | 5,274.76 |
| Add : Arisen on consolidation | – | 86.86 |
| Less : Amount adjusted pursuant to Scheme of Arrangement (Refer Note No. - 36) | 1,222.93 | – |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 3,427.81 | – |
| Closing Balance | 710.88 | 5,361.62 |
| Amalgamation Reserve | | |
| Balance as per the last Financial Statements | 317.40 | 317.40 |
| Securities Premium | | |
| Balance as per the last Financial Statements | 1,892.77 | 1,892.77 |
| Foreign Currency Translation Reserve | | |
| Arisen on Consolidation | 164.92 | 10.97 |
| Revaluation Reserve | | |
| Balance as per the last Financial Statements | 166.64 | 173.27 |
| Less : Amount adjusted against depreciation | 4.21 | 6.63 |
| Closing Balance | 162.43 | 166.64 |
| General Reserve | | |
| Balance as per the last Financial Statements | 7,710.66 | 7,085.66 |
| Add : Transferred from Statement of Profit & Loss | 5,750.00 | 625.00 |
| Less : Amount adjusted pursuant to Scheme of Arrangement (Refer Note No. - 36) | 9,621.44 | – |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 3,700.03 | – |
| Closing Balance | 139.19 | 7,710.66 |
| Capital Redemption Reserve | | |
| Transferred from Statement of Profit & Loss on redemption of Preference Shares | 50.00 | – |
| Closing Balance | 50.00 | – |
| Surplus in the Statement of Profit & Loss | | |
| Balance as per the last Financial Statements | 54,922.69 | 45,859.21 |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 34,070.37 | – |
| Add : Profit for the year | 5,518.75 | 12,275.86 |
| Less : Appropriations | | |
| - Interim Equity Dividend ₹ NIL (₹ 1 /-) per share | – | 2,221.73 |
| - Tax on Interim Equity Dividend | – | 360.42 |
| - Proposed Final Equity Dividend ₹ 0.25 (₹ NIL) per share | 555.43 | – |
| - Tax on Proposed Equity Dividend | 94.40 | – |
| - Proportionate dividend on Preference Shares ₹ 0.42 (₹ 0.90) per share | 2.10 | 4.50 |
| - Tax on Preference Dividend | 0.34 | 0.73 |
| - Transfer to Capital Redemption Reserve | 50.00 | – |
| - Transfer to General Reserve | 5,750.00 | 625.00 |
| Total Appropriations | 6,452.27 | 3,212.38 |
| Net Surplus in the Statement of Profit & Loss | 19,918.80 | 54,922.69 |
| Total Reserves and Surplus | 23,356.39 | 70,382.75 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | Non Current Portion | | Current Maturities | |
|---|---------------------|------------------|--------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 6. LONG TERM BORROWINGS | | | | |
| Term Loans (Secured) | | | | |
| Indian Rupee Loan from Banks | 8,871.03 | 32,203.07 | 829.65 | 3,146.96 |
| Indian Rupee Loan from a Financial Institution | – | 509.32 | – | – |
| Foreign Currency Loan from Banks | 12,519.09 | 22,504.36 | 1,562.89 | 2,569.23 |
| Other Loans and Advances (Secured) | | | | |
| Buyers Credit from banks for Capital expenditure | – | 6,334.60 | – | – |
| Financial Lease obligations : | | | | |
| - From banks | 15.78 | 325.35 | 24.16 | 134.73 |
| - From Bodies Corporate | 76.67 | 212.10 | 155.34 | 200.39 |
| | 21,482.57 | 62,088.80 | 2,572.04 | 6,051.31 |
| Amount disclosed under the head "Other Current Liabilities" (Refer Note No. - 11) | – | – | (2,572.04) | (6,051.31) |
| Net Amount | 21,482.57 | 62,088.80 | – | – |

Notes :

1. (a) Term Loan of ₹ 9,000.00 Lacs (₹ NIL) from a Bank carries interest @ base rate plus 0.50% p.a., presently @ 10.20% p.a. The loan is repayable in 16 equal quarterly installments of ₹ 562.50 Lacs each starting from March 2014 and is secured/to be secured by first charge over all fixed assets of Plywood units at Mirza, Assam; Bishnupur, Kanchowki, Dist.- 24 Parganas (S), West Bengal; Taraori, Haryana; and Chinnappolapuram, Gummidipoondi, Tamilnadu, and by way of a second charge on entire current assets (both present and future) of the Plywood Division of the company. The above loan is further secured by personal guarantees of three directors of the company.
- (b) Term Loan of ₹ 21.15 Lacs (₹ 49.35 Lacs) carries interest @ BPLR + 0.25% p.a. The loan is repayable in 9 equal installments by 31st December, 2013 and is secured by hypothecation of fixed assets and current assets pertaining to the plywood unit at Roorkee, Uttaranchal.
- (c) Foreign currency term loan of ₹ 5,221.44 Lacs (₹ 6,139.20 Lacs) carries interest @ 4.07% p.a. The loan is repayable in 4 equal annual installments by 21st August, 2016 and is secured/to be secured by hypothecation/equitable mortgage of all the moveable and immovable fixed assets pertaining to the Container Freight Stations of the Company.
- (d) Foreign currency term loan of ₹ 2,692.31 Lacs (₹ NIL) carries interest @ 6 months LIBOR + 3.50% p.a. The loan is repayable in 24 equal quarterly instalments starting from June, 2014 and is secured/to be secured by first charge on all the fixed assets pertaining to the Plywood Unit at Bacchau, Gujarat and second charge on all the current assets of the Plywood Division of the company on pari passu basis with other term lenders.
- (e) Term Loans of ₹ 679.53 Lacs (₹ 931.91 Lacs) carry interest @ 11.90% p.a. The above loans are repayable in 11 quarterly installments ending by 25th December, 2015; 3 installments of ₹ 62 Lacs each and 8 installments of ₹ 61 Lacs each. The loans are secured/to be secured by a first charge on fixed assets and second charge on current assets (both present and future) pertaining to the Company's Plywood Unit at Mirza, Assam.
- (f) Foreign currency term loan of ₹ 6,168.23 Lacs (₹ NIL) carries interest @ 6 months LIBOR + 4.50% p.a. The loan is repayable in 34 equal quarterly installments starting 31st March, 2014 and is secured by equitable mortgage of vessel and hypothecation of receivables from time charter contracts.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

- (g) Term loans of ₹ Nil (₹ 34,838.62 Lacs) and ₹ Nil (₹ 12,224.48 Lacs) carried interest @ 13% to 14 % p.a. which were repayable in 28 quarterly installments commencing from March 2013. The above term loans were secured by first charge on the fixed assets pertaining to plants at Lumshnong, Meghalaya and at Guwahati, Assam respectively, which were under implementation and first charge on fixed assets pertaining to power plant at Lumshnong, Meghalaya on pari passu basis. However, the same has been transferred to the resulting company on cessation of subsidiaries pursuant to the Scheme of Arrangement.
- (h) Term Loans of ₹ Nil (₹ 1,373.99 Lacs) and ₹ Nil (₹ 3,088.57 Lacs) carried interest @ 13.90% to 14.10% p.a which was repayable in 28 and 22 quarterly installments starting from September 2008 and September 2010 respectively. The above loans were secured by fixed assets pertaining to cement grinding unit and power plant at Lumshnong, Meghalaya. However, the same has been transferred to the resulting company on cessation of subsidiaries pursuant to the Scheme of Arrangement.
- (i) Term Loan of ₹ Nil (₹ 1,777.50 Lacs) carried interest @ 13.75% p.a. and was repayable in 9 quarterly installments starting from March 2012. The loan is secured by first charge on fixed assets (except separately charged assets) pertaining to cement plant at Lumshnong, Meghalaya. However, the same has been transferred to the resulting company on cessation of subsidiaries pursuant to the Scheme of Arrangement.
- 2 Term loan of ₹ Nil (₹ 509.32 Lacs) from a financial institution carried interest rate of PLR + 1% p.a. The loan was secured by equitable mortgage of leasehold rights of land and first charge on fixed assets and second charge on the current assets (on pari passu basis) of the Company's Ferro Alloy Unit at Byrnihat, Meghalaya and was repayable in 28 quarterly installments starting from 1st April, 2014. However, the same has been transferred to the resulting company pursuant to the Scheme of Arrangement. (Refer Note No. - 35).
- 3 Buyers credit of ₹ Nil (₹ 2,401.30 Lacs) and ₹ Nil (₹ 3,933.30 Lacs) was availed against letter of credit (sub-limit to term loans) issued by banks which was secured by 1st charge on the fixed assets pertaining to cement plants at Lumshnong, Meghalaya and at Guwahati, Assam, respectively. However, the same has been transferred to the resulting company on cessation of subsidiaries pursuant to the Scheme of Arrangement.
- 4 Finance lease obligations are secured by hypothecation of the assets purchased there against and carry interest between 10% to 11.25%.

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 7. OTHER NON CURRENT LIABILITIES | | |
| Trade Payables | | |
| - Dues to Micro and Small Enterprises (Refer Note No. - 33) | – | – |
| - Dues to Others | 47.71 | – |
| | 47.71 | – |
| Other Liabilities | | |
| - Retention Money | – | 1,502.75 |
| - Security Deposits | 131.07 | 2,680.91 |
| | 131.07 | 4,183.66 |
| Total Amount | 178.78 | 4,183.66 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 8. DEFERRED TAX LIABILITIES (NET) | | |
| Deferred Tax Liability | | |
| Fixed assets : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting | 410.72 | 292.30 |
| | 410.72 | 292.30 |
| Deferred Tax Asset | | |
| Impact of expenditure charged to the Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis | 93.47 | 141.21 |
| Provision for doubtful debts and advances | 62.84 | 147.53 |
| | 156.31 | 288.74 |
| Net Deferred Tax Liabilities | 254.41 | 3.56 |

(₹ in Lacs)

| | Long Term | | Short Term | |
|---|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 9. PROVISIONS | | | | |
| For Employee Benefits | | | | |
| Leave Encashment | 133.61 | 224.96 | 35.39 | 50.25 |
| | 133.61 | 224.96 | 35.39 | 50.25 |
| Other Provisions | | | | |
| Provision for Taxation [Net of Advance Tax ₹ 914.64 Lacs (₹ 32.32 Lacs)] | – | – | 201.85 | – |
| Proposed Equity Dividend | – | – | 555.43 | – |
| Tax on Proposed Equity Dividend | – | – | 94.40 | – |
| Proposed Preference Dividend | – | – | – | 4.50 |
| Tax on Proposed Preference Dividend | – | – | – | 0.73 |
| | – | – | 851.68 | 5.23 |
| Total Amount | 133.61 | 224.96 | 887.07 | 55.48 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 10. SHORT TERM BORROWINGS | | |
| Loans repayable on demand | | |
| Cash Credit from banks (Secured) | 2,046.25 | 8,530.30 |
| Loans from related parties (Unsecured) | | |
| - From a Director | 20.58 | 320.08 |
| Other Loans and advances | | |
| Buyers Credit from banks (Secured) | | |
| - For Capital Expenditure | 1,295.67 | 390.96 |
| - For Raw Materials | 26,769.96 | 22,377.97 |
| FCNRB Demand Loan (Secured) | – | 2,557.83 |
| Short Term Loan from a bank (unsecured) | – | 2,500.00 |
| Total Amount | 30,132.46 | 36,677.14 |

Notes :

- Cash Credit and Buyers' Credit from banks amounting to ₹ 28,925.78 Lacs (₹ 25,800.77 Lacs) are secured/to be secured by way of first charge on current assets (both present and future) of the company and by way of second charge on the fixed assets of the plywood units at Mirza, Assam; Bishnupur, Kanchowki, Dist. 24 Parganas (S), West Bengal; Taraori, Haryana; Chinnappolapuram, Gummidipoondi, Tamilnadu and Bacchau, Gujarat.
 - Cash Credit ₹ Nil (₹ 1,173.40 Lacs) was secured by way of first charge on current assets (both present and future) and by way of second charge on fixed assets of the Ferro Alloy Unit at Byrnihat, Meghalaya. The same has been transferred to the resulting company pursuant to Scheme of Arrangement (Refer Note No. - 36).
 - Buyers credit from a bank amounting to ₹ 187.84 Lacs (₹ Nil) is secured against Fixed deposit receipts of the company.
 - Cash Credit from a bank amounting to ₹ 998.26 Lacs (₹ 449.83 Lacs) is secured/to be secured by way of first charge on current assets and by way of second charge on fixed assets of the Plywood Unit at Roorkee, Uttaranchal.
 - Cash Credit from banks amounting to ₹ Nil (₹ 6,433.06 Lacs) is secured/to be secured by way of first charge on current assets and by way of second charge on fixed assets of the Cement unit at Lumshnong, Meghalaya. However, the same has been transferred to the resulting company on cessation of subsidiaries pursuant to the Scheme of Arrangement.

Further, the working capital facilities are also guaranteed by three (four) directors of the company and its subsidiaries.

The above cash credit is repayable on demand and carries interest @ 10.20% to 14.75% p.a. (12% to 14% p.a.).
- Unsecured Loan from Directors are repayable on demand and carry interest @ 8% p.a.
- Buyers credit carries interest @ Libor plus 0.61% (1.00%) to 2.00% (3.50%) and repayable in 90-365 days.
- Short Term unsecured loan of ₹ Nil (₹ 2,500 lacs) was repayable in 155 to 180 days and carried interest @ Nil p.a. (11.00% p.a.).

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|---|------------------|------------------|
| 11. OTHER CURRENT LIABILITIES | | |
| Trade Payables | | |
| - Dues to Micro and Small Enterprises (Refer Note No. - 33) | 8.96 | 0.46 |
| - Dues to Others* | 8,518.94 | 13,395.72 |
| | 8,527.90 | 13,396.18 |
| Others Liabilities | | |
| - Payable against purchase of fixed assets | 814.52 | 2,083.30 |
| - Current Maturities of Long Term Borrowings (Refer Note No. - 6) | 2,572.04 | 6,051.31 |
| - Interest accrued but not due on Borrowings | 148.80 | 204.40 |
| - Advances from Customers | 498.26 | 704.41 |
| - Investor Education and Protection Fund (To be paid as and when due) | | |
| Unpaid Dividend | 16.35 | 17.57 |
| - Statutory Dues Payable | 1,476.58 | 2,440.67 |
| | 5,526.55 | 11,501.66 |
| Total Amount | 14,054.45 | 24,897.84 |
| * includes due to associates | 12.97 | - |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

| | (₹ in Lacs) | | | | | | | | | | | | |
|---|-------------------------|-------------------|-----------------------|---------------------------------|-----------------|-------------------|--------------------------|----------------------|-------------------|-----------------|-----------------|----------------------------|----------------------|
| | Land & Site Development | Factory Buildings | Non-Factory Buildings | Storage Yard on Lease Hold Land | Vessel | Plant & Machinery | Electrical Installations | Furniture & Fixtures | Office Equipments | Computers | Vehicles (b) | Mines & Mines Developments | Total |
| 12. TANGIBLE ASSETS | | | | | | | | | | | | | |
| Cost or Valuation | | | | | | | | | | | | | |
| At 1st April, 2011 | 2,521.61 | 10,277.71 | 4,311.81 | 3,471.89 | - | 33,429.77 | 3,290.89 | 869.02 | 903.74 | 1,007.86 | 3,631.25 | 1,656.13 | 67,188.44 |
| Additions | 1,268.94 | 242.03 | 492.23 | 263.05 | - | 2,607.10 | 88.16 | 77.68 | 76.78 | 168.95 | 961.00 | - | 6,440.25 |
| Disposals | - | - | 0.05 | - | - | 57.09 | - | 22.26 | 12.42 | 16.53 | 93.06 | - | 201.41 |
| At 31st March, 2012 | 3,790.55 | 10,519.74 | 4,803.99 | 3,734.94 | - | 35,979.78 | 3,379.05 | 924.44 | 968.10 | 1,160.28 | 4,499.19 | 1,656.13 | 73,427.28 (a) |
| Additions | 544.44 | 1.94 | 278.58 | 35.94 | 7,831.47 | 3,039.80 | 211.96 | 309.20 | 82.80 | 116.66 | 42.54 | - | 14,227.19 |
| Disposals | 0.26 | - | 6.39 | - | - | 120.88 | - | 0.16 | 5.76 | 27.37 | 14.36 | - | 188.76 |
| Transferred/Adjusted pursuant to Scheme of Arrangement (Refer Note No. -36) | 86.17 | - | - | - | - | 3,547.42 | 910.35 | 33.41 | 8.93 | 22.17 | 664.56 | - | 6,445.91 |
| On cessation of subsidiaries pursuant to the Scheme of Arrangement | 2,163.15 | - | 3,516.87 | - | - | 21,369.86 | 1,648.56 | 458.57 | 438.60 | 438.66 | 2,307.51 | 1,656.13 | 40,239.22 |
| At 31st March, 2013 | 2,085.41 | 4,804.53 | 1,559.31 | 3,770.88 | 7,831.47 | 13,981.43 | 1,032.10 | 741.50 | 597.61 | 788.74 | 1,555.30 | - | 40,780.58 (a) |
| Depreciation | | | | | | | | | | | | | |
| As at 1st April, 2011 | - | 78.03 | 3,594.83 | 706.19 | - | 15,057.30 | 1,973.52 | 413.20 | 321.59 | 705.05 | 1,472.56 | - | 24,634.26 |
| Charge for the Year | - | 71.08 | 664.14 | 195.83 | - | 3,202.86 | 318.95 | 112.93 | 96.24 | 162.39 | 907.42 | - | 6,074.83 |
| Disposals | - | - | - | - | - | 30.90 | - | 21.95 | 7.39 | 15.02 | 68.12 | - | 143.39 |
| At 31st March, 2012 | - | 149.11 | 4,258.97 | 902.01 | - | 18,229.26 | 2,292.47 | 504.18 | 410.44 | 852.42 | 2,311.86 | - | 30,565.70 |
| Charge for the Year | - | 82.02 | 254.65 | 59.32 | 71.62 | 1,514.72 | 87.38 | 65.46 | 48.39 | 95.84 | 190.23 | - | 2,773.93 |
| Disposals | - | - | - | - | - | 92.96 | - | 0.12 | 1.35 | 24.51 | 11.07 | - | 147.76 |
| Transferred/Adjusted pursuant to Scheme of Arrangement (Refer Note No. -36) | - | - | - | - | - | 2,367.07 | 611.98 | 23.57 | 4.93 | 18.01 | 326.35 | - | 3,904.84 |
| On cessation of subsidiaries pursuant to the Scheme of Arrangement | - | - | 605.07 | - | - | 9,371.17 | 1,317.12 | 253.41 | 166.27 | 321.74 | 1,127.73 | - | 15,634.09 |
| As at 31st March, 2013 | - | 231.13 | 350.59 | 790.95 | 15.64 | 7,912.78 | 450.75 | 292.54 | 284.28 | 584.00 | 1,036.95 | - | 13,652.95 |
| Net Block | | | | | | | | | | | | | |
| As at 31st March, 2012 | 3,790.55 | 920.77 | 3,901.98 | 788.52 | - | 17,750.52 | 1,086.58 | 420.26 | 557.66 | 307.86 | 2,187.33 | 1,656.13 | 42,861.58 |
| As at 31st March, 2013 | 2,085.41 | 840.69 | 3,325.50 | 2,979.93 | 7,815.83 | 6,088.65 | 581.35 | 448.96 | 313.33 | 204.74 | 518.35 | - | 27,127.62 |

Notes :

- a) Certain Land, Buildings and Plant & Machinery of the Kolkata & Chennai Unit were revalued in 1991-92 & 1995-96 respectively and the resultant surplus thereon was transferred to Revaluation Reserve.
- b) Includes Assets taken on finance lease ₹ 946.89 Lacs (₹ 1,395.78 Lacs), written down Value ₹ 338.59 Lacs (₹ 784.92 Lacs) [Refer Note No. - 34(b)].

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | Computer Software | Trade Mark & Patent Rights | Goodwill | Total |
|--|-------------------|----------------------------|--------------|---------------|
| 13. INTANGIBLE ASSETS | | | | |
| Cost or Valuation | | | | |
| At 1st April, 2011 | 336.27 | 0.98 | 37.18 | 374.43 |
| Addition | 52.78 | – | – | 52.78 |
| Disposals | – | – | – | – |
| At 31st March, 2012 | 389.05 | 0.98 | 37.18 | 427.21 |
| Addition | 126.25 | – | – | 126.25 |
| Disposals | 0.43 | – | – | 0.43 |
| On cessation of subsidiaries pursuant to the Scheme of Arrangement | 86.69 | – | 12.25 | 98.94 |
| As at 31st March, 2013 | 428.18 | 0.98 | 24.93 | 454.09 |
| Amortisation | | | | |
| As at 1st April, 2011 | 285.50 | 0.98 | 18.22 | 304.70 |
| Charge for the Year | 39.09 | – | – | 39.09 |
| Disposals | – | – | – | – |
| At 31st March, 2012 | 324.59 | 0.98 | 18.22 | 343.79 |
| Charge for the Year | 41.51 | – | – | 41.51 |
| Disposals | 0.43 | – | – | 0.43 |
| On cessation of subsidiaries pursuant to the Scheme of Arrangement | 81.46 | – | – | 81.46 |
| As at 31st March, 2013 | 284.21 | 0.98 | 18.22 | 303.41 |
| Net Block | | | | |
| As at 31st March, 2012 | 64.46 | – | 18.96 | 83.42 |
| As at 31st March, 2013 | 143.97 | – | 6.71 | 150.68 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 31st March, 2013 | | 31st March, 2012 | |
|---|------------------|-----------------|------------------|------------------|
| 14. CAPITAL EXPENDITURE ON NEW/EXPANSION PROJECTS | | | | |
| A. Fixed Assets | | | | |
| Balance Brought forward from previous year | | 57,561.09 | | 23,760.50 |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | | 55,513.73 | | – |
| | | 2,047.36 | | 23,760.50 |
| Freehold Land | 149.58 | | 1,015.56 | |
| Leasehold Land | 0.47 | | – | |
| Electrical Installations | 193.11 | | 275.89 | |
| Furniture & Fixtures | 3.49 | | 16.97 | |
| Office Equipments | 5.01 | | 3.00 | |
| Vehicles | 1.05 | | 22.08 | |
| Computers | 6.26 | | 3.47 | |
| Less : Depreciation (Charged to Pre-Operative expenses) | (18.89) | | (542.41) | |
| Less : Amortisation (Charged to Pre-Operative expenses) | (1.94) | | (17.51) | |
| Fixed Assets - Under Erection | | | | |
| Factory Building | 1,156.47 | | 1,881.90 | |
| Non-Factory Building | 631.36 | | 319.32 | |
| Plant & Machinery | 1,598.77 | | 30,707.13 | |
| Storage Yard | 184.15 | | 106.20 | |
| Mines Development | – | 3,908.89 | 184.59 | 33,976.19 |
| | | 5,956.25 | | 57,736.69 |
| Less : Transferred to Fixed Assets during the year | | 2,481.13 | | 175.60 |
| | | 3,475.12 | | 57,561.09 |
| B. Material at Site | | 57.37 | | 4.44 |
| (I) | | 3,532.49 | | 57,565.53 |
| C. Incidental Expenditure pending allocation to Fixed Assets | | | | |
| Balance Brought forward from previous year | | 14,117.33 | | 4,984.30 |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | | 13,869.54 | | – |
| | | 247.79 | | 4,984.30 |
| Interest and Finance Charges | 99.30 | | 3,565.27 | |
| Power and Fuel | 23.11 | | 139.60 | |
| Lease Rent | 110.05 | | – | |
| Repairs & Maintenance | 0.56 | | 260.26 | |
| Salary & Bonus | 76.60 | | 1,642.51 | |
| Travelling & Conveyance | 18.97 | | 197.26 | |
| Consultancy Charges | 45.48 | | 442.26 | |
| Rates & Taxes | 33.02 | | 86.54 | |
| Miscellaneous Expenses | 52.41 | | 2,267.72 | |
| Depreciation | 18.89 | | 542.41 | |
| Amortisation | 1.94 | 480.34 | 17.51 | 9,161.34 |
| | | 728.13 | | 14,145.64 |
| Less : Allocated to Fixed Assets during the year | | 384.13 | | 28.31 |
| (II) | | 344.00 | | 14,117.33 |
| | | 3,876.49 | | 71,682.86 |

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | Face Value per share (₹) | No. of Shares | | 31st March, 2013 | 31st March, 2012 |
|--|-----------------------------|------------------------|--------|---------------------|---------------------|
| 15. NON-CURRENT INVESTMENTS (Fully Paid Up) (At Cost) | | | | | |
| A. NON TRADE INVESTMENTS | | | | | |
| (a) Quoted Equity Shares | | | | | |
| Bharat Commerce & Industries Ltd. | 10 | 19,000 | | 0.73 | 0.73 |
| Corporation Bank | 10 | 600 | | 0.48 | 0.48 |
| Greenply Industries Ltd. | 5 | 100 | | 0.09 | 0.09 |
| Kitply Industries Ltd. | 10 | 100 | | 0.02 | 0.02 |
| Pidilite Industries Ltd. | 1 | 2,000 | | 0.27 | 0.27 |
| Mahindra Satyam Computer Services Ltd. | 2 | 100 | | 0.11 | 0.11 |
| Tata Iron & Steel Co. Ltd. | 10 | 17 | | 0.07 | 0.07 |
| UCO Bank | 10 | 54,500 | | 7.95 | 7.95 |
| Reliance Broadcast Network Ltd. | 5 | 6,00,000 | | 510.00 | 510.00 |
| Reliance Power Ltd. | 10 | – | | – | 24.54 |
| | | (8,743) | | | |
| Reliance Industries Ltd. | 10 | 464 | | 6.69 | 6.69 |
| Tata Chemicals Ltd. | 10 | 498 | | 2.12 | 2.12 |
| Infomedia India Ltd. | 10 | 985 | | 2.64 | 2.64 |
| Sub Total | | | | 531.17 | 555.71 |
| (b) Unquoted Equity Shares | | | | | |
| Changlang Plywood Pvt. Ltd. | 100 | 2,000 | | 2.00 | 2.00 |
| Manmao Plywood Pvt. Ltd. | 100 | 1,000 | | 1.00 | 1.00 |
| Ribhoi Engineering Co. Pvt. Ltd. | 10 | – | | – | 2.70 |
| | | (27,000) | | | |
| Sub Total | | | | 3.00 | 5.70 |
| B. TRADE INVESTMENTS | | | | | |
| Unquoted Equity Instruments | | | | | |
| (a) Investments In Associates | | | | | |
| Ara Suppliers Pvt. Ltd. [including goodwill of ₹ 0.84 Lacs (₹ 1.41 Lacs)] | 10 | 4,75,010 (7,98,200) | 47.50 | | |
| Less: Share of accumulated losses | | | 0.59 | 46.91 | 78.86 |
| Arham Sales Pvt. Ltd. [including goodwill of ₹ 0.79 Lacs (₹ 1.32 Lacs)] | 10 | 4,75,010 (7,98,200) | 47.50 | | |
| Less: Share of accumulated losses | | | 0.54 | 46.96 | 78.92 |
| Adonis Vyaper Pvt. Ltd. [including goodwill of ₹ 0.79 Lacs (₹ 1.33 Lacs)] | 10 | 4,75,010 (7,98,200) | 47.50 | | |
| Less : Share of accumulated losses | | | 0.54 | 46.96 | 78.92 |
| Apnapan Viniyog Pvt. Ltd. [including goodwill of ₹ 0.79 Lacs (₹ 1.32 Lacs)] | 10 | 4,75,010 (7,98,200) | 47.50 | | |
| Less : Share of accumulated losses | | | 0.54 | 46.96 | 78.92 |
| Aegis Siam Ltd. | | 9,799 (–) | 176.65 | 17.31 | – |
| Aegis Siam Resources Company Ltd. | | 9,800 (–) | 176.73 | 17.32 | – |
| | | | | 222.42 | 315.62 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013
(₹ in Lacs)

| | Face Value per share (₹) | No. of Shares | 31st March, 2013 | 31st March, 2012 |
|--|-----------------------------|----------------------|---------------------|---------------------|
| 15. NON-CURRENT INVESTMENTS (Fully Paid Up) (At Cost) | | | | |
| (b) Gold Coins | | 328 gms (228 gms) | 8.40 | 5.06 |
| (c) Investment in government Securities National Savings Certificate (VII Issue)* | | | 0.05 | 0.05 |
| TOTAL | | | 765.04 | 882.14 |
| Aggregate Amount of Investments | | | | |
| Quoted | | | 531.17 | 555.71 |
| Unquoted | | | 233.87 | 326.43 |
| Market Value of Quoted Investments | | | 191.57 | 387.26 |

* Lodged with Government Departments as Security Deposit.

(₹ in Lacs)

| | Non Current | | Current | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 16. LOANS AND ADVANCES | | | | |
| Loans and Advances (Considered Good) | | | | |
| Capital Advances | | | | |
| - Secured | – | 757.12 | – | – |
| - Unsecured | 691.70 | 5,672.19 | – | – |
| Security Deposits | | | | |
| Unsecured | 967.07 | 903.85 | 146.30 | 197.81 |
| Loans - Unsecured | | | | |
| - To Related Parties (Refer Note No. - 41) | – | 13.00 | – | 35.42 |
| - To Bodies corporate | – | – | 100.00 | 900.00 |
| Advances recoverable in cash or kind | | | | |
| Unsecured | 65.52 | 34.80 | 1,314.61 | 3,402.52 |
| Other Loans and Advances (Unsecured - Considered Good) | | | | |
| Prepaid Expenses | 5.42 | 0.27 | 286.23 | 556.59 |
| Anti Dumping Duty Receivable | – | – | 204.16 | 156.73 |
| Advance Income Tax (Net of Provisions) [Net of Provisions of ₹ 1,454.98 Lacs (₹ 4,133.66 Lacs)] | 360.22 | 272.17 | – | – |
| Minimum Alternate Tax Credit Entitlement (Refer Note No. - 44) | 2,916.84 | 1,950.88 | – | 8,616.24 |
| Deposits against Demand under Disputes | – | – | 64.81 | 63.76 |
| Balance with Statutory/Government Authorities | – | – | 1,204.90 | 4,282.10 |
| | 5,006.77 | 9,604.28 | 3,321.01 | 18,211.17 |
| Advances due from Directors of the company | – | – | – | 2.42 |
| Advances due from Associates | – | – | 10.88 | – |
| Advances due from Officers of the company (included in Advances recoverable in cash or kind) | – | – | 13.00 | – |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | Non Current | | Current | |
|---|------------------|------------------|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 | 31st March, 2013 | 31st March, 2012 |
| 17. TRADE RECEIVABLES AND OTHER ASSETS | | | | |
| 17.1 Trade Receivables | | | | |
| Debts outstanding for a period exceeding six months from the date they are due for payment | | | | |
| Secured - Considered Good | - | - | - | 26.60 |
| Unsecured - Considered Good | - | - | 638.01 | 577.57 |
| Unsecured - Considered Doubtful | 184.87 | 454.74 | - | - |
| | 184.87 | 454.74 | 638.01 | 604.17 |
| Provision for doubtful trade receivables | 184.87 | 454.74 | - | - |
| A | - | - | 638.01 | 604.17 |
| Other Debts | | | | |
| Secured - Considered Good | - | - | - | 1,500.37 |
| Unsecured - Considered Good | - | - | 17,288.67 | 17,405.07 |
| B | - | - | 17,288.67 | 18,905.44 |
| Total (A+B) | - | - | 17,926.68 | 19,509.61 |
| 17.2 Other Assets | | | | |
| Unsecured, Considered Good | | | | |
| Central/State Government Claims/ Subsidies Receivable | 205.44 | 351.78 | 1,250.47 | 14,698.14 |
| Interest accrued on Loans, Deposits etc. | - | - | 5.71 | 6.17 |
| Other Receivable | - | - | 0.33 | 2.58 |
| Preliminary Expenses (To the extent not written off or adjusted) | - | - | 6.10 | 16.97 |
| | 205.44 | 351.78 | 1,262.61 | 14,723.86 |

(₹ in Lacs)

| | Notes | 31st March, 2013 | 31st March, 2012 |
|--|-------|------------------|------------------|
| 18. INVENTORIES | | | |
| (At Lower of Cost and Net Realisable Value) | | | |
| Raw Materials | 22 | 15,147.09 | 13,141.21 |
| Work in Progress | 23 | 2,580.18 | 2,070.75 |
| Traded Goods | 23 | 1,192.63 | 832.42 |
| Finished Goods | 23 | 3,391.63 | 3,581.30 |
| Stores & Spares Parts, etc. | | 620.83 | 11,421.96 |
| | | 22,932.36 | 31,047.64 |
| Note : | | | |
| The above includes Stock in Transit | | | |
| Raw Materials | | 879.85 | 190.43 |
| Traded Goods | | 59.24 | 57.24 |
| Finished Goods | | 64.01 | 345.79 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | Current | |
|---|------------------|------------------|
| | 31st March, 2013 | 31st March, 2012 |
| 19. CASH AND BANK BALANCES | | |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| - On Current accounts | 2,437.57 | 4,017.96 |
| - Deposits with Original Maturity of less than three months | 6,352.97 | 2,103.06 |
| - On Unpaid Dividend Account | 16.35 | 17.57 |
| Cheques/Drafts on hand | 119.52 | 295.21 |
| Cash on hand | 906.62 | 107.88 |
| | 9,833.03 | 6,541.68 |
| Other Bank Balances | | |
| - Deposits with Original Maturity of more than 12 months | – | 29.07 |
| - Deposits with Original Maturity of more than 3 months but less than 12 months | 362.93 | 15.83 |
| Margin Money Deposits | – | 261.42 |
| | 362.93 | 306.32 |
| | 10,195.96 | 6,848.00 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|--------------------|--------------------|
| 20. REVENUE FROM OPERATIONS | | |
| Revenue from Operations | | |
| Sale of Products | | |
| - Finished Goods | 1,03,130.42 | 1,62,990.02 |
| - Traded Goods | 18,360.20 | 8,038.81 |
| - Income from Logistic Services | 5,882.15 | 5,943.14 |
| - Other Services | 11.27 | 29.32 |
| Other Operating Revenue | | |
| - Scrap Sales | 190.35 | 362.15 |
| - Export Incentives | 223.30 | 219.61 |
| - Sales Tax Subsidy | 205.04 | 191.35 |
| - Miscellaneous Income | 72.86 | 199.71 |
| Revenue from Operations (Gross) | 1,28,075.59 | 1,77,974.11 |
| Less : Excise Duty | 9,910.99 | 11,237.03 |
| Revenue from Operations (Net) | 1,18,164.60 | 1,66,737.08 |

Note :

Excise duty on sales amounting to ₹ 9,910.99 Lacs (₹ 11,237.03 Lacs) has been reduced from sales in the Statement of Profit & Loss and excise duty on increase/(decrease) in stock amounting to ₹ 89.13 Lacs [₹ (52.37) Lacs] has been considered as income/expense in Note No. - 25 of financial statements.

Notes to Consolidated Financial Statements

as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|--------------------|--------------------|
| 20. REVENUE FROM OPERATIONS (Contd.) | | |
| Details of Products Sold | | |
| Finished Goods Sold | | |
| Plywood & Blockboard | 67,828.13 | 70,805.13 |
| Laminates | 18,001.79 | 15,329.83 |
| Pre-Laminated Particle Boards | 4,412.62 | 4,081.73 |
| Veneer | 12,887.88 | 8,564.73 |
| Cement | – | 56,964.46 |
| Ferro Silicon | – | 6,294.58 |
| Power | – | 949.56 |
| | 1,03,130.42 | 1,62,990.02 |
| Traded Goods Sold | | |
| Plywood & Blockboard | 10,136.61 | 6,296.28 |
| MDF | 281.15 | 343.92 |
| Agri Products | 694.67 | 593.59 |
| Phenol | 1,231.38 | – |
| Dolomite | 5,162.03 | – |
| Furniture | 173.66 | – |
| Others | 680.70 | 805.02 |
| | 18,360.20 | 8,038.81 |
| | 1,21,490.62 | 1,71,028.83 |
| Details of Income from Services | | |
| Container Freight Station Services | 5,852.55 | 5,050.38 |
| Jetty Services | – | 278.38 |
| Shipping Operations | 29.60 | 614.38 |
| Other Services | 11.27 | 29.32 |
| | 5,893.42 | 5,972.46 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|---------------|---------------|
| 21. OTHER INCOME | | |
| Dividend Income on | | |
| - Long Term Investments | 1.90 | 1.89 |
| Interest Income on | | |
| - Fixed Deposits, Loans, etc. | 90.39 | 309.56 |
| Insurance and Other Claims | 59.34 | 35.14 |
| Unspent/Unclaimed liabilities written back | 76.72 | 55.75 |
| Profit on Fixed Assets Sold/Discarded (Net) | 174.48 | - |
| Bad Debts Recovered | 9.12 | 17.00 |
| Foreign Exchange Fluctuations (Net) | 256.79 | - |
| Net gain on sale of current investments | 5.13 | 35.89 |
| Miscellaneous Receipts | 46.77 | 49.23 |
| | 720.64 | 504.46 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|------------------|------------------|
| 22. COST OF RAW MATERIALS CONSUMED | | |
| Cost of Raw Materials Consumed | | |
| Inventory at the beginning of the year | 13,141.21 | 10,826.31 |
| Less : Stock transferred pursuant to Scheme of Arrangement (Refer Note No. - 36) | 201.09 | - |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | 667.89 | |
| | 12,272.23 | 10,826.31 |
| Add : Purchases | 66,556.56 | 69,931.80 |
| | 78,828.79 | 80,758.11 |
| Less : Inventory at the end of the year | 15,147.09 | 13,141.21 |
| Cost of Raw Materials Consumed | 63,681.70 | 67,616.90 |
| Details of Raw Material Consumed | | |
| Timber Logs | 29,502.41 | 25,208.02 |
| Veneer | 16,077.25 | 17,534.63 |
| Chemicals | 8,676.36 | 8,201.19 |
| Paper | 6,879.67 | 5,379.67 |
| Particle Board | 2,546.01 | 2,083.22 |
| Coal/Charcoal/Lam Coke | - | 874.59 |
| Super Screen Coal | - | 897.16 |
| Quartz | - | 261.47 |
| Mill Scale | - | 181.81 |
| Lime Stone | - | 664.32 |
| Gypsum | - | 542.71 |
| Fly Ash | - | 4,192.73 |
| Others | - | 1,595.38 |
| | 63,681.70 | 67,616.90 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|------------------|------------------|
| 22. COST OF RAW MATERIALS CONSUMED (Contd.) | | |
| Details of Closing Stock of Raw Materials | | |
| Timber Logs | 5,173.71 | 3,797.92 |
| Veneer | 5,487.59 | 5,169.87 |
| Chemicals | 628.41 | 393.84 |
| Paper | 3,078.69 | 2,248.06 |
| Particle Board | 638.40 | 660.19 |
| Coal/Charcoal/Lam Coke | – | 171.33 |
| Quartz | – | 4.47 |
| Mill Scale | – | 22.15 |
| Lime Stone | – | 91.52 |
| Gypsum | – | 21.21 |
| Fly Ash | – | 354.53 |
| Others | 140.29 | 206.12 |
| | 15,147.09 | 13,141.21 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|-------------------|-----------------|
| 23. (INCREASE)/DECREASE IN INVENTORIES | | |
| Inventories at the beginning of the year | | |
| Traded Goods | 832.42 | 896.15 |
| Finished Goods | 3,581.30 | 3,948.15 |
| Work in Progress | 2,070.75 | 1,930.90 |
| | 6,484.47 | 6,775.20 |
| Less: Inventories transferred pursuant to Scheme of Arrangement (Refer Note No. - 36) | | |
| Finished Goods | 544.32 | – |
| | 544.32 | – |
| Less : On cessation of subsidiaries pursuant to the Scheme of Arrangement | | |
| Finished Goods | 417.78 | – |
| Work in Progress | 21.86 | – |
| | 439.64 | – |
| Inventories at the end of the year | | |
| Traded Goods | 1,192.63 | 832.42 |
| Finished Goods | 3,391.63 | 3,581.30 |
| Work in Progress | 2,580.18 | 2,070.75 |
| | 7,164.44 | 6,484.47 |
| (Increase)/Decrease in inventories of Finished Goods/Work in Progress/Traded Goods | (1,663.93) | 290.73 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|------------------|-----------------|
| 23. (INCREASE)/DECREASE IN INVENTORIES (Contd.) | | |
| Details of Purchase of Traded Goods | | |
| Plywood and Blockboards | 4,278.52 | 5,294.70 |
| Veneer | 7.98 | 0.40 |
| Medium Density Fibreboard/Plain Particle Boards | 281.17 | 186.47 |
| Chemicals | 630.91 | 608.01 |
| Pest Control Kits | 38.46 | 66.72 |
| Phenol | 1,205.16 | – |
| Dolomite | 4,369.56 | – |
| Furniture | 322.32 | – |
| Others | 488.48 | 705.20 |
| | 11,622.56 | 6,861.50 |
| Details of Inventory | | |
| Traded Goods | | |
| Plywood and Blockboard | 717.41 | – |
| Veneer | – | 0.45 |
| Medium Density Fibreboard/Plain Particle Boards | 84.32 | 668.37 |
| Adhesive | – | 13.37 |
| Chemicals | 102.08 | 83.41 |
| Pest Control Kits | 58.26 | 66.82 |
| Furniture | 213.90 | – |
| Others | 16.66 | – |
| | 1,192.63 | 832.42 |
| Finished Goods | | |
| Plywood and Blockboard | 1,202.18 | 1,426.43 |
| Laminates | 1,770.33 | 934.04 |
| Pre-Laminated Particle Boards | 68.01 | 56.82 |
| Veneer | 345.59 | 196.14 |
| Ferro Silicon | – | 534.77 |
| Silicon Manganese | – | 9.55 |
| Cement | – | 412.76 |
| Others | 5.52 | 10.79 |
| | 3,391.63 | 3,581.30 |
| Work in Progress | | |
| Plywood and Blockboard | 2,006.36 | 1,634.12 |
| Laminates | 571.64 | 413.03 |
| Raw - Mills | – | 21.86 |
| Pre-Laminated Particle Boards | 2.18 | 1.74 |
| | 2,580.18 | 2,070.75 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|------------------|------------------|
| 24. EMPLOYEE BENEFITS EXPENSE | | |
| Salaries, Wages, Bonus, etc. | 11,088.76 | 12,265.53 |
| Contribution to Provident, Gratuity and other Funds | 785.95 | 717.72 |
| Employees Welfare Expenses | 318.17 | 462.24 |
| | 12,192.88 | 13,445.49 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|------------------|------------------|
| 25. OTHER EXPENSES | | |
| Stores & Spare parts consumed | 1,383.15 | 3,815.05 |
| Power and Fuel | 2,692.70 | 12,520.00 |
| (Increase)/decrease of excise duty on inventory | 89.13 | (52.37) |
| Insurance | 235.80 | 316.75 |
| Jetty Expenses | – | 19.81 |
| Rent | 1,019.44 | 1,449.10 |
| Rates & Taxes | 88.73 | 603.59 |
| Repairs & Maintenance | | |
| - Buildings | 169.13 | 291.68 |
| - Plant & Machinery | 602.19 | 1,745.94 |
| - Others | 383.05 | 436.61 |
| Transport & Freight | 4,091.47 | 18,122.67 |
| Commission on Sales | 751.63 | 1,007.62 |
| Advertisement, Publicity and Sales Promotion | 4,838.14 | 4,383.58 |
| Communication Expenses | 245.98 | 244.85 |
| Directors' Sitting Fees | 4.10 | 2.40 |
| Auditors' Remuneration | 41.33 | 55.14 |
| Research and Development Expenses | – | 27.21 |
| Charity and Donations (Refer Note No. - 40) | 153.72 | 526.14 |
| Octroi | 320.33 | 305.47 |
| Sales Tax for earlier years | 1.72 | 25.15 |
| Foreign Exchange Fluctuations (Net) | – | 172.23 |
| Loss on Fixed Assets Sold /Discarded | – | 0.65 |
| Irrecoverable Debts written off | 177.36 | 81.58 |
| Provision for Doubtful Debts | 88.42 | 12.32 |
| Miscellaneous Expenses | 2,617.74 | 3,882.56 |
| | 19,995.26 | 49,995.73 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|------------------------------------|--------------|--------------|
| 25. OTHER EXPENSES (Contd.) | | |
| Payment to Auditors | | |
| As Auditor | | |
| - Audit Fees | 17.69 | 25.02 |
| - Limited Review | 9.00 | 9.00 |
| In other Capacity | | |
| - Certificate and other Services | 5.95 | 12.36 |
| Reimbursement of Expenses | 0.83 | 0.89 |
| Payment to Branch Auditors | | |
| - Audit Fees | 7.86 | 7.87 |
| | 41.33 | 55.14 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| 26. DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on Tangible Assets | 2,773.93 | 6,074.83 |
| Depreciation on Intangible Assets | 41.51 | 39.09 |
| | 2,815.44 | 6,113.92 |
| Less : Recoupment from revaluation reserve | 4.21 | 6.63 |
| Less : Transferred to pre-operative expenses | 15.27 | 545.30 |
| | 2,795.96 | 5,561.99 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|-----------------|-----------------|
| 27. FINANCE COST | | |
| Interest Expenses [net of Capitalisation ₹ 99.30 Lacs (₹ 3,568.14 Lacs)] | 1,596.29 | 2,784.55 |
| Exchange difference to the extent considered as an adjustment to borrowing costs | 2,023.60 | 2,560.73 |
| Bank Charges | 416.01 | 508.38 |
| | 4,035.90 | 5,853.66 |

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|---|----------|-----------------|
| 28. EXCEPTIONAL ITEMS | | |
| Foreign Exchange Fluctuations | – | 4,624.73 |
| Less : Exchange difference to the extent considered as an adjustment to borrowing costs (Refer Note No. - 27) | – | 2,560.73 |
| | – | 2,064.00 |

Note :

The Company had treated loss arisen on account of foreign exchange fluctuations and on re-instatement of forex assets and liabilities during the year 2011-2012, as exceptional item, since the same had resulted from exceptionally volatile global market developments during the period from July, 2011 to March, 2012.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

29. Capital & Other Commitments

- Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for ₹ 544.23 Lacs (₹ 10,953.17 Lacs)
- For commitment relating to lease arrangements, please Refer Note No. - 34

30. Contingent Liabilities

(₹ in Lacs)

| | 31st March, 2013 | 31st March, 2012 |
|--|------------------|------------------|
| Contingent Liabilities not provided for in respect of :- | | |
| (a) Demands/Claims by various Government Authorities and others not acknowledged as debt : | | |
| (i) Excise Duty/Service Tax | 817.44 | 516.81 |
| (ii) Sales Tax/VAT | 528.64 | 327.14 |
| (iii) Income Tax | 216.03 | 2,765.90 |
| (iv) Others | — | 79.26 |
| Total | 1,562.11 | 3,689.11 |
| (b) Guarantees in favour of a bank against facilities granted to a Subsidiary Company | 1,000.00 | 641.00 |
| (c) Un-redeemed bank guarantees | 743.00 | 1,333.70 |
| (d) Bills discounted with banks | — | 572.40 |
| (e) Letters of credit issued by the banks | 5,984.21 | 7,466.00 |
| (f) Custom Duty on import under EPCG Scheme against which Export obligation is to be fulfilled | 106.97 | 1,875.42 |
| (g) Guarantee provided to bank on behalf of Contractors | — | 2,477.30 |

Note : Based on discussion with the solicitors/favourable decisions in similar cases/legal opinion taken by the Group, the management believes that the Group has a good chance of success in above mentioned cases and hence, no provision there against is considered necessary.

- There is a diminution of ₹ 360.60 Lacs (₹ 185.70 Lacs) in the value of a quoted investment based on the last quoted price. The above investment being long term and strategic in nature, the said diminution, in the opinion of the management, is temporary in nature and hence no provision is considered necessary.
- Excise duty debited to the Statement of Profit & Loss is Net of Subsidy ₹ 679.52 Lacs (₹ 687.93 Lacs).
- Based on the information / documents available with the Company, information as per the requirement of Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as under :

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|--|-------------|-------------|
| (i) Principal amount remaining unpaid to any supplier at the end of accounting year (including retention money against performance). | 8.96 | 0.46 |
| (ii) Interest due on above. | — | — |
| Total of (i) & (ii) | 8.96 | 0.46 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|---|---------|---------|
| (iii) Amount of interest paid by the Company to the suppliers in terms of Section 16 of the Act. | – | – |
| (iv) Amount paid to the suppliers beyond the respective appointed date. | – | – |
| (v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act. | – | – |
| (vi) Amount of interest accrued and remaining unpaid at the end of accounting year. | – | – |
| (vii) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act. | – | – |

34. (a) Operating Lease :

Certain office premises, depots etc are obtained on operating lease. The lease terms are for 1-3 years and are renewable for further period either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no sub-leases. The leases are cancellable.

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|-----------------------------------|---------|---------|
| Lease payments made for the year* | 435.48 | 981.89 |

* Excluding lease rent for use of Land ₹ 425.50 Lacs (₹ 467.21 Lacs).

Certain showrooms are obtained on operating lease. The lease term is for a period of 9 years with escalation clause at the end of every 3 years in the lease agreement. There are no restrictions imposed by lease arrangements. The minimum rentals payable under non-cancellable operating leases are as follows :

(₹ in Lacs)

| Particulars | 2012-13 | 2011-12 |
|---|---------|---------|
| Within one year | 198.85 | – |
| After one year but not more than five years | 795.40 | – |
| More than five years | 622.70 | – |

(b) Fixed Assets include certain Vehicles obtained on finance lease. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. The year-wise break-up and future obligation towards minimum lease payments of ₹ 290.98 Lacs (₹ 958.78 Lacs) consisting of present value of lease payments of ₹ 271.95 Lacs (₹ 872.57 Lacs) and financial charges ₹ 19.03 Lacs (₹ 86.21 Lacs) under the respective agreements as on 31st March, 2013, is given below :

(₹ in Lacs)

| Particulars | Not later than 1 year | | Later than 1 year but not later than 5 years | |
|---------------|------------------------|--------------------------------------|--|--------------------------------------|
| | Minimum lease payments | Present value as on 31st March, 2013 | Minimum lease payments | Present value as on 31st March, 2013 |
| Finance Lease | 194.36 (387.63) | 179.50 (335.12) | 96.62 (571.15) | 92.45 (537.45) |

* Rate of Interest : 10.00%-11.25%.

35. The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The scheme is funded with an insurance company.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

The following tables summarize the components of net benefit expenses recognized in the Statement of Profit & Loss and the funded status and amounts recognized in the Balance Sheet for the Gratuity.

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|----------|---------|
| (i) Net Employee Expense/(benefit) | | |
| Current service cost | 94.19 | 117.53 |
| Interest cost on benefit obligation | 66.60 | 60.79 |
| Expected return on Plan Assets | (79.41) | (59.42) |
| Net Actuarial (gains)/losses recognized in the year | 40.30 | 39.25 |
| Total employer expense | 123.17 | 158.15 |
| (ii) Actual return on plan assets | 71.46 | 54.62 |
| (iii) Benefit Asset / (Liability) | | |
| Fair Value of Plan Assets | 1,020.06 | 850.70 |
| Defined benefit obligation | 864.27 | 861.91 |
| Benefit Asset / (Liability) | 149.11 | (11.21) |
| (iv) Movement in benefit liability | | |
| Opening defined benefit obligation | 861.91 | 678.20 |
| Less : Obligation transferred pursuant to Scheme of Arrangement (Refer Note No. - 36) | 23.73 | – |
| Less : On cessation of subsidiaries due to transfer of investments pursuant to the Scheme of Arrangement | 130.87 | – |
| Interest cost | 66.60 | 60.79 |
| Current service cost | 94.19 | 117.53 |
| Benefits paid | (36.19) | (29.05) |
| Actuarial (gains) / losses | 32.35 | 34.44 |
| Closing benefit obligation | 864.27 | 861.91 |
| (v) Movement in fair value of Plan Assets | | |
| Opening fair value of Plan Assets | 850.70 | 594.70 |
| Less : On cessation of subsidiaries due to transfer of investments pursuant to the Scheme of Arrangement | 96.71 | – |
| Expected Return on Plan Assets | 79.41 | 59.42 |
| Contribution by employer | 231.49 | 230.43 |
| Benefits paid | (36.19) | (29.05) |
| Actuarial gains / (losses) on obligation | (7.94) | (4.81) |
| Closing fair value of Plan Assets | 1,020.06 | 850.70 |
| (vi) The major categories of Plan Assets as a percentage of the fair value of total Plan Assets | | |
| Funded with insurer | 100% | 100% |
| (vii) The Principal actuarial assumptions are as follows : | | |
| Discount rate | 8.25% | 8% |
| Expected Return on Plan Assets | 9% | 8% |
| Salary Increase | 5% | 5% |
| Withdrawal rates (Varying between per annum depending upon the duration and age of the employees) | 1%-8% | 1%-2% |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(viii) Amount incurred as expense for defined contribution to Provident Fund is ₹ 404.96 Lacs (₹ 410.45 Lacs).

(ix) The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(x) The Group expects to contribute ₹ 110 Lacs (₹ 150 Lacs) to Gratuity fund in 2013-2014.

(xii) **The details for the current and previous periods are as follows :**

| | 2012-2013 | 2011-2012 | 2010-2011 | 2009-2010 | 2008-2009 |
|--|-----------|-----------|-----------|-----------|-----------|
| Defined Benefit Obligation | 864.27 | 861.91 | 678.20 | 481.30 | 413.57 |
| Plan Assets | 1020.06 | 850.70 | 594.70 | 388.37 | 231.49 |
| Surplus/(Deficit) | 149.11 | (11.21) | (83.50) | (92.93) | (182.08) |
| Experience adjustments on Plan Liability | 36.18 | 29.05 | 19.93 | * | * |
| Experience adjustments on Plan Assets | (7.94) | (4.39) | 0.04 | * | * |

* The management has relied on the overall actuarial valuation conducted by the actuary. However, experience adjustments on plan liabilities and assets are not readily available and hence not disclosed.

36. Scheme of Arrangement :

a) Pursuant to the Scheme of Arrangement ("The Scheme") approved by the Hon'ble High Court of Kolkata vide its order dated 17th May, 2013, all the assets and liabilities of the Ferro Alloys and Cement division (i.e., business and interests of the Company in manufacture of ferro alloys and cement, including captive power plants attached thereto) have been transferred to and vested in Star Ferro and Cement Limited (Resulting Company) at their respective book values on a going concern basis with effect from 1st April, 2012 being the appointed date. Accordingly, the Scheme of Arrangement has been given effect to in these accounts.

b) The details of the assets and liabilities transferred to the Resulting Company are as under :

(₹ in Lacs)

| ASSETS | |
|-------------------------------|------------------|
| Non-Current Assets | |
| Fixed Assets | |
| Tangible Assets | 2,541.07 |
| Capital Work-in-Progress | 998.42 |
| Non-Current Investments | 6,328.25 |
| Long-Term Loans and Advances | 72.08 |
| | 9,939.82 |
| Current Assets | |
| Inventories | 1,960.52 |
| Trade Receivables | 488.14 |
| Cash and Bank Balances | 167.89 |
| Short-Term Loans and Advances | 705.60 |
| Other Current Assets | 59.92 |
| | 3,382.07 |
| TOTAL | 13,321.89 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

(₹ in Lacs)

| LIABILITIES | |
|--------------------------------|-----------------|
| Non-Current Liabilities | |
| Long-Term Borrowings | 575.90 |
| | 575.90 |
| Current Liabilities | |
| Short-Term Borrowings | 1,173.40 |
| Trade Payables | 330.48 |
| Other Current Liabilities | 384.49 |
| Short-Term Provisions | 13.25 |
| | 1,901.62 |
| TOTAL | 2,477.52 |

- c) Pursuant to the Scheme, the difference between book value of assets and liabilities transferred to the Resulting Company being ₹ 10,844.37 Lacs, has been debited to the following Reserves of the Company.

(₹ in Lacs)

| | |
|-----------------|------------------|
| Capital Reserve | 1,222.93 |
| General Reserve | 9,621.44 |
| | 10,844.37 |

37. Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations i.e Ferro alloys and cement division of the company which has been demerged w.e.f 1st April, 2012 (Refer Note No. - 36)

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--|----------------|------------------|
| Income | | |
| Revenue from operations (gross) | – | 64,411.91 |
| Less : excise duty | – | 3,438.28 |
| Revenue from operations (net) | – | 60,973.63 |
| Other income | – | 251.72 |
| Total revenue (I) | – | 61,225.35 |
| Expenses | | |
| Cost of raw materials consumed | – | 9,210.16 |
| (Increase)/Decrease in inventories of finished goods and work-in-progress | – | 430.47 |
| Employee benefits expense | – | 3,423.97 |
| Other expenses | – | 33,085.78 |
| Total (II) | – | 46,150.38 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II) | – | 15,074.97 |
| Depreciation and amortization expense | – | 3,261.31 |
| Finance costs | – | 2,122.74 |
| Profit Before Tax and exceptional items | – | 9,690.92 |
| Exceptional Items | – | 741.73 |
| Profit before tax | – | 8,949.19 |
| Tax expenses (including deferred tax) | – | 203.91 |
| Profit after tax | – | 8,745.28 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

The carrying amounts of the total assets and liabilities of the Ferro Alloy and Cement division of the company are as follows :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|-------------------|----------|------------------|
| Total assets | – | 1,59,108.99 |
| Total liabilities | – | 87,833.01 |
| Net assets | – | 71,275.98 |

The net cash attributable to the Ferro Alloy and cement division of the company are as follows :

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|--------------------------------------|----------|--------------|
| Operating activities | – | 12,699.23 |
| Investing activities | – | (45,089.95) |
| Financing activities | – | 32,434.91 |
| Net cash inflows / (outflows) | – | 44.19 |

38. Earning per Share (EPS)

In terms of Accounting Standard - 20, the calculation of EPS is given below :

| | 2012-13 | 2011-12 |
|---|--------------|--------------|
| Profit as per the Statement of Profit & Loss (₹ In Lacs) | 5,518.75 | 12,275.86 |
| Less : Preference dividend for the year (including Tax on Dividend) (₹ In Lacs) | 2.44 | 5.23 |
| Profit available for Equity Shareholders | 5,516.31 | 12,270.63 |
| Weighted average number of Equity Shares outstanding during the year | 22,21,72,990 | 22,21,72,990 |
| Nominal value of equity shares (₹) | 1 | 1 |
| Basic and Diluted earnings per share (EPS) (₹) | 2.48 | 5.53 |

39. Derivative instruments and unhedged foreign currency exposure.

- a) Derivative instrument not for trading or speculation but as hedge of underlying transaction, outstanding as on the balance sheet date, are as follows :

| Interest Rate Swap | |
|--|---|
| Notional amount USD 96 Lacs (USD 120 Lacs). [₹ 5,221.44 Lacs (₹ 6,139.20 Lacs)] | Hedge against exposure to variable interest outflow on loans. Swap to pay fixed interest @ 1.62% p.a. (in USD) and receive a variable interest @ 3 month LIBOR on the notional amount |

- b) The particulars of unhedged foreign currency exposures as on the balance sheet date, are as follows :

(₹ in Lacs)

| NATURE OF ITEM | 2012-13 | 2011-12 |
|-------------------------------|-----------|-----------|
| Foreign Currency Term Loans | 14,081.98 | 25,073.59 |
| Foreign Currency Demand Loans | – | 2,557.83 |
| Buyer's Credit | 28,065.63 | 29,103.53 |
| Trade Receivables | 1,538.37 | 561.89 |
| Trade Payables | 2,988.39 | 4,552.94 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

40. Charity and Donations includes ₹ 7 Lacs (₹ 4 Lacs) paid to the following political parties for political purposes.

(₹ in Lacs)

| | 2012-13 | 2011-12 |
|----------------------|-------------|-------------|
| Paid To | | |
| Bhartiya Janta Party | 7.00 | 4.00 |
| Total | 7.00 | 4.00 |

41. Related Party Disclosures

a) Name of the related parties :

| | |
|---------------------------------|---|
| Key Management Personnel | Sri Satya Brata Ganguly (Chairman) (Resigned on 12th March, 2012) |
| | Sri Sajjan Bhajanka (Chairman) |
| | Sri Sanjay Agarwal (Managing Director) |
| | Sri Prem Kumar Bhajanka (Managing Director) |
| | Sri Vishnu Khemani (Managing Director) |
| | Sri Hari Prasad Agarwal (Vice Chairman) |
| | Sri Ajay Baldawa (Executive Director) |
| | Sri Arun Kumar Julasaria (Chief Financial Officer cum Company Secretary) |
| | Sri S.B. Roongta (Managing Director) (Resigned on 30th September, 2011) |
| | Sri Rajendra Chamaria (Vice Chairman & Managing Director) (Upto 31st March, 2012) |
| | Sri Pankaj Kejriwal (Managing Director) (Upto 31st March, 2012) |
| | Sri Sanjay Kumar Gupta (Chief Financial Officer) (Upto 31st March, 2012) |
| | Sri Girish Agarwal |
| | Sri Ashutosh Jaiswal |
| | Smt. Shraddha Agarwal |
| | Sri Anil Kumar Choudhary |
| | Sri Ashok Kumar Choudhary |
| | Smt. Sunita Devi Choudhary |
| Associates | Adonis Vyaper Pvt. Ltd. |
| | Apnapan Viniyog Pvt. Ltd. |
| | Ara Suppliers Pvt. Ltd. |
| | Arham Sales Pvt. Ltd. |
| | Aegis Siam Ltd. |
| | Aegis Siam Resources Company Ltd. (with effect from 7th January, 2013) |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

41. a) Names of the related parties (Contd.)

| | |
|---|---|
| Enterprises Owned/Influenced by Key Management Personnel | Brijdham Merchants Pvt. Ltd. |
| | Pacific Plywoods Pvt. Ltd. |
| | Sri Ram Merchants Pvt. Ltd. |
| | Sri Ram Vanijya Pvt. Ltd. |
| | Sumangal Business Pvt. Ltd. |
| | Sumangal International Pvt. Ltd. |
| | Shyam Century Cement Industries Ltd. |
| | Star India Cement Ltd. |
| Shyam Century Multi Projects Pvt. Ltd. (Upto 31st March, 2012) | |
| Relatives of Key Management Personnel | Smt. Santosh Bhajanka (Wife of Sri Sajjan Bhajanka) |
| | Smt. Divya Agarwal (Wife of Sri Sanjay Agarwal) |
| | Smt. Sumitra Devi Agarwal (Wife of Sri Hari Prasad Agarwal) |
| | Smt. Yash Bhajanka (Wife of Sri Prem Kumar Bhajanka) |
| | Smt. Sudha Khemani (Wife of Sri Vishnu Khemani) |
| | Ms. Nikita Agarwal (Daughter of Sri Sanjay Agarwal) |
| | Sri Keshav Bhajanka (Son of Sri Sajjan Bhajanka) |
| | Sri Shiv Prasad Agarwal (Father of Sri Girish Agarwal) |
| | Smt. Manju Devi Agarwal (Mother of Sri Girish Agarwal) |
| Ms. Meenakshi Agarwal (Sister of Sri Girish Agarwal) | |

41. b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013

| Sl. No. | Type of Transactions | Enterprises owned/ Influenced by Key Management Personnel | | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
|----------|----------------------------------|---|---------|------------|---------|--------------------------|---------|---------------------------------------|---------|---------|----------|
| | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| 1 | Loan taken | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | Enterprises | 119.00 | 367.70 | - | - | - | - | - | 119.00 | 367.70 |
| | Sri Ram Merchants Pvt. Ltd. | Enterprises | 420.00 | 603.00 | - | - | - | - | - | 420.00 | 603.00 |
| | Sri Ram Vanijya Pvt. Ltd. | Enterprises | 984.00 | 1,315.00 | - | - | - | - | - | 984.00 | 1,315.00 |
| | Sumangal Business Pvt. Ltd. | Enterprises | 164.00 | 259.50 | - | - | - | - | - | 164.00 | 259.50 |
| | Sumangal International Pvt. Ltd. | Enterprises | 388.50 | 113.00 | - | - | - | - | - | 388.50 | 113.00 |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | - | 300.00 | - | - | 300.00 |
| | Others | KMP | - | - | - | - | 20.00 | 35.00 | - | 20.00 | 35.00 |
| 2 | Loan repaid | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | Enterprises | 119.00 | 367.70 | - | - | - | - | - | 119.00 | 367.70 |
| | Sri Ram Merchants Pvt. Ltd. | Enterprises | 420.00 | 603.00 | - | - | - | - | - | 420.00 | 603.00 |
| | Sri Ram Vanijya Pvt. Ltd. | Enterprises | 984.00 | 1,315.00 | - | - | - | - | - | 984.00 | 1,315.00 |
| | Sumangal Business Pvt. Ltd. | Enterprises | 164.00 | 259.50 | - | - | - | - | - | 164.00 | 259.50 |
| | Sumangal International Pvt. Ltd. | Enterprises | 388.50 | 113.00 | - | - | - | - | - | 388.50 | 113.00 |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | 300.00 | - | - | 300.00 | - |
| | Others | KMP | - | - | - | - | - | 15.00 | - | - | 15.00 |
| 3 | Loan Given | | | | | | | | | | |
| | Smt. Sunita Devi Choudhary | KMP | - | - | - | - | - | 13.00 | - | - | 13.00 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013 (Contd.)

| Sl. No. | Type of Transactions | | Enterprises owned/ Influenced by Key Management Personnel | | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
|-----------|--|-------------|--|---------|------------|---------|-----------------------------|---------|---|---------|---------|----------|
| | | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| 4 | Refund of Share Application Money | | | | | | | | | | | |
| | Ara Suppliers Pvt. Ltd. | Associates | - | - | - | 1.00 | - | - | - | - | - | 1.00 |
| | Shyam Century Cement Industries Ltd. | Enterprises | - | 242.00 | - | - | - | - | - | - | - | 242.00 |
| 5 | Redemption of Preference Shares | | | | | | | | | | | |
| | Sri Vishnu Khemani | KMP | - | - | - | - | 50.00 | - | - | - | 50.00 | - |
| 6 | Reimbursement Paid | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | Enterprises | 0.72 | - | - | - | - | - | - | - | 0.72 | - |
| 7 | Investment Made | | | | | | | | | | | |
| | Adonis Vyaper Pvt. Ltd. | Associates | - | - | - | 79.82 | - | - | - | - | - | 79.82 |
| | Apnapan Viniyog Pvt. Ltd. | Associates | - | - | - | 79.82 | - | - | - | - | - | 79.82 |
| | Ara Suppliers Pvt. Ltd. | Associates | - | - | - | 79.82 | - | - | - | - | - | 79.82 |
| | Arham Sales Pvt. Ltd. | Associates | - | - | - | 79.82 | - | - | - | - | - | 79.82 |
| | Aegis Siam Ltd. | Associates | - | - | 17.31 | - | - | - | - | - | 17.31 | - |
| | Aegis Siam Resources Company Ltd. | Associates | - | - | 17.32 | - | - | - | - | - | 17.32 | - |
| 8 | Interest Paid | | | | | | | | | | | |
| | Brijdham Merchants Pvt. Ltd. | Enterprises | 6.86 | 11.06 | - | - | - | - | - | - | 6.86 | 11.06 |
| | Sri Ram Merchants Pvt. Ltd. | Enterprises | 16.40 | 14.25 | - | - | - | - | - | - | 16.40 | 14.25 |
| | Sri Ram Vanijya Pvt. Ltd. | Enterprises | 28.68 | 40.36 | - | - | - | - | - | - | 28.68 | 40.36 |
| | Sumangal Business Pvt. Ltd. | Enterprises | 1.00 | 7.68 | - | - | - | - | - | - | 1.00 | 7.68 |
| | Sumangal International Pvt. Ltd. | Enterprises | 12.44 | 3.87 | - | - | - | - | - | - | 12.44 | 3.87 |
| | Others | KMP | - | - | - | - | 22.78 | 8.89 | - | - | 22.78 | 8.89 |
| 9 | Interest Received | | | | | | | | | | | |
| | Skipper Ltd. | Enterprises | - | 11.18 | - | - | - | - | - | - | - | 11.18 |
| 10 | Remuneration Paid | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | KMP | - | - | - | - | 60.00 | 96.00 | - | - | 60.00 | 96.00 |
| | Sri Sanjay Agarwal | KMP | - | - | - | - | 60.00 | 96.00 | - | - | 60.00 | 96.00 |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | 36.00 | 54.00 | - | - | 36.00 | 54.00 |
| | Sri Vishnu Khemani | KMP | - | - | - | - | 60.00 | 60.00 | - | - | 60.00 | 60.00 |
| | Sri Hari Prasad Agarwal | KMP | - | - | - | - | 30.00 | 30.00 | - | - | 30.00 | 30.00 |
| | Sri Ajay Baldawa | KMP | - | - | - | - | 33.60 | 24.00 | - | - | 33.60 | 24.00 |
| | Sri Arun Kumar Julasaria | KMP | - | - | - | - | 29.02 | 24.37 | - | - | 29.02 | 24.37 |
| | Others | | - | - | - | - | 27.00 | 144.36 | 30.47 | 11.85 | 57.47 | 156.21 |
| 11 | Sitting Fees | | | | | | | | | | | |
| | Sri Satya Brata Ganguly | KMP | - | - | - | - | - | 0.40 | - | - | - | 0.40 |
| 12 | Dividend Paid | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | KMP | - | - | - | - | - | 491.43 | - | - | - | 491.43 |
| | Sri Sanjay Agarwal | KMP | - | - | - | - | - | 424.44 | - | - | - | 424.44 |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | - | 305.17 | - | - | - | 305.17 |
| | Sri Vishnu Khemani | KMP | - | - | - | - | 2.10 | 154.24 | - | - | 2.10 | 154.24 |
| | Smt.Santosh Bhajanka | Relative | - | - | - | - | - | - | - | 312.99 | - | 312.99 |
| | Smt. Divya Agarwal | Relative | - | - | - | - | - | - | - | 335.00 | - | 335.00 |
| | Others | | - | 786.58 | - | - | - | 48.72 | - | 384.52 | - | 1,219.82 |
| 13 | Rent Paid | | | | | | | | | | | |
| | Smt. Manju Devi Agarwal | Relative | - | - | - | - | - | - | 7.20 | 3.60 | 7.20 | 3.60 |
| | Sri Anil Kumar Choudhary | KMP | - | - | - | - | - | 3.00 | - | - | - | 3.00 |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

b) Aggregated Related Party disclosure as at and for the year ended 31st March, 2013 (Contd.)

| Sl. No. | Type of Transactions | | Enterprises owned/ Influenced by Key Management Personnel | | Associates | | Key Management Personnel | | Relatives of Key Management Personnel | | Total | |
|-----------|--|-------------|--|---------|------------|---------|-----------------------------|-----------|---|---------|-----------|-----------|
| | | | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| 14 | Guarantees Obtained * | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | KMP | - | - | - | - | 89,375.05 | 89,347.05 | - | - | 89,375.05 | 89,347.05 |
| | Sri Sanjay Agarwal | KMP | - | - | - | - | 86,875.05 | 68,497.05 | - | - | 86,875.05 | 68,497.05 |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | - | 14,000.00 | - | - | - | 14,000.00 |
| | Sri Hari Prasad Agarwal | KMP | - | - | - | - | 86,875.05 | 35,757.05 | - | - | 86,875.05 | 35,757.05 |
| 15 | Advance Given | | | | | | | | | | | |
| | Sri Arun Kumar Julasaria | KMP | - | - | - | - | 25.45 | - | - | - | 25.45 | - |
| 16 | Advance Received Back | | | | | | | | | | | |
| | Sri Arun Kumar Julasaria | KMP | - | - | - | - | 12.45 | - | - | - | 12.45 | - |
| 17 | Commission Paid | | | | | | | | | | | |
| | Sri Ashutosh Jaiswal | KMP | - | - | - | - | - | 4.00 | - | - | - | 4.00 |
| 18 | Balance Outstanding on account of | | | | | | | | | | | |
| A | Receivable/(Payable) | | | | | | | | | | | |
| | Shyam Century Multi Projects Pvt. Ltd. | Enterprises | - | 0.91 | - | - | - | - | - | - | - | 0.91 |
| | Star India Cement Ltd. | Enterprises | - | 35.00 | - | - | - | - | - | - | - | 35.00 |
| | Sri Arun Kumar Julasaria | KMP | - | - | - | - | 13.00 | - | - | - | 13.00 | - |
| | Others | | - | - | (2.09) | - | - | 0.94 | - | 0.01 | (2.09) | 0.95 |
| B | Loans | | | | | | | | | | | |
| | Sri Prem Kumar Bhajanka | KMP | - | - | - | - | - | (300.00) | - | - | - | (300.00) |
| | Sri Anil Kumar Choudhary | KMP | - | - | - | - | - | (20.08) | - | - | - | (20.08) |
| | Smt. Sunita Devi Choudhary | KMP | - | - | - | - | - | 13.00 | - | - | - | 13.00 |
| | Others | | - | - | - | - | 0.26 | (0.03) | - | - | 0.26 | (0.03) |
| C | Remuneration/Salary Payable | | | | | | | | | | | |
| | Sri Sajjan Bhajanka | KMP | - | - | - | - | 3.60 | - | - | - | 3.60 | - |
| | Sri Sanjay Agarwal | KMP | - | - | - | - | 3.60 | - | - | - | 3.60 | - |
| | Sri Hari Prasad Agarwal | KMP | - | - | - | - | 1.90 | - | - | - | 1.90 | - |
| | Sri Ajay Baldawa | KMP | - | - | - | - | 2.37 | 1.56 | - | - | 2.37 | 1.56 |
| | Sri Arun Kumar Julasaria | KMP | - | - | - | - | 0.57 | 0.28 | - | - | 0.57 | 0.28 |
| | Sri Rajesh Agarwal | Relative | - | - | - | - | - | - | 0.96 | 0.63 | 0.96 | 0.63 |
| | Ms. Nikita Agarwal | Relative | - | - | - | - | - | - | 0.47 | 0.44 | 0.47 | 0.44 |
| | Sri Keshav Bhajanka | Relative | - | - | - | - | - | - | 1.01 | 1.13 | 1.01 | 1.13 |

* Guarantees given in aggregate by all the Directors.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

42. The Group's segment information as at and for the Year ended 31st March, 2013 are as below : (₹ in Lacs)

| Sl. No. | Continuing Operations | | | | Discontinuing Operations | | | Total |
|---|-----------------------------------|--------------------------|-------------------------|------------------------|--------------------------|------------------|--------------------|------------------------------|
| | Plywood | Laminate | Logistics | Others | Ferro Alloys | Power | Cement | |
| a | Revenue (Gross) | | | | | | | |
| External Sales | 90,349.29 (85,555.56) | 23,162.69 (19,729.74) | 5,882.15 (5,943.14) | 7,989.91 (1,564.25) | - (6,294.58) | - (949.56) | - (56,964.46) | 1,27,384.04 (1,77,001.29) |
| Inter-segment Sales | - (-) | - (-) | 62.47 (143.21) | 267.67 (184.13) | - (-) | - (6,450.93) | - (-) | 330.14 (6,778.27) |
| Total Revenue (Gross) | 90,349.29 (85,555.56) | 23,162.69 (19,729.74) | 5,944.62 (6,086.35) | 8,257.58 (1,748.38) | - (6,294.58) | - (7,400.49) | - (56,964.46) | 1,27,714.18 (1,83,779.56) |
| b | Result | | | | | | | |
| Segment Results | 6,343.54 (7,122.36) | 1,922.11 (2,096.40) | 2,121.33 (1,868.40) | 579.13 (270.92) | - (-95.76) | - (929.11) | - (11,052.24) | 10,966.11 (23,243.67) |
| Unallocated Income/ Expenses (-) (Net of unallocated Expense/ income | | | | | | | | -705.30 (-1,838.47) |
| Operating Profit | | | | | | | | 10,260.81 (21,405.20) |
| Finance Cost | | | | | | | | 4,035.90 (5,853.66) |
| Provision for Taxation | | | | | | | | 1,124.95 (3,288.17) |
| Deferred Tax | | | | | | | | 289.24 (-63.83) |
| Mat Credit Entitlement | | | | | | | | -956.00 (-2,648.51) |
| Net Profit (before minority interest) | | | | | | | | 5,766.72 (14,975.71) |
| Other Information | | | | | | | | |
| a | Total Assets | | | | | | | |
| Segment Assets | 47,771.98 (38,993.27) | 16,491.31 (13,140.39) | 15,737.67 (8,271.72) | 2,267.92 (653.85) | - (3,752.31) | - (30,011.90) | - (1,09,435.69) | 82,268.88 (2,04,259.13) |
| Unallocated Corporate /Other Assets | | | | | | | | 11,294.82 (14,469.27) |
| | | | | | | | | 93,563.70 (2,18,728.40) |
| b | Total Liabilities | | | | | | | |
| Segment Liabilities | 8,785.82 (5,948.68) | 1,853.76 (3,956.15) | 827.46 (518.21) | 260.26 (157.69) | - (426.31) | - (2,485.42) | - (7,584.34) | 11,727.30 (21,076.80) |
| Unallocated Corporates /Other Liabilities | | | | | | | | 55,396.05 (1,07,054.64) |
| | | | | | | | | 67,123.35 (1,28,131.44) |
| c | Capital Expenditure* | | | | | | | |
| | 5,613.45 (3,120.76) | 2,163.47 (1,561.38) | 8,317.07 (529.50) | 1.35 (36.50) | - (89.23) | - (9,559.97) | - (36,390.25) | 16,095.34 (51,287.59) |
| d | Depreciation /Amortisation | | | | | | | |
| | 1,146.27 (1,043.55) | 832.15 (438.49) | 778.60 (815.44) | 38.94 (3.20) | - (118.68) | - (331.76) | - (2,810.87) | 2,795.96 (5,561.99) |

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2013

42. The Group's segment information as at and for the Year ended 31st March, 2013 are as below (Contd.): (₹ in Lacs)

| Sl. No. | Continuing Operations | | | | Discontinuing Operations | | | Total |
|---------|---------------------------------------|----------|-----------|--------|--------------------------|-------|--------|---------------|
| | Plywood | Laminate | Logistics | Others | Ferro Alloys | Power | Cement | |
| e | Geographical Segment | | | | | | | |
| | i. Revenue (Gross) | | | | | | | |
| | India | | | | | | | 1,22,233.40 |
| | Overseas | | | | | | | (1,72,904.20) |
| | | | | | | | | 5,150.64 |
| | | | | | | | | (4,097.09) |
| | ii. Carrying amount of Segment Assets | | | | | | | |
| | India | | | | | | | 78,441.19 |
| | Overseas | | | | | | | (2,03,667.77) |
| | | | | | | | | 3,827.69 |
| | | | | | | | | (591.36) |

*Excluding ₹ 288.81 Lacs (₹ 77.01 Lacs) for unallocated corporate assets.

Notes :

- (a) **Business Segments** : The business segments have been identified on the basis of the products of the Group. Accordingly, the Group has identified following business segments:
- Plywood - Plywood, Block-Board, Veneer & Timber.
 - Laminate - Decorative Laminates & Pre-laminated Boards.
 - Logistic - Container Freight Stations (CFS).
 - Others - Mainly Trading of Chemicals, Minerals and Readymade Furniture.
- (b) **Geographical Segments** : The Group primarily operates in India and therefore the analysis of geographical segments is demarcated into India and overseas operations.
- (c) The Group has common fixed assets for producing goods for domestic and overseas market. Hence separate figures for fixed assets/additions to fixed assets have not been furnished.
43. The Group has paid anti-dumping duty amounting to ₹ 204.16 Lacs (including ₹ 47.43 Lacs during the year) on import of phenol which in opinion of the management and based on a legal opinion, is in excess of actual margin of dumping of said materials and accordingly refundable in terms of Section 9AA of Custom Tariff Act, 1975 and hence the same is considered as receivable and included under the head Loans & Advances.
44. In view of the new plywood unit being installed at Bacchau, Gujarat and expansion of the existing Laminate unit, the management is certain that there will be sufficient taxable profit during the specified period to adjust the MAT credit recognised in the books of accounts.
45. Previous year's figures including those given in brackets have been regrouped and rearranged wherever necessary. Further, previous year figures being inclusive of the figures of ferro alloys and cement divisions of the Company which have been demerged w.e.f. 1st April, 2012 (pursuant to a Scheme of Arrangement, Refer Note No. -36), are not comparable with the current year's figures.

For **S. R. BATLIBOI & CO. LLP**
Firm Registration No. 301003E
Chartered Accountants

Per **Bhaswar Sarkar**
a Partner
Membership No. 55596
Place : Kolkata
Date : 8th July, 2013

Arun Kumar Julasaria
CFO & Company Secretary

Sajjan Bhajanka
Chairman

Sanjay Agarwal
Managing Director

For and on behalf of the Board of Directors



CENTURYPLY[®]

CENTURY PLYBOARDS (INDIA) LTD.

Regd. Office: 6, Lyons Range, Kolkata - 700 001

Tel: +91 33 3940 3950

Fax: +91 33 2248 3539

Email : kolkata@centuryply.com

Website : www.centuryply.com

sms 'PLY' to 54646 for any queries

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

| | | |
|---|--|---|
| 1 | Name of the Company | Century Plyboards (India) Limited |
| 2 | Annual financial statements for the year ended | 31st March, 2013 |
| 3 | Types of Audit observation | Un-qualified |
| 4 | Frequency of observation | Not Applicable |
| 5 | <p>To be Signed by:</p> <ul style="list-style-type: none"> • CEO / Managing Director • CFO • Auditor of the Company • Audit Committee Chairman | <p>For Century Plyboards (India) Limited</p>   Sanjay Agarwal CEO & Managing Director |
| | | <p>For Century Plyboards (India) Limited</p>   Arun Kumar Julasaria Chief Financial Officer |
| | | <p>For S. R. Batliboi & Co. LLP Chartered Accountants Firm Registration Number: 301003E</p>   Bhaswar Sarkar Partner Membership Number: 55596 |
| | | <p>For Century Plyboards (India) Limited</p>   Mangi Lal Jain Audit Committee Chairman |